



WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION
ABN 60 001 838 777

FINANCIAL REPORT - 30 JUNE 2023

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WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**ABN 60 001 838 777****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
ASSETS			
Cash and cash equivalents	6	640,549	1,236,530
Trade and other receivables	7	3,203,048	3,051,296
Financial assets to be settled within 12 months	8	260,341	244,037
Financial assets to be settled after 12 months	8	2,973,465	3,166,262
Property, plant and equipment	9	30,717,544	24,512,208
TOTAL ASSETS		<u>37,794,947</u>	<u>32,210,333</u>
LIABILITIES			
Trade and other payables	10	350,890	302,008
Refundable loans expected to be paid within 12 months	11	2,218,182	2,267,690
Employee benefits expected to be paid within 12 months	12	687,330	488,139
Refundable loans expected to be paid after 12 months	11	12,986,112	12,557,978
Employee benefits expected to be paid after 12 months	12	36,251	41,403
TOTAL LIABILITIES		<u>16,278,765</u>	<u>15,657,218</u>
NET ASSETS		<u>21,516,182</u>	<u>16,553,115</u>
FUNDS			
Accumulated funds		1,393,240	2,630,173
Asset revaluation reserve	13	20,122,942	13,922,942
TOTAL FUNDS		<u>21,516,182</u>	<u>16,553,115</u>

The accompanying notes form part of these financial statements

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue	4	3,979,041	3,202,152
Other income	4	150,602	-
		<u>4,129,643</u>	<u>3,202,152</u>
Expenses			
Administration and other expenses		(442,237)	(445,147)
Catering and food supplies		(259,300)	(236,179)
Cleaning and laundry expenses		(71,216)	(67,364)
Contracts and maintenance		(1,088,963)	(654,451)
Depreciation	5	(77,828)	(77,790)
Fair value loss on financial assets	5	-	(308,524)
Finance costs	5	(21,858)	(22,114)
Insurance		(133,352)	(115,020)
Salaries and employee benefits		(3,180,473)	(2,606,218)
Utilities		(91,349)	(69,241)
		<u>(5,366,576)</u>	<u>(4,602,048)</u>
Surplus (deficit) before income tax		(1,236,933)	(1,399,896)
Income tax expense		-	-
		<u>-</u>	<u>-</u>
Surplus (deficit) for the year		(1,236,933)	(1,399,896)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on revaluation of land and buildings	9	6,200,000	-
Other comprehensive income for the year		<u>6,200,000</u>	<u>-</u>
Total comprehensive income (loss) for the year		<u><u>4,963,067</u></u>	<u><u>(1,399,896)</u></u>

The accompanying notes form part of these financial statements

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**STATEMENT OF CHANGES IN FUNDS**
FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Funds	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2021	4,030,069	13,922,942	17,953,011
Comprehensive income			
Surplus (deficit) for the year	(1,399,896)	-	(1,399,896)
Other comprehensive income	-	-	-
Total comprehensive income (loss) for the year	<u>(1,399,896)</u>	<u>-</u>	<u>(1,399,896)</u>
Balance at 30 June 2022	<u>2,630,173</u>	<u>13,922,942</u>	<u>16,553,115</u>
Balance at 1 July 2022	2,630,173	13,922,942	16,553,115
Comprehensive Income			
Surplus (deficit) for the year	(1,236,933)	-	(1,236,933)
Other comprehensive income			
Gain on revaluation of land and buildings	-	6,200,000	6,200,000
Total comprehensive income for the year	<u>(1,236,933)</u>	<u>6,200,000</u>	<u>4,963,067</u>
Balance at 30 June 2023	<u>1,393,240</u>	<u>20,122,942</u>	<u>21,516,182</u>

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers and government		3,014,853	2,666,291
Payments to suppliers and employees		(5,274,478)	(4,546,569)
Donations and bequests received		41,882	39,200
Investment income received		136,343	100,239
Interest paid		(21,858)	(22,114)
<i>Net cash flows from operating activities</i>		<u>(2,103,258)</u>	<u>(1,762,953)</u>
Cash flows from investing activities			
Proceeds from sale of financial assets		520,262	-
Purchase of property, plant and equipment - residential		(45,100)	(35,711)
Purchase of property, plant and equipment - other		(38,064)	(4,239)
Purchase of financial assets		(193,167)	(576,825)
<i>Net cash flows from investing activities</i>		<u>243,931</u>	<u>(616,775)</u>
Cash flows from financing activities			
Proceeds from refundable accommodation deposits		1,429,496	2,835,500
Proceeds from refundable entry contributions		2,618,000	3,276,000
Repayment of refundable accommodation deposits		(1,756,995)	(864,848)
Repayment of refundable entry contributions		(1,027,155)	(2,013,299)
<i>Net cash flows from financing activities</i>		<u>1,263,346</u>	<u>3,233,353</u>
Net increase (decrease) in cash and cash equivalents		(595,981)	853,625
Cash and cash equivalents at the beginning of the financial year		<u>1,236,530</u>	<u>382,905</u>
Cash and cash equivalents at the end of the financial year	6	<u>640,549</u>	<u>1,236,530</u>

The accompanying notes form part of these financial statements

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 1 - Corporate information**

The financial report includes the financial statements and notes of Willoughby Retirement Community Association. Willoughby Retirement Community Association is registered under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The company provides accommodation and care for retired and aged people, with a priority for those from Willoughby and neighbouring areas.

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

36 Douglas Avenue
Chatswood NSW 2067

The financial statements were approved by the Board of Directors on 27 September 2023.

Note 2 - Basis of preparation***Statement of compliance***

These general purpose financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures*. The company is a not-for-profit entity for the purposes of preparing these financial statements.

Basis of measurement

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

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates***Impairment***

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events 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.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 2 - Basis of preparation (continued)

New and revised standards that are effective for these financial statements

Several amendments to Australian Accounting Standards and interpretations are mandatory for the 30 June 2023 reporting period. These include:

- *AASB 2022-3 Amendments to AASs - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15* (effective for the year ending 30 June 2023)
- *AASB 2020-3 Amendments to AASB 116 - Property, Plant and Equipment: Proceeds before Intended Use* (effective for the year ending 30 June 2023)
- *AASB 2020-3 Amendments to AASB 137 - Onerous Contracts - Cost of Fulfilling a Contract* (effective for the year ended 30 June 2023)

The application of the amendments to AASB 15, AASB 116 and AASB 137 have not had a material impact on the carrying values of the company's asset, liability or equity balances; nor a material impact on the disclosures in the financial report nor the recognition and measurement of the company's revenue or expenses.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the company. These include:

- *AASB 2020-1: Amendments to AASs - Classification of Liabilities as Current or Non-current* (effective for the year ending 30 June 2024)
- *AASB 2021-2- and AASB 2021-6: Amendments to AASs - Disclosure of Accounting Policies* (effective for the year ending 30 June 2024)
- *AASB 2021-2: Amendments to AASB 108 - Definition of Accounting Estimates* (effective for the year ending 30 June 2024)

It is not expected that AASB 2020-1, AASB 2021-2 or AASB 2021-6 will have a material impact on the company in future reporting periods.

Presentation of Statement of Financial Position on a liquidity basis

The Directors have taken the view that in complying with the requirements of AASBs, the treatment of refundable loans (accommodation bonds, refundable accommodation deposits and entry contributions) as current liabilities does not reflect the true liquidity of the company as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, in the current year the Directors have chosen to present its statement of financial position under the liquidity presentation method (*AASB 101 Presentation of Financial Statements*) on the basis that it presents a more reliable and relevant view.

Note 3 - Significant accounting policies

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

Income tax

Willoughby Retirement Community Association is a not-for-profit Charity & Public Benevolent Institution and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 3 - Significant accounting policies (continued)*****Revenue recognition***

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Resident fees, daily accommodation payments and recurrent government subsidies

Revenue from residents' fees, daily accommodation payments and related government subsidies are recognised on a proportional basis to take account of the delivery of service to or occupancy by residents.

Grants, donations and bequests

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the company obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the company; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest

Revenue from interest is recognised on an accrual's basis.

Retentions from entry contributions

The retention income earned from resident entry contributions is recognised as income as the company becomes entitled to receive the retention under the terms of the resident agreement.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

Property, plant and equipment**Recognition and measurement**

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 3 - Significant accounting policies (continued)

Property, plant and equipment (continued)

Recognition and measurement (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all relevant property, plant and equipment, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Land is not depreciated.

The depreciation rates used for each class of depreciable assets are:

Furniture, fixtures and fittings	10% - 33%
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 3 - Significant accounting policies (continued)

Property, plant and equipment (continued)

Classification of retirement village buildings

The buildings associated with the retirement villages owned and operated by the company have been classified as buildings and included as part of property, plant and equipment. Whilst these buildings are not occupied by the company, and only earn rental income, deferred management fees and yield capital gains upon turnover of the units, the company has used the exemption open to not-for-profit entities under AASB 140 to classify the buildings as other than investment properties. The Directors believe that the buildings have a wider social purpose in that the company does provide some housing for the financially disadvantaged. In addition, the Directors are of the opinion that the rental income is incidental to cash inflows from the resident entry contributions.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the company commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial assets

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:

- The contractual cash flow characteristics of the financial asset
- The business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- The financial asset is managed solely to collect contractual cash flows
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Fair value through other comprehensive income

Investments in equity instruments in that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 3 - Significant accounting policies (continued)*****Financial instruments (continued)****Fair value through other comprehensive income (continued)*

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward-looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Directors considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- Financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 3 - Significant accounting policies (continued)*****Income received in advance***

Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

Refundable entry contributions

Refundable entry contributions are received from residents of self-care villages, and they are non-interest bearing and the net amount is repayable upon departure or transfer. Refundable entry contributions are measured at the principal amount net of any retentions, or any other amounts deducted from the loan at the election of the resident.

Refundable accommodation deposits

Refundable accommodation deposits are non-interest-bearing deposits made by aged care facility residents to the company upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident.

Leases

The company does not recognise leases that have a lease term of 12 months or less or meet the definition of a "peppercorn" lease. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Employee benefits***Short-term employee benefits***

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
Note 4 - Revenue		
Operating revenue		
Government subsidies and recurrent grants	1,227,954	785,392
Government grants - non-recurrent	94,366	37,049
Resident fees and charges	1,396,578	1,371,011
Retentions from entry contributions	901,662	626,804
Accommodation payments	146,805	155,355
Other operating revenue	20,637	19,179
	<u>3,788,002</u>	<u>2,994,790</u>
Other revenue		
Donations	41,882	39,200
Investment income	98,315	118,454
Rental income	50,842	49,708
	<u>191,039</u>	<u>207,362</u>
<i>Total revenue</i>	<u>3,979,041</u>	<u>3,202,152</u>
Other income		
Fair value gain on financial assets	150,602	-
<i>Total other income</i>	<u>150,602</u>	<u>-</u>
<i>Total revenue</i>	<u>4,129,643</u>	<u>3,202,152</u>
Note 5 - Expenses		
Depreciation	77,828	77,790
Provision for impairment - doubtful debts	1,733	136
Finance expenses	21,858	22,114
Net loss on disposal of property, plant and equipment	-	2,429
Fair value loss on financial assets	-	308,524
Note 6 - Cash and cash equivalents		
Cash at bank and on hand	640,549	1,236,530
<i>Total cash and cash equivalents</i>	<u>640,549</u>	<u>1,236,530</u>
Note 7 - Trade and other receivables		
<u>Expected to be settled within 12 months</u>		
Trade receivables	640	5,392
Provision for impairment	(158)	(1,891)
Refundable accommodation deposits receivable	371,250	-
Refundable entry contributions receivable	2,642,000	2,886,500
GST receivable	21,981	20,398
Other receivables	159,596	140,897
Prepayments	7,739	-
<i>Total trade and other receivables</i>	<u>3,203,048</u>	<u>3,051,296</u>
Provision for impairment		
Balance at the beginning of the financial year	1,891	2,027
Increase (decrease) in provision	(1,733)	(136)
Balance at the end of the financial year	<u>158</u>	<u>1,891</u>

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
Note 8 - Financial assets		
<u>Expected to be settled within 12 months</u>		
Financial assets at fair value through profit or loss		
Managed funds and bonds	260,341	244,037
	<u>260,341</u>	<u>244,037</u>
<u>Expected to be settled after 12 months</u>		
Financial assets at fair value through profit and loss		
Managed funds and bonds	2,973,465	3,166,262
	<u>2,973,465</u>	<u>3,166,262</u>
<i>Total financial assets</i>	<u><u>3,233,806</u></u>	<u><u>3,410,299</u></u>
Movements in carrying amount		
Opening net carrying amount	3,410,299	3,141,998
Additions	193,167	576,825
Disposals	(520,262)	-
Fair value gain (loss)	150,602	(308,524)
Closing net carrying amount	<u><u>3,233,806</u></u>	<u><u>3,410,299</u></u>

Note 9 - Property, plant and equipment

	Land	Buildings	Furniture, Fixtures and Fittings	Total
	\$	\$	\$	\$
At 30 June 2022				
Cost	-	-	890,806	890,806
Valuation	12,400,000	11,750,000	-	24,150,000
Accumulated depreciation	-	-	(528,598)	(528,598)
<i>Net carrying amount</i>	<u>12,400,000</u>	<u>11,750,000</u>	<u>362,208</u>	<u>24,512,208</u>
Movements in carrying amounts				
Opening net carrying amount	12,400,000	11,750,000	362,208	24,512,208
Additions - residential	-	-	45,100	45,100
Additions - non residential	-	-	38,064	38,064
Revaluation	3,950,000	2,250,000	-	6,200,000
Depreciation charge for the year	-	-	(77,828)	(77,828)
Closing net carrying amount	<u>16,350,000</u>	<u>14,000,000</u>	<u>367,544</u>	<u>30,717,544</u>
At 30 June 2023				
Cost	-	-	973,970	973,970
Valuation	16,350,000	14,000,000	-	30,350,000
Accumulated depreciation	-	-	(606,426)	(606,426)
<i>Net carrying amount</i>	<u>16,350,000</u>	<u>14,000,000</u>	<u>367,544</u>	<u>30,717,544</u>

Valuation of land and buildings

The freehold land and buildings were independently valued on 17 May 2023 by Global Valuation Services. The valuation was based on the depreciated replacement cost valuation approach. The valuation determined the fair value of the freehold land to be \$16,350,000 and the fair value of the buildings to be \$14,000,000. The company has a policy to have an independent valuation every three years.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
Note 10 - Trade and other payables		
<u>Expected to be settled within 12 months</u>		
Trade payables	89,964	87,138
Liabilities to employees	77,775	63,243
Income in advance	102,107	82,563
Other payables	81,044	69,064
<i>Total trade and other payables</i>	<u>350,890</u>	<u>302,008</u>
Note 11 - Refundable loans		
<u>Expected to be settled within 12 months</u>		
Refundable accommodation deposits	1,395,505	755,131
Refundable entry contributions	822,677	1,512,559
	<u>2,218,182</u>	<u>2,267,690</u>
<u>Expected to be settled after 12 months</u>		
Refundable accommodation deposits	5,582,018	6,109,699
Refundable entry contributions	7,404,094	6,448,279
	<u>12,986,112</u>	<u>12,557,978</u>
<i>Total refundable loans</i>	<u>15,204,294</u>	<u>14,825,668</u>
(a) Movement in refundable accommodation deposits		
Opening net carrying amount	6,864,830	6,016,788
New RADs received	1,800,746	1,790,500
Allowable deductions	(109,808)	(197,298)
Transfers to/from entry contributions	178,750	119,688
RADs refunded	(1,756,995)	(864,848)
Closing net carrying amount	<u>6,977,523</u>	<u>6,864,830</u>
(b) Movement in refundable entry contributions		
Opening net carrying amount	7,960,838	6,170,629
New contributions received	2,373,500	4,550,000
Retention from contributions	(901,662)	(626,804)
Transfers to accommodation bonds	(178,750)	(119,688)
Contributions refunded	(1,027,155)	(2,013,299)
Closing net carrying amount	<u>8,226,771</u>	<u>7,960,838</u>
(c) Terms and conditions		

Refundable accommodation deposits and accommodation bonds (loans) are repayable on the following basis:-

- (i) If the resident gives notice more than 14 days prior to departure then the loan is payable on the date of departure;
- (ii) If the resident gives notice less than 14 days prior to departure the loan is payable within 14 days after notice is
- (iii) If the resident gives no notice the loan is repayable 14 days after departure; and
- (iv) If the resident dies, the loan is repayable within 14 days from the date that notice is received of the granting of probate or letters of administration.

Refundable entry contributions are non-interest bearing and have a maximum repayment term of 6 months.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<u>Note 12 - Employee benefits</u>		
<u>Expected to be settled within 12 months</u>		
Annual leave	374,414	263,189
Long service leave	312,916	224,950
	<u>687,330</u>	<u>488,139</u>
<u>Expected to be settled after 12 months</u>		
Capital works fund	-	-
Long service leave	36,251	41,403
	<u>36,251</u>	<u>41,403</u>
<i>Total employee benefits</i>	<u><u>723,581</u></u>	<u><u>529,542</u></u>

Note 13 - Reserves

Asset revaluation reserve	20,122,942	13,922,942
<i>Total reserves</i>	<u><u>20,122,942</u></u>	<u><u>13,922,942</u></u>

Nature and purpose of reserves

The asset revaluation reserve records realised gains on revaluation of property, plant and equipment recorded at fair value.

Note 14 - Key management personnel***Remuneration of key management personnel***

The aggregate amount of compensation paid to key personnel during the year was: 726,129 871,459

Note 15 - Auditor's remuneration

Fees paid to StewartBrown, Chartered Accountants:

Audit of the financial report	23,000	21,500
Preparation of the financial report	10,000	9,600
Other advisory services	-	2,000
<i>Total auditor's remuneration</i>	<u><u>33,000</u></u>	<u><u>33,100</u></u>

Note 16 - Contingent liabilities

At balance date the company is not aware of the existence of any contingent liability.

Note 17 - Limitation of members' liability

The company is registered as a company limited by guarantee and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed \$50.00 per member. At 30 June 2023 the number of members of the company was 7 (2022: 8).

Note 18 - Economic dependency

The Directors consider that the company is economically dependent on revenue received from the Commonwealth Department of Health and Aged Care with respect to its residential aged care facilities. The Directors believe that this revenue will continue to be made available to the company for the foreseeable future.

The total amount of recurrent government funding received during the financial year was \$1,322,320 (2022: \$822,441) and this represented 33.2% of total revenue (2022: 25.7%).

Note 19 - Events occurring after balance date

There were no significant events occurring after balance date.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION
ABN 60 001 838 777

FINANCIAL REPORT - 30 JUNE 2023

DIRECTORS' DECLARATION

The Directors of the Willoughby Retirement Community Association declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2022*; and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the company.
2. In the opinion of the Directors, 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.



Gerald Fender
Treasurer



Lindy Kearns
Director

Chatswood, 27 September 2023

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION
ABN 60 001 838 777

FINANCIAL REPORT - 30 JUNE 2023

DIRECTORS' DECLARATION
UNDER THE CHARITABLE FUNDRAISING ACT 1991

In the opinion of Willoughby Retirement Community Association:

- a) The financial statements and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals for the year ended 30 June 2023;
- b) The statement of financial position as at 30 June 2023 gives a true and fair view of the state of affairs of the company with respect to fundraising appeals conducted by the organisation;
- c) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with by the organisation; and
- d) The internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

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



Gerald Fender
Treasurer



Lindy Kearns
Director

Chatswood, 27 September 2023



WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION
ABN 60 001 838 777

FINANCIAL REPORT - 30 JUNE 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40
OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE MEMBERS OF WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

StewartBrown

StewartBrown
Chartered Accountants

Justin Weiner

Justin Weiner
Partner

27 September 2023

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION
ABN 60 001 838 777

FINANCIAL REPORT - 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION

Opinion

We have audited the financial report of Willoughby Retirement Community Association which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In our opinion, the accompanying financial report of Willoughby Retirement Community Association is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) 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
- b) complying with *Australian Accounting Standards - Simplified Disclosures* and 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 Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* 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 a 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.

The Directors are responsible for overseeing the company's financial reporting process.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION
ABN 60 001 838 777

FINANCIAL REPORT - 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION

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.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is <http://www.auasb.gov.au/Home.aspx>

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.

Report on Other Legal and Regulatory Requirements

In addition, our audit report has also been prepared for the members of the company in accordance with section 24(1) of the *Charitable Fundraising Act 1991*. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Australian Charities and Not-for-profits Commission Act 2012*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act 1991* and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year-end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year-end financial report preparation.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Charitable Fundraising Act 1991* has been formed on the above basis.

WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION
ABN 60 001 838 777

FINANCIAL REPORT - 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WILLOUGHBY RETIREMENT COMMUNITY ASSOCIATION


Auditor's opinion

Pursuant to the requirements of with section 24(1) of the *Charitable Fundraising Act 1991*, we report that, in our opinion:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2023;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period 1 July 2022 to 30 June 2023, in accordance with the *Charitable Fundraising Act 1991* and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period 1 July 2022 to 30 June 2023 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and Regulations; and
- d) at the date of this report there are reasonable grounds to believe that company will be able to pay its debts as and when they become due and payable.



StewartBrown
Chartered Accountants



Justin Weiner
Partner

27 September 2023