

COWRA RETIREMENT VILLAGE LTD

ABN: 64 965 761 315

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

COWRA RETIREMENT VILLAGE LTD

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COWRA RETIREMENT VILLAGE LTD
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AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2024

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Wagga Wagga

Dated 24 October 2024

COWRA RETIREMENT VILLAGE LTD
ABN: 64 965 761 315

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		\$	\$
Revenue and other income	4	14,174,591	11,668,655
Less: Expenses			
Agency, consultancy, and contractor expenses		1,222,327	902,912
Consumables and supplies		1,445,312	1,285,448
Depreciation expense		483,002	475,105
Employee benefits expense		10,010,629	7,978,821
Other expenses		658,421	819,405
Rates and utilities		340,075	313,565
Repairs and maintenance		226,694	205,158
Loss before income tax		<u>(211,869)</u>	<u>(311,759)</u>
Income tax expense	2(a)	-	-
Loss for the year		<u>(211,869)</u>	<u>(311,759)</u>
Items that will not be reclassified subsequently to profit or loss			
Net unrealised gain/(loss) on financial assets during the year	2(e)(h)	(40,298)	270,629
Net realised gain/(loss) on disposal of financial assets		-	(69,816)
Other comprehensive income/(loss) for the year		<u>(40,298)</u>	<u>200,813</u>
Total comprehensive loss for the year		<u><u>(252,167)</u></u>	<u><u>(110,946)</u></u>

The accompanying notes form part of these financial statements.

COWRA RETIREMENT VILLAGE LTD
ABN: 64 965 761 315

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,221,833	8,075,957
Trade and other receivables		200,425	174,351
Other financial assets	7	12,245,516	2,267,902
Other assets	8	276,458	204,613
TOTAL CURRENT ASSETS		<u>15,944,232</u>	<u>10,722,823</u>
NON-CURRENT ASSETS			
Investment properties	9	1,766,057	1,824,938
Property, plant and equipment	10	7,636,486	8,017,989
TOTAL NON-CURRENT ASSETS		<u>9,402,543</u>	<u>9,842,927</u>
TOTAL ASSETS		<u>25,346,775</u>	<u>20,565,750</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	628,116	366,246
Employee entitlements	12	1,383,586	1,141,775
Contract liabilities	13	19,831,532	15,302,021
TOTAL CURRENT LIABILITIES		<u>21,843,234</u>	<u>16,810,042</u>
TOTAL LIABILITIES		<u>21,843,234</u>	<u>16,810,042</u>
NET ASSETS		<u>3,503,541</u>	<u>3,755,708</u>
EQUITY			
Reserves		4,981	45,279
Retained earnings		3,498,560	3,710,429
TOTAL EQUITY		<u>3,503,541</u>	<u>3,755,708</u>

The accompanying notes form part of these financial statements.

COWRA RETIREMENT VILLAGE LTD
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
RETAINED EARNINGS		
Retained earnings at the beginning of the year	3,710,429	4,092,004
Loss for the year	(211,869)	(311,759)
Net realised gain/(loss) on disposal of financial assets	-	(69,816)
Retained earnings at the end of the year	<u>3,498,560</u>	<u>3,710,429</u>
FINANCIAL ASSET RESERVE		
Financial asset reserve at the beginning of the year	45,279	(225,350)
Net unrealised gain/(loss) during the year	(40,298)	270,629
Financial asset reserve at the end of the year	<u>4,981</u>	<u>45,279</u>
TOTAL EQUITY	<u><u>3,503,541</u></u>	<u><u>3,755,708</u></u>

The accompanying notes form part of these financial statements.

COWRA RETIREMENT VILLAGE LTD
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from clients	6,169,500	3,027,227
Receipts from government subsidies	7,371,766	8,006,079
Interest received	343,094	81,208
Payments to suppliers and employees	(13,448,498)	(11,305,544)
Net cash provided by /(used in) operating activities	435,862	(191,030)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(42,680)	(881,156)
Cash and cash equivalents converted to financial assets	(10,017,912)	(503,164)
Disposal of financial assets	-	3,672,951
Other receipts from investing activities	-	260,215
Net cash provided by/(used in) investing activities	(10,060,592)	2,548,846
CASH FLOWS FROM FINANCING ACTIVITIES:		
Receipts of refundable accomodation payments	7,603,158	4,866,067
Payments to refund refundable accomodation payments	(3,700,758)	(3,205,244)
Receipts of independent living unit deposits	1,490,000	840,000
Repayment of independent living unit bonds	(621,794)	(557,583)
Net cash provided by financing activities	4,770,606	1,943,240
Net increase/(decrease) in cash and cash equivalents held	(4,854,124)	4,301,056
Cash and cash equivalents at beginning of year	8,075,957	3,774,901
Cash and cash equivalents at end of financial year	6 3,221,833	8,075,957

The accompanying notes form part of these financial statements.

COWRA RETIREMENT VILLAGE LTD

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

The financial statements cover Cowra Retirement Village Ltd as an individual entity. Cowra Retirement Village Ltd is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2024 were to provide services for the care, comfort, maintenance, advancement and benefit of persons who are aged, have a disability or other health infirmity.

In October 2023, the Company officially migrated and took over the existing Commonwealth Home Support Programme (CHSP) clients and services from Ability Network Ltd. The program delivered 60 new aged care clients to the Company expanding on the current Home Care Program in place.

There are no other significant change in the principal activities of the Company during the year.

The functional and presentation currency of Cowra Retirement Village Ltd is Australian dollars (\$AUD) and all amounts have been rounded to the nearest dollar.

The financial statements were authorised for issue by the Directors on 24 October 2024.

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

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

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

The Company has adopted the amendments to AASB 101 *Presentation of Financial Statements* which require only the disclosure of material accounting policy information rather than significant accounting policies, and therefore, policy information which does not satisfy one of the following requirements has been removed from the financial report:

- Relates to change in accounting policy;
- Policy has been developed in the absence of an explicit accounting standard requirement;
- Documents an accounting policy choice;
- Relates to an area of significant judgement or estimation; and
- Relates to a complex transaction and is required to explain treatment of the user.

Economic dependence

Cowra Retirement Village Ltd is dependent on the Department of Health and Ageing for the majority of its revenue used to operate. At the date of this report, the Directors have no reason to believe the Department of Health and Ageing will not continue to support the Company.

COWRA RETIREMENT VILLAGE LTD

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1 BASIS OF PREPARATION

Going concern

The Company has been making operating losses for the past eight (8) years, and continues to have a shortfall in current assets over current liabilities of \$5,899,011 (2023: \$6,087,219). As at 30 June 2024 the current assets to current liabilities ratio is 0.73:1 (2023: 0.64:1), however, \$19,831,523 (91%) of the \$21,843,234 in total current liabilities pertains to Refundable Accommodation Deposits (RADs), Independent Living Unit (ILU) Funds, and unspent Home Care Package (HCP) funds.

These amounts are considered current as there is no right to defer settlement beyond the next 12 months. However, it is not expected that the full amount of these liabilities will be settled in the next 12 months. Net movement in these accounts amounted to a net cash injection of \$4,529,511 during the year ended 30 June 2024 (2023: \$1,711,746).

The Directors monitor liquidity on a monthly basis and review the Company's internal investment and liquidity strategies annually. As outlined in the 2023/24 Liquidity Management Strategy, the level of funds held at anytime should not be less than 60% of the total RADs and the liquidity amount required for the RADs for the year ended 30 June 2024 should not fall below \$3,000,000. There were no breaches in this requirement during the year.

For these reasons, the Directors believe the Company will continue to operate as a going concern and the going concern basis of preparation of the financial statements is appropriate.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Income Tax

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

(b) Revenue and other income

The revenue recognition policies for the key revenue streams of the Company are outlined as follows:

Independent living units

The Company's independent living units are split into four (4) locations known as Kaylan Court, Kiah Place, Bellevue Lodge and Jessie Livingstone Court - Grenfell.

Revenue from independent living units is recognised in accordance with their operational category, being, those which are resident funded and those which are operated on a rental basis.

Resident funded

Kaylan Court and Kiah Place are both categorised as resident funded units (entry 'buy-in' payments). Resident funded units require an entry or 'buy-in' payment from the unit holder. The entry price for each unit type (i.e. one-bedroom and two-bedroom units) are determined using current market rates within the region. The entry payment is initially recognised as a contract liability on inception of the funds in the statement of financial position.

Each unit holder is invoiced a recurrent charge on a monthly basis. The recurrent charge is reviewed on an annual basis, in July each year, by reference to the regional market rates and the Consumer Price Index (CPI). Revenue for recurrent charges is recognised within the month in which the unit was occupied by the unit holder.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

An exit fee is payable upon termination of the contract and is determined by the number of years the contract has been in place. The exit fee is calculated as a percentage (%) of the entry payment price. This is then deducted from the entry payment, on termination of the contract.

Rental operated

Jessie Livingstone Court and Bellevue Lodge is operated on a rental basis. Upon entry, a bond equal to one (1) month's rent is payable to the Company. The bond repayment is conditional on the outcomes contained within the independent living unit agreement. On this basis, the bond is initially recognised as a contract liability in the statement of financial position.

Rent is charged to the tenant of each unit on a monthly basis. The rental amount is reviewed on an annual basis, in July each year, by reference to regional market rates and the Consumer Price Index (CPI). Additional charges may be made for undercover parking which is also reviewed on an annual basis.

Receipts from rent and additional charges are recognised as revenue within the month to which the unit was occupied by the tenant. Rent in arrears is recognised as receivable assets, and amounts received in advance are recognised as a contract liability in the statement of financial position.

Residential aged care

The Company operates an eighty-four (84) bed facility which includes a fourteen (14) bed dementia specific wing, located in Ganya Cottage. All rooms are single bedrooms with an ensuite.

Residential age care revenue is recognised in accordance with the following categories:

- Government subsidies;
- Residential aged care fees; and
- Accommodation costs.

Government subsidies

Government funding is received by the Company to subsidise the cost of residential aged care services, including accommodation. Government subsidies and amendments may be received in the month subsequent to which they related. When this occurs, the Company recognises a trade receivable asset in the statement of financial position.

Residential aged care

Residential respite care is available for up to sixty-three (63) days per financial year at a reduced rate, subsidised by the Australian Government by way of funding.

The amount of funding that the Company receives is based on:

- an assessment of each residents care needs, using a tool called the 'Aged Care Funding Instrument' (ACFI); and
- how much the resident can afford to contribute to the cost of their individual care and accommodation needs (using an income and assets assessment).

To receive funding, the Company is required to meet Aged Care Quality Standards to ensure quality care and services are being provided. Government subsidies are paid directly to the Company on a monthly basis.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

Revenue in relation to government subsidies is generally recognised within the month to which the residential aged care fees were charged to the resident, to match the timing of costs being incurred by the Company, while fulfilling the performance obligations outlined within the contract with the resident.

Accommodation

Some residents will have their accommodation costs subsidised in their entirety by the Australian Government via funding. Others are required to pay the full accommodation price set by the Company. The Department of Human Services (DHS) advises the Company on this, based on an assessment of each resident's income and assets.

If assessed assets are under a set amount, the resident is a fully supported resident, which means the Australian Government will cover the entirety of the accommodation costs. If assessed assets are between a set amount, a partial accommodation payment (called an accommodation contribution) will be required. The DHS will advise what portion the consumer pays and the Australian Government will pay the balance.

Revenue in relation to government subsidies is generally recognised within the month to which the accommodation costs were charged to the resident, to match the timing of costs being incurred by the Company, while fulfilling the performance obligations outlined within the contract with the resident.

Residential aged care fees

Residential aged care fees include a basis daily care fee and/or a means tested care fee. All residents (consumers) are required to pay a basic daily care fee. This fee is used for covering day-to-day living costs of consumers. The fee is set at eighty-five percent (85%) of the single aged pension, and is increased twice per year as the pension increases.

The means tested care fee is dependent upon the outcome of a Centrelink Assets and Income Assessment. The means tested fee is an additional contribution towards the cost of consumer care, resulting in a lower share of the care costs being subsidised by the Australian Government via funding.

Basic daily care and means tested care fees are charged to residents on a monthly basis and recognised as revenue within which the daily care was provided. Basic daily and means tested care fees in arrears are recognised as a receivable asset and amounts received in advance are recognised as a contract liability in the statement of financial position.

Accommodation costs

An incoming resident with assets above a set amount will be required to make a full accommodation payment. The accommodation prices for the Company vary depending on the room.

An accommodation payment can be made in a number of ways:

- Refundable accommodation deposit (RAD);
- Daily accommodation payment (DAP); or
- A combination of a refundable accommodation payment and daily accommodation payment (RAD/DAP combination).

Residents also have the following partially supported payment options:

- Daily accommodation contribution (DAC); and
- Refundable accommodation contribution (RAC).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

Refundable Accommodation Deposit (RAD)

A RAD is a lump sum payment which is one hundred percent (100%) refundable when a resident leaves the Company and is recognised as a current 'contract liability' in the statement of financial position.

Daily Accommodation Payment (DAP)

A DAP is a rental-style daily payment, calculated using a government interest rate and the following formula: (RAD x interest rate) divided by 365 days.

All residents, unless a RAD is paid on or before the admission date, will be charged a DAP until a Department of Human Services fee letter is received by the Company. This payment type can be altered if the fee letter indicates a different result or if the consumer decides to pay their Accommodation costs with a RAD payment.

Daily accommodation payments are invoiced to the resident on a monthly basis and recognised as revenue on a daily basis. Amounts in arrears are recognised as receivable assets, and amounts received in advance are recognised as a contract liability in the statement of financial position.

RAD/DAP Combination

Residents can choose to pay a partial lump-sum RAD (amount determined by the resident) and use a rental-style DAP to make up the difference.

Residents may choose to deduct the DAP from the RAD, effectively reducing the RAD, or the DAP can be invoiced and paid monthly, preserving the RAD amount paid to be 100% refundable. When this occurs, the liability is reduced in-line with the recognition of revenue.

Daily Accommodation Contribution (DAC)

A DAC is the daily amount the DHS will advise residents are required to pay if they are assessed as needing to pay a partial accommodation payment. This fee is re-assessed by the DHS several times per year and may change (either more or less).

The daily accommodation contribution is invoiced to the resident on a monthly basis and recognised as revenue on a daily basis. Amounts in arrears are recognised as receivable assets, and amounts received in advance are recognised as a contract liability in the statement of financial position.

Refundable Accommodation Contribution (RAC)

A RAC is a lump sum payment, similar to the RAD. The RAC is calculated based on the DAC the DHS allocates to the resident. The DAC is converted to a RAC amount and residents can pay the RAC amount if they wish. As the DAC may change throughout the year, this will also affect the RAC amount. If the DAC goes up, the RAC contract liability will increase. If the DAC goes down, the RAC contract liability will decrease.

Home care packages

Home care package revenue consists of the following elements:

- Home care package government subsidies;
- Basic daily fees; and
- Income-tested care fees.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

Home care package government subsidies

The Company is an approved home care provider who receives government subsidies on behalf of home care package (HCP) recipients. The government may also provide extra funding for recipients who are eligible for home care supplements (including, dementia and cognition, veterans', oxygen, enteral feeding, viability, and hardship).

There are four (4) levels of Home Care Packages to help meet the different levels of care needs:

- Level 1 – for people with basic care needs;
- Level 2 – for people with low-level care needs;
- Level 3 – for people with intermediate care needs; and
- Level 4 – for people with high-level care needs.

A community care coordinator is assigned to each HCP recipient who develops a care plan and budget based on the needs of the recipient. As a result, recipients may be required to make self-contributions to cover costs which are unable to be subsidised based on their respective level of care.

The Company subsequently provides the care services using either direct (i.e. internally via staff employed or sub-contractors hired), or indirectly (i.e. through external service providers and suppliers). Expenses are incurred by the Company on a monthly basis in advance.

The Company charges a 'management fee' of 20% which includes a 10% fee for management of the care funds, and a 10% fee for the management of the care plan. Management fees are calculated based on the 'total entitlement' of each HCP recipient on a monthly basis.

At the end of each month, the Company submits a claim with Services Australia for costs incurred directly and indirectly, plus the management fee. Each claim is received within the subsequent month.

Direct services performed and management fees charged are recognised as revenue of the Company within the month to which the expenses was incurred. Indirect services are not recognised as revenue, as the Company is acting as the agent of these funds.

The Company received HCP recipient funding in accordance with the monthly expenses incurred.

Package management fees

Package management is the ongoing administration and organisational activities associated with ensuring the smooth delivery and management of the recipient's home care package. It may include the costs for preparing monthly statements, managing package funds, and compliance and quality assurance activities required for home care packages.

It does not include costs that are unrelated to supporting care, nor costs associated with the Company's running of the business, such as marketing, office rent, insurance or activities completed before entering into a home care agreement.

Care management fee

Care Management may include reviewing the home care agreement and care plan, co-ordination and scheduling of services, ensuring care is aligned with other supports, and providing a point-of-contact for the recipient's support network.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

Basic daily fees

A basic daily fee may be requested by the Company for payment to add to the total funding available within each recipient's package. The Government sets the maximum amount which can be charged, which varies depending on the home care package level. These fees are invoiced monthly and initially recognised as a contract liability. Subsequent recognition as revenue does not occur until such time the Company has fulfilled its performance obligations as detailed under home care package government subsidies.

Income-tested care fees

Recipients of home care package subsidies may also be required to pay an income-tested care fee. This requirement and the amount required (if any), is determined by a formal income assessment performed by Services Australia. If a recipient is required to pay this fee, there is an annual and lifetime limit on how much the recipient must pay to the Company.

These fees are invoiced monthly and initially recognised as a contract liability. Subsequent recognition as revenue does not occur until such time the Company has fulfilled its performance obligations as detailed under home care package government subsidies.

Other grant revenue

Receipts from grant funding is initially recognised as a contract liability in the statement of financial position and subsequently recognised as revenue in line with the Company fulfilling its performance obligations as outlined in the terms of the agreement.

Donations and bequests

Donations and bequests are recognised as revenue when received, to the extent there are no specific or enforceable performance obligations attached to the funds being received. In the event there is, revenue is recognised on fulfillment of the performance obligation being satisfied.

Gain on disposal of non-current assets

When a non-current asset is disposed, the gain (or loss) is calculated by comparing proceeds received with the assets carrying amount, and subsequently taken to profit or loss.

Other revenue

Other revenue is recognised on an accrual basis when the Company has satisfied its performance obligations.

Interest revenue

Interest is recognised as revenue using the effective interest method.

(c) Property, plant and equipment

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

The Company implemented a capitalisation threshold of \$2,500.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(c) Property, plant and equipment

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on both a straight-line and diminishing value basis over the assets useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	1.5% - 20%
Plant and Equipment	2.5% - 40%

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.

(d) Investment property

Investment property is held at cost which includes expenditure that is directly attributable to the acquisition of the investment property. The investment properties pertain to the 4 home units located at 3 Brougham Street, Cowra NSW 2794, which are depreciated on a straight line basis over 40 years.

(e) Financial instruments

Financial assets

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

The Company's financial assets measured at amortised cost comprise of trade and other receivables, cash and cash equivalents, and term deposits with a maturity > 3 months which are classified as other financial assets in the statement of financial position.

Fair value through other comprehensive income

Equity instruments

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

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.

COWRA RETIREMENT VILLAGE LTD
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(e) Financial instruments

Financial liabilities

The financial liabilities of the Company comprise trade and other payables.

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

(f) Impairment of non-financial assets

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

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) Leases

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

The Company as a lessee

The Company is party to an operating lease agreement with the State of NSW via the Orange District Office - Department of Lands for the land situated at Holman Place Cowra NSW 2794.

Terms and conditions of the lease

The lease pertaining to Holman Place Cowra NSW 2794 commenced on 1 January 2005 which has a term of 50 years, expiring 31 December 2054. As outlined within the lease agreement, the Company is permitted to use the land to operate an Aged Care Facility, and make constructed improvements for Self Care Residences and Dementia Units. Rent charged is reviewed every 3 years, and there is currently no options included to renew the lease beyond the termination date.

Exceptions to lease accounting

Rent charged for Holman Place Cowra NSW 2794 is deemed to be nominal and therefore, the Company has classified the lease as a peppercorn lease. On this basis, the Company has applied the exceptions to lease accounting under AASB 16 Leases as well as AASB 1058 *Income of Not-for-Profit Entities*. No right-of-use asset or lease liabilities have been recognised accordingly.

(h) Reserves

The financial asset revaluation reserve comprises unrealised gains/(losses) and other movements in its financial assets recognised and measured as financial assets at fair value through other comprehensive income. See Note 2(e) Financial Instruments for further information.

COWRA RETIREMENT VILLAGE LTD

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(i) Employee entitlements

A liability is made for the Company's employee entitlements arising from services rendered by employees to the end of the reporting period. Employee entitlements 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 entitlements 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 entitlements.

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.

(j) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors 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 - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

COWRA RETIREMENT VILLAGE LTD
ABN: 64 965 761 315

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
4 REVENUE AND OTHER INCOME		
Revenue		
- Home care packages	1,671,741	1,348,420
- Independent living units	638,027	506,704
- Interest revenue	344,079	81,287
- Other grant funding	-	314,758
- Other revenue	399,641	394,626
- Residential aged care	10,775,941	8,460,698
	<u>13,829,429</u>	<u>11,106,493</u>
Other income		
- COVID-19 outbreak funding grant	135,071	283,947
- Infrastructure grant funding	105,656	18,000
- Investment dividends and other related income	104,435	260,215
	<u>345,162</u>	<u>562,162</u>
Revenue and other income	<u>14,174,591</u>	<u>11,668,655</u>

5 AUDITOR'S REMUNERATION

Remuneration of the auditor National Audits Group Pty Ltd*	26,000	27,000
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*Remuneration pertains to professional services provided for:

- Audit of the annual financial statements;
- Assistance with the compilation of the annual financial statements;
- Audit of the Annual Prudential Compliance Statement; and
- One-off general assistance provided during transition to the new accounting software (2023: \$3,500).

COWRA RETIREMENT VILLAGE LTD
ABN: 64 965 761 315

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
6 CASH AND CASH EQUIVALENTS		
CURRENT		
Cash at bank	3,221,433	2,573,957
Cash on hand	400	400
Short-term deposits < 3 months*	-	5,501,600
	<u>3,221,833</u>	<u>8,075,957</u>
	<u>3,221,833</u>	<u>8,075,957</u>
<p>*In accordance with the Australian Accounting Standards, any term deposits with a maturity less than 3 months are classified as cash and cash equivalents, whereas, anything greater than this is deemed to be a financial asset. Due to the maturity of the Company's term deposits being greater than 3 months, these amounts have been reclassified to financial assets during the year ended 30 June 2024.</p>		
7 OTHER FINANCIAL ASSETS		
CURRENT		
Managed investments - FVOCI		
- Shares in listed entities - BKI	1,504,440	1,544,738
Term deposits > 3 months	10,741,076	723,164
	<u>12,245,516</u>	<u>2,267,902</u>
	<u>12,245,516</u>	<u>2,267,902</u>
8 OTHER ASSETS		
CURRENT		
Prepayments	188,633	139,850
Accrued interest	87,825	64,763
	<u>276,458</u>	<u>204,613</u>
	<u>276,458</u>	<u>204,613</u>
9 INVESTMENT PROPERTIES		
NON-CURRENT		
Balance at the beginning of the year	1,824,938	1,506,749
Acquisitions	-	363,466
Depreciation	(58,881)	(45,277)
	<u>1,766,057</u>	<u>1,824,938</u>
Balance at the end of the year	<u>1,766,057</u>	<u>1,824,938</u>

COWRA RETIREMENT VILLAGE LTD
ABN: 64 965 761 315

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
10 PROPERTY, PLANT AND EQUIPMENT		
NON-CURRENT		
Freehold land		
At cost	184,129	184,129
Buildings and improvements		
At cost	13,178,747	13,419,180
Accumulated depreciation	(6,397,695)	(6,344,473)
	6,781,052	7,074,707
Plant and equipment		
At cost	1,152,105	2,301,731
Accumulated depreciation	(480,800)	(1,542,578)
	671,305	759,153
Total property, plant and equipment	7,636,486	8,017,989

Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2024				
Balance at the beginning of year	184,129	7,074,707	759,153	8,017,989
Additions	-	32,021	10,659	42,680
Disposals	-	-	(62)	(62)
Depreciation expense	-	(325,676)	(98,445)	(424,121)
Balance at the end of the year	184,129	6,781,052	671,305	7,636,486

COWRA RETIREMENT VILLAGE LTD
ABN: 64 965 761 315

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
11 TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	145,620	100,894
Other payables	138,149	86,080
PAYG and superannuation payable	43,864	179,272
Refundable accommodation deposit refund*	300,483	-
	<u>628,116</u>	<u>366,246</u>

*The Company received a refund from the solicitor after the executor of a resident's estate retired, and there is currently no one appointed to manage the estate. The Company will retain the deposit until a new appointment is made.

12 EMPLOYEE ENTITLEMENTS

CURRENT		
Annual leave	673,455	722,296
Long service leave	602,644	315,582
Other leave entitlements	107,487	103,897
	<u>1,383,586</u>	<u>1,141,775</u>

13 CONTRACT LIABILITIES

CURRENT		
Home care package liability	150,278	91,771
Independent living units	5,909,485	5,343,858
Refundable accommodation deposits and bonds	13,771,769	9,866,392
	<u>19,831,532</u>	<u>15,302,021</u>

14 CAPITAL COMMITMENTS

In the opinion of the Directors, the Company did not have any material or significant capital commitments at 30 June 2024 (2023: None).

15 EVENTS AFTER THE END OF THE REPORTING PERIOD

The financial statements were authorised for issue on XX October 2024 by the Board of Directors.

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

COWRA RETIREMENT VILLAGE LTD
ABN: 64 965 761 315

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

16 CONTINGENCIES

In the opinion of the Directors, the Company did not have any other contingencies at 30 June 2024.

17 RELATED PARTIES

Key management personnel

Key management personnel of the Company during the year held the following positions:

- Board Director;
- Chief Executive Officer; and
- Business Manager.

The total remuneration paid to key management personnel of the Company during the year was \$355,820 (2023: \$363,841).

Other related parties

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 during the year:

	Sales	Purchases	Wages	Owed to the Company	Owed by the Company
	\$	\$	\$	\$	\$
Key management personnel	3,890	-	355,820	35	-
Other related parties	76,634	1,107	97,335	-	-
	<u>80,524</u>	<u>1,107</u>	<u>453,155</u>	<u>35</u>	<u>-</u>

18 STATUTORY INFORMATION

The registered office and principal place of business of the Company is:

Cowra Retirement Village Ltd
Trading as: Bilyara
Holman Place
COWRA NSW 2794

COWRA RETIREMENT VILLAGE LTD

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RESPONSIBLE PERSONS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2024

The Responsible Persons declare that in the Responsible Persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable;
- the financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures and satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- the financial statements and notes give a true and fair view of the financial position as at 30 June 2024 and the financial performance for the year then ended.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation Act 2022*.

Responsible person

Paul Smith

Responsible person

David Fagan

Dated 24 October 2024

COWRA RETIREMENT VILLAGE LTD

ABN: 64 965 761 315

INDEPENDENT AUDITOR'S REPORT**FOR THE YEAR ENDED 30 JUNE 2024****Report on the Audit of the Financial Report****Opinion**

We have audited the financial statements of Cowra Retirement Village Ltd (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the Responsible Persons' declaration.

In our opinion, the financial statements of Cowra Retirement Village Ltd have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, in all material respects including:

- i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Simplified Disclosures 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 Statements* 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 2022* 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 statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Responsible Persons for the Financial Statements

The responsible persons are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2022*, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the responsible persons 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 management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Responsible persons are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 Australian Auditing Standards will always detect a material misstatement when it exists.

COWRA RETIREMENT VILLAGE LTD

ABN: 64 965 761 315

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 the financial statements.

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 statements, 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 management.
- Conclude on the appropriateness of management's 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 statements 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**National Audits Group Pty Ltd
Authorised Audit Company**



**Danielle Nye
Director**

Wagga Wagga

Dated 24 October 2024