

Garden Village Port Macquarie

ABN 93 000 818 682

Financial Statements

For the Year Ended 30 June 2022

Garden Village Port Macquarie

ABN 93 000 818 682

Financial Statements

For the Year Ended 30 June 2022

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Garden Village Port Macquarie

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Directors' Report

30 June 2022

Your Directors present their report on the Garden Village Port Macquarie for the financial year ended 30 June 2022.

Directors

The names of the Directors in office at any time during, or since the end of, the financial year are:

Andrew John WALMSLEY
Murray William TURNHAM
Neil William PORTER
Timothy EVERSON
Gordon WICKS
Maureen McGOVERN
Joan RAFFERTY
Stuart GOODFELLOW
Gary HUMPHREYS

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

Garden Village Strategy

Our Purpose is 'We see you by providing quality, safe, accessible and individual care service'.

Our Vision is 'Be a trusted and sustainable village where people choose to live, work and thrive'.

The Core Pillars that underpin our strategy are:

- **Employer of Choice** - Create a business that attracts and retains the best quality employees within the sector. Be known as the first-choice place to work.
- **Resident Engagement & Satisfaction** - The fundamental reason we exist is to provide the highest possible care to our residents. We'll continuously consult and engage with our residents and strive to meet the highest level of resident satisfaction.
- **Operational Excellence & Planning** - Strengthen the core business and explore new revenue streams. Be ready for future regulatory and legislative changes, and possible industry consolidation.
- **Master Plan Development** - Create and commence implementation of the property masterplan. This plan will consider contemporary designs to meet the changing demands of residents. This plan will help secure our future.

Garden Village Port Macquarie

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Directors' Report

30 June 2022

Garden Village Strategy (continued)

Our Measures of Success (Business Objectives) include:

- Excellence in quality care
- Engaged workforce
- Resident satisfaction
- Financial sustainability
- Strong compliance
- Create new revenue streams
- Create a stronger brand

Our Values:

Our values set the guardrails of how we operate and behave towards each other and our residents. They guide our decision making, shape our culture, and demonstrate to stakeholders what we stand for. Our values are:

- Compassion
- Congruent (Walking our Talk)
- Empowerment
- Integrity
- Forward Looking

Principal Activities

The principal activities of Garden Village Port Macquarie during the financial year were the provision of Aged Care Facility care and accommodation, Home Care Services and the provision of accommodation and support for Retirement Village Residents.

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

Means by which Principal Activities Assisted in Achieving the Company's Objectives

The profit and cash flows generated from the Company's principal activities are utilised in achieving the Company's objectives.

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Directors' Report

30 June 2022

Governance

a) Corporate Governance

Garden Village is committed to ensuring there is an appropriate and robust level of corporate governance across the organisation. This framework ensures there are the necessary policies, procedures and systems in place that are appropriate, or fit for purpose, given the circumstances of the organisation. This framework assists the organisation effectively pursue its purpose and vision while ensuring it is meeting its legal obligations and commitments made to stakeholders.

The Corporate Governance Framework is based on the following 10 Principles:

1. Purpose & Vision
2. Roles & Responsibilities
3. Board Composition
4. Risk Management
5. Board Effectiveness
6. Organisation Performance
7. Reporting & Compliance
8. Accountability & Transparency
9. Stakeholder Engagement
10. Culture & Conduct

b) Clinical Governance

Clinical Governance at Garden Village is an integrated set of leadership behaviours, policies, procedures, responsibilities, relationships, planning, monitoring and improvement mechanisms that are implemented to support safe, quality clinical care and good clinical outcomes for residents. The purpose of clinical governance is to support the workforce and visiting practitioners in our service to provide safe, quality clinical care as part of an holistic person-centred approach to aged care that is based on the needs, goals and preferences of residents. All care provided to residents including clinical care, should be directed to optimising their wellbeing and quality of life.

Garden Village Port Macquarie

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Directors' Report

30 June 2022

Governance (continued)

The Clinical Governance Framework, consistent with the elements of the Aged Care Quality Standards, includes and forms 6 core elements of Clinical Governance

1. Leadership & Culture
2. Resident Partnership
3. Organisational Systems
4. Monitoring & Reporting
5. Effective Workforce
6. Communication & Relationships

Members' Guarantee

Garden Village Port Macquarie is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Subdivision 60-40(1) of the *Australian Charities and Not-for-profits Commission Act 2012* has been received and is included in these financial statements.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

The effective freezing of Federal Government funding during the Royal Commission into Aged Care Quality and Safety and the subsequent failure to implement key funding recommendations of the Royal Commission and the COVID-19 pandemic has continued to impact the operations and results of the Company during the year ended 30 June 2022, however, it is not practicable to provide a reliable estimate of the financial effect of this event.

Likely Developments and Expected Results

Compliance with Government Regulations, designed to reduce the spread of COVID-19, is expected to have a continuing detrimental impact on the operating results of the Company during the 2023 financial year. However, due to the uncertainty in relation to the extent of containment of the virus, it is not possible to reliably estimate the effect of this matter on the results of the operations of the Company in future financial years.

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Directors' Report

30 June 2022

Meetings of Directors

During the financial year, 21 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Corporate Governance		Clinical Governance	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Andrew John WALMSLEY	7	7	7	7	7	4
Murray William TURNHAM	7	7	-	-	7	6
Neil William PORTER	7	5	7	7	-	-
Timothy EVERSON	7	7	7	7	-	-
Gordon WICKS	7	7	-	-	7	7
Maureen McGOVERN	7	6	-	-	7	7
Joan RAFFERTY	7	6	-	-	7	7
Stuart GOODFELLOW	7	6	7	7	-	-
Gary HUMPHREYS	7	7	7	7	-	-

Information on Current Directors

Andrew John WALMSLEY

Special Responsibilities

Qualifications

Experience

Chairperson

Practising Solicitor;

Principal of legal practice from 1981 to 2018; and

Accredited legal specialist in Business Law from 1990's to 2013.

Appointed as Director of Garden Village Port Macquarie in August 2011;

Garden Village Port Macquarie Deputy Chairperson from October 2014 to October 2019;

Chairperson of Garden Village Port Macquarie Oct 2019 to date

Chairperson of Corporate Governance Committee from October 2014 to October 2021; and

Member of Garden Village Port Macquarie Corporate Governance Committee since October 2014.

Murray William TURNHAM

Qualifications

Experience

Formally, joint Managing Director of a large real estate practice in Port Macquarie, specialising in residential project land marketing;

Sales and marketing manager for the Settlement Shores waterfront development;

Licensed valuer; and

Justice of the Peace.

Appointed Director of Garden Village Port Macquarie in October 2015; and

Member of the Garden Village Port Macquarie Clinical Governance Committee.

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Directors' Report

30 June 2022

Neil William PORTER

Special Responsibilities

Qualifications

Deputy Chairperson

Corporate Governance, Continuous Quality Improvement, and Risk Management executive;

Local government executive management;

Member of Port Macquarie Rotary Club since 2001 and commitment to serving our local community;

Director of the Mid North Coast Local Health District from 2013;

Director of Lifeline Mid North Coast (NSW) from 2014; and

Director of the Port Macquarie Rotary Lodge from February 2021.

Experience

Appointed Director of Garden Village Port Macquarie in October 2015;

Chairperson of Garden Village Port Macquarie Corporate Governance Committee since October 2021;

Member of the Garden Village Port Macquarie Corporate Governance Committee from October 2015 to October 2021; and

Deputy Chairperson of the Board of Garden Village Port Macquarie from October 2019 to date

Timothy EVERSON

Special Responsibilities

Qualifications

Company Secretary

Associate Diploma Health Administration;

General Manager of Garden Village Port Macquarie from 2004 to 2018; and

Business Manager of Port Macquarie Developments (Bellevue Gardens) from 2002 to 2004.

Experience

Appointed Director of Garden Village Port Macquarie in October 2019; and

Member of the Garden Village Port Macquarie Corporate Governance Committee.

Gordon WICKS

Qualifications

MBBS (Bachelor of Medicine; Bachelor of Surgery);

Fellow of the Royal Australian and NZ College of Obstetricians and Gynaecologists;

Self-employed medical practitioner and specialist from 1981 to 2015;

Head of Department - Obstetrics and Gynaecology at Port Macquarie Base Hospital; and

Senior Lecturer at University of New South Wales- Rural Clinical School of Medicine from 2005 to 2015.

Experience

Appointed Director of Garden Village Port Macquarie in February 2020; and

Member of the Garden Village Port Macquarie Clinical Governance Committee.

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Directors' Report

30 June 2022

Maureen McGOVERN

Qualifications

General Nurse;
Midwifery Nurse;
Master in Nursing;
Aged Care Consultant (self employed) - since January 2019;
NSW Nurses and Midwifery Board since 2011;
Manager Community and Allied Health and Acting Director Allied Health and Hosted Services - Mid North Coast Local Health District 2011 to 2015; and
Area Manager Cancer and Palliative Care – North Coast Area Health Service 2008 to 2011.

Experience

Appointed Director of Garden Village Port Macquarie in April 2020;
and
Member of the Garden Village Port Macquarie Clinical Governance Committee.

Joan RAFFERTY

Qualifications

Registered Nurse;
Bachelor of Health Science;
Lead Auditor Quality Management Systems;
Home Care Provider and nursing service from 1991 to 1994 (Accredited by the Australian Council on Healthcare Standard (ACHS) 1994);
Assistant Director of Nursing, Educator, Quality Coordinator, Sisters of St Joseph Aged Care Services, Darlinghurst 2000 to 2002;
Aged Care Quality Assessor for the Aged Care Standards and Accreditation Agency (now the Aged Care Quality and Safety Commission) from 1999 to 2019;
Aged Care Quality Consultant since 1999; and
Aged Care Quality Consultant to Aged and Community Services Australia (ACSA).

Experience

Appointed Director of Garden Village Port Macquarie in August 2020.
Member of the Garden Village Port Macquarie Clinical Governance Committee from August 2020 to October 2021; and
Chairperson of Garden Village Port Macquarie Clinical Governance Committee since October 2021.

Stuart GOODFELLOW

Qualifications

Graduate Diploma - Marketing;
Diploma - Applied Science - Systems Thinking (Agriculture);
Business Consulting 2009 to current;
Non-executive Director of Hastings Co-operative Limited 2013 to 2017; and
Sales and Marketing in the pharmaceutical industry from 1996 to 2008.

Experience

Appointed Director of Garden Village Port Macquarie in August 2020.
Member of the Garden Village Port Macquarie Corporate Governance Committee.

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Directors' Report

30 June 2022

Gary HUMPHREYS

Qualifications

Graduate, Australian Institute of Company Directors (GAICD);
Advanced Management Program Harvard Business School,
Harvard University;
Senior Executive Program Melbourne Business School,
Melbourne University;
Non-executive Director of P&N Bank since 2018;
Board Member of Local Land Services, NSW since 2009;
Chief Operating Officer for Essential Energy from 2012 to 2017;
Chair and non-executive director, Hastings Coop from April 2019
– current;

Experience

Member, Regional NSW Audit and Risk Committee from
November 2020 – current; and
Non-executive director, CanAssist from June 2018 - current
Appointed Director of Garden Village Port Macquarie in
September 2020.
Member of the Garden Village Port Macquarie Corporate
Governance Committee.

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

Director:


Andrew John WALMSLEY

Dated: 02 November 2022



PARTNERS

Paul Fahey B Bus CA

Bart Lawler B Com CA

Patrick Brennan B Com CA

Alison McKinnon B Bus CA

Auditor's Independence Declaration

Under Subdivision 60-40(1) of the *Australian Charities and Not-for-profits Commission Act 2012*

To the Directors of Garden Village Port Macquarie

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

NorthCorp Accountants

**Alaine Ylias
Registered Company Auditor**

02 November 2022

**Suites 1-3 Bourne House
10-12 Short Street
Port Macquarie NSW 2444**

Garden Village Port Macquarie

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

		2022	2021
	Note	\$	\$
Revenue	2	<u>20,294,558</u>	18,368,663
Employee benefits expense		(14,465,306)	(12,400,677)
Depreciation and amortisation expense	3(a)	(1,667,403)	(1,598,770)
Administration expenses		(1,625,909)	(1,475,067)
Domestic expenses		(376,504)	(309,661)
Finance costs	3(a)	(9,718)	(7,683)
Resident expenses		(1,332,563)	(1,401,537)
Repairs and maintenance		(397,318)	(501,194)
Resident capital gains		(127,725)	(169,650)
Home care expenses		(70,814)	-
Other expenses		(223,500)	(183,767)
		<u>(20,296,760)</u>	(18,048,006)
Profit / (loss) before income tax		(2,202)	320,657
Income tax expense	1(a)	-	-
Profit / (loss) for the year		<u>(2,202)</u>	320,657
Other comprehensive income		-	-
Revaluation changes for property, plant and equipment		<u>8,757,390</u>	-
Total other comprehensive income		<u>8,757,390</u>	-
Total comprehensive income for the year		<u>8,755,188</u>	320,657
Profit / (loss) attributable to members of the Company		<u>(2,202)</u>	320,657
Total comprehensive income attributable to members of the Company		<u>8,755,188</u>	320,657

The accompanying notes form part of these financial statements.

Garden Village Port Macquarie

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Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,302,777	1,339,033
Trade and other receivables	5	525,821	667,246
Inventories	6	72,466	86,544
Financial assets	7	18,500,234	20,714,212
Other assets	8	160,630	161,280
Total current assets		20,551,928	22,968,315
Non-current assets			
Property, plant and equipment	9	88,553,262	65,751,152
Intangible assets	10	144,847	118,729
Right-of-use assets	11(a)	263,752	210,863
Total non-current assets		88,961,861	66,080,744
TOTAL ASSETS		109,513,789	89,049,059
LIABILITIES			
Current liabilities			
Lease liabilities	11(b)	69,892	47,983
Trade and other payables	12	825,438	681,414
Provisions	13	1,898,983	1,704,148
Financial liabilities	14	9,276,647	-
Other liabilities	15	55,975,133	53,987,141
Total current liabilities		68,046,093	56,420,686
Non-current liabilities			
Lease liabilities	11(b)	199,865	165,898
Provisions	13	193,262	143,094
Total non-current liabilities		393,127	308,992
TOTAL LIABILITIES		68,439,220	56,729,678
NET ASSETS		41,074,569	32,319,381
EQUITY			
Reserves	16	18,557,306	9,799,916
Retained earnings		22,517,263	22,519,465
TOTAL EQUITY		41,074,569	32,319,381

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 July 2021	22,519,465	9,799,916	32,319,381
Comprehensive income			
Profit / (loss) attributable to members of the Company	(2,202)	-	(2,202)
Other comprehensive income	-	8,757,390	8,757,390
Total comprehensive income for the year	(2,202)	8,757,390	8,755,188
Balance at 30 June 2022	22,517,263	18,557,306	41,074,569

2021

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 July 2020	22,198,808	9,799,916	31,998,724
Comprehensive income			
Profit / (loss) attributable to members of the Company	320,657	-	320,657
Other comprehensive income	-	-	-
Total comprehensive income for the year	320,657	-	320,657
Balance at 30 June 2021	22,519,465	9,799,916	32,319,381

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
Cash flows from operating activities:		
Receipts from residents and government subsidies	22,413,846	19,283,792
Other income	138,168	142,910
Payments to suppliers, employees and other expenses	(20,155,839)	(17,416,647)
Interest received	86,558	194,882
Net cash provided by / (used In) operating activities	2,482,733	2,204,937
Cash flows from investing activities:		
Purchase of property, plant and equipment	(15,613,562)	(8,975,840)
Purchase of intangible assets	(69,481)	(96,592)
Net (increase) / decrease in other financial assets	2,213,978	(2,004,212)
Net cash provided by / (used In) investing activities	(13,469,065)	(11,076,644)
Cash flows from financing activities:		
Proceeds from borrowings	11,279,807	-
Repayment of borrowings	(2,003,160)	-
Net movement in accommodation bonds, RADs and RACs	2,096,667	(265,345)
Net movement in residents' loans	(423,238)	(728,094)
Net cash provided by / (used In) financing activities	10,950,076	(993,439)
Net increase / (decrease) in cash and cash equivalents	(36,256)	(9,865,146)
Cash and cash equivalents at beginning of financial year	1,339,033	11,204,179
Cash and cash equivalents at end of financial year	1,302,777	1,339,033

The accompanying notes form part of these financial statements.

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial statements are for Garden Village Port Macquarie as an individual entity. Garden Village Port Macquarie is a Company limited by guarantee, incorporated in Australia.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

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

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

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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were approved and authorised for issue on 2 November 2022 by the Directors of the Company.

Accounting Policies

(a) Income Tax

As the Company is a Charity and a Public Benevolent Institution it is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The exempt status of the Company applies indefinitely or until such time as a change in circumstances warrants a review of the exempt status.

(b) Property, Plant and Equipment

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

Freehold 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), less accumulated impairment losses and accumulated depreciation for buildings. The fair value of freehold land and buildings is based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets are charged against fair value reserves directly in equity. All other decreases are recognised in profit or loss.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 1 Summary of Significant Accounting Policies (continued)

(b) Property, Plant and Equipment (continued)

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. An assessment of the recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

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 recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised leased assets but excluding freehold land, 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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in profit or loss.

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

Buildings	2.5%
Plant and Equipment	10% to 25%

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.

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

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

Garden Village Port Macquarie

ABN 93 000 818 682

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

Note 1 Summary of Significant Accounting Policies (continued)

(d) 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 the purchase or sale of the asset.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction 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.

Classification and Subsequent Measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or financial liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial assets

Financial assets are subsequently measured at amortised cost.

Financial assets comprising cash and cash equivalents, trade and other receivables and interest bearing deposits are subsequently measured at amortised cost as they meet the following conditions:

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

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 1 Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

Derecognition (continued)

Derecognition of financial assets

A financial asset is derecognised when the Company's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all the risks and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment of Financial Assets

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(e) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 1 Summary of Significant Accounting Policies (continued)

(f) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

(g) 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Residents' Loans

Residents' loans represent the amount payable to residents on the termination of the residents' occupancy rights. Residents have the option to cancel the residency agreement at any time. As this option constitutes a demand feature, the liability is recognised as a current liability in the statement of financial position under the classification of other liabilities.

(i) Accommodation Bonds, Refundable Accommodation Deposits (RADs) and Refundable Accommodation Contributions (RACs)

Accommodation bonds, RADs and RACs are non-interest bearing deposits made by aged care facility residents to the Company upon their admission to the facility. Accommodation bonds, RADs and RACs are classified as current liabilities as the Company does not have an unconditional right to defer settlement of the liability for at least 12 months from the end of the reporting period. The obligation to settle could occur at any time. These amounts have been included in the statement of financial position under the classification of other liabilities.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 1 Summary of Significant Accounting Policies (continued)

(k) Trade and Other Receivables

Trade and other receivables include amounts due from residents as well as amounts receivable from customers for goods sold or services provided. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

(l) Intangibles

Software

Items of computer software that are not integral to the computer hardware owned by the Company are classified as intangible assets. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and four years.

(m) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(n) Leases

The Company as Lessee

At inception of a contract, the Company assesses whether the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Company where the Company is the lessee. However, all contracts that are classified as short-term leases (leases with remaining lease terms of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 1 Summary of Significant Accounting Policies (continued)

(n) Leases (continued)

The Company as Lessee (continued)

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(o) Revenue

Revenue Recognition

Resident Fees and Recurrent Government Grants

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

Operating Grants, Donations and Bequests

When the Company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15. When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligation under the agreement; and

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 1 Summary of Significant Accounting Policies (continued)

(o) Revenue (continued)

- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grants

When the Company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Company recognises income in profit or loss when or as the Company satisfies its obligations under the terms of the grant.

Retentions from Entry Contributions and Accommodation Bonds

The retention income earned from resident entry contributions and accommodation bonds is recognised as income on a straight line basis over the expected tenure of occupancy, being 7 years.

Interest Income

Interest income is recognised using the effective interest method

All revenue is stated net of the amount of goods and services tax (GST).

(p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 1 Summary of Significant Accounting Policies (continued)

(r) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive 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 in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and 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.

(s) Economic Dependence

Garden Village Port Macquarie is dependent on the Commonwealth Government Department of Social Services for the majority of its revenue used to operate the business. At the date of this report the Directors have no reason to believe the Commonwealth Government Department of Social Services will not continue to support Garden Village Port Macquarie.

(t) Authority to Fundraise for Charitable Purposes

The Company holds an authority to fundraise for charitable purposes under the *Charitable Fundraising Act 1991*. Income and expenditure from fundraising appeals are included in these financial statements.

(u) New and Amended Accounting Policies Adopted by the Company

AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The Company has adopted AASB 1060: *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: *Application of Tiers of Australian Accounting*, replaces the previous Reduced Disclosure Requirements (RDR) framework.

The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

(v) 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.

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

(v) **Critical Accounting Estimates and Judgements (continued)**

Key Estimates - Impairment

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. Where an impairment trigger exists, the recoverable amount of the asset is determined. Depreciated replacement cost calculations are performed in assessing recoverable amounts.

There was no evidence of impairment identified by the Company and, as a result, no impairment has been recognised in respect of assets at the end of the reporting period.

Key Estimates - Resident Entry Contributions

The Company recognises retention income earned from resident entry contributions and accommodation bonds as income on a straight line basis over the expected tenure of occupancy. The Company has estimated the expected tenure of occupancy for Self Care Apartments residents as 7 years based on historical and industry data.

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 2 Revenue and Other Income

The Company has recognised the following amounts relating to revenue in the statement of profit or loss and other comprehensive income:

Continued Operations

	2022	2021
Note	\$	\$
Provision of services	2(a) 19,389,621	15,894,563
Other sources of revenue	2(b) 904,937	2,474,100
	<u>20,294,558</u>	<u>18,368,663</u>
(a) Provision of Services		
Resident fees and charges	4,483,290	4,423,635
Government subsidies	8,703,125	7,961,459
Catering fees	28,469	22,116
Catering fees - Meals on Wheels	29,413	67,290
Home care revenue	683,169	13,546
Residents' bond and loan retentions	1,507,637	1,521,363
Non-refundable contributions	400,953	512,845
Government funding - Capital grants	3,553,565	1,372,309
	<u>19,389,621</u>	<u>15,894,563</u>
(b) Other Sources of Revenue		
Concessional and assisted subsidies	15,165	16,970
Government assistance	219,598	1,767,253
Interest received	86,558	194,882
Coffee shop sales	161,612	142,063
Donations received	318	84,690
NDIS income	71,371	-
Rent - Other	138,168	142,910
Shop sales	72,214	9,850
Sundry income	139,933	115,482
	<u>904,937</u>	<u>2,474,100</u>
Total Revenue and Other Income	<u>20,294,558</u>	<u>18,368,663</u>

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 3 Result for the Year

(a) Expenses

	Note	2022 \$	2021 \$
Finance Costs			
Interest expense on lease liabilities	11(a)(ii)	<u>9,718</u>	<u>7,683</u>
Depreciation and Amortisation			
Buildings	9(b)	1,164,560	1,147,098
Plant and equipment	9(b)	404,282	401,062
Right-of-use assets	11(a)(ii)	55,198	45,997
Computer software	10(a)	<u>43,363</u>	<u>4,613</u>
		<u>1,667,403</u>	<u>1,598,770</u>

Note 4 Cash and Cash Equivalents

Cash on hand	3,650	4,312
Bank balances	<u>1,299,127</u>	<u>1,334,721</u>
	<u>1,302,777</u>	<u>1,339,033</u>

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the items in the statement of financial position as follows:

Cash and cash equivalents	<u>1,302,777</u>	<u>1,339,033</u>
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Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 5 Trade and Other Receivables

	2022	2021
Note	\$	\$
Current		
Resident debtors	113,019	54,906
Other debtors	<u>414,768</u>	<u>614,306</u>
	527,787	669,212
Provision for impairment	<u>(1,966)</u>	<u>(1,966)</u>
	<u><u>525,821</u></u>	<u><u>667,246</u></u>

Note 6 Inventories

Current

At cost:

Consumables

<u>72,466</u>	<u>86,544</u>
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Note 7 Financial Assets

Current

Financial assets at amortised cost

7(a) <u>18,500,234</u>	<u>20,714,212</u>
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(a) Financial Assets at Amortised Cost

Current

Interest bearing deposits

<u>18,500,234</u>	<u>20,714,212</u>
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Note 8 Other Assets

Current

Prepayments

<u>150,630</u>	<u>161,280</u>
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Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 9 Property, Plant and Equipment

	2022	2021
	\$	\$
LAND AND BUILDINGS		
Freehold Land		
Freehold land - at independent valuation	19,740,000	10,420,000
Subsequent additions - at cost	-	1,891,338
Total Freehold Land	19,740,000	12,311,338
Buildings		
Buildings - at independent valuation	44,700,000	44,840,000
Subsequent additions - at cost	22,866,646	9,724,770
Less accumulated depreciation	-	(2,273,711)
Total Buildings	67,566,646	52,291,059
Total Land and Buildings	87,306,646	64,602,397
PLANT AND EQUIPMENT		
Plant and equipment - at cost	4,456,111	3,943,711
Less accumulated depreciation	(3,209,495)	(2,794,956)
Total Plant and Equipment	1,246,616	1,148,755
Total Property, Plant and Equipment	88,553,262	65,751,152

(a) Valuation of Land and Buildings

The Company's land and buildings were valued on 30 June 2022 at \$64,440,000 by CBRE Valuations Pty Limited. Valuations were made on the basis of current fair market value.

The valuation resulted in a revaluation increment of \$8,757,390 being recognised in the revaluation surplus during the year ended 30 June 2022.

Subsequent additions are accounted for at cost until the scheduled date for the revaluation of land and buildings. The Company's policy is to obtain triennial valuations of land and buildings by external independent valuers.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 9 Property, Plant and Equipment (continued)

(b) Movements in Carrying Amounts

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

	2022			
	Land	Buildings and freehold Improvements	Plant and Equipment	Total
	\$	\$	\$	\$
Opening balance at 1 July 2021	12,311,338	52,291,059	1,148,755	65,751,152
Additions	-	15,111,420	502,143	15,613,563
Disposals	-	-	-	-
Depreciation expense	-	(1,164,560)	(404,282)	(1,568,842)
Revaluation	7,428,662	1,328,727	-	8,757,389
Balance at 30 June 2022	19,740,000	67,566,646	1,246,616	88,553,262

(c) Capitalised Borrowing Costs

	2022	2021
	\$	\$
Borrowing costs incurred	93,107	-

Note 10 Intangible Assets

	2022	2021
	\$	\$
Computer software - at cost	203,954	134,473
Accumulated amortisation	(59,107)	(15,744)
Net Carrying Value	144,847	118,729

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 10 Intangible Assets (continued)

(a) Movements in Carrying Amounts of Intangible Assets

2022

	Computer software	Total
	\$	\$
Balance at the beginning of the year	118,729	118,729
Additions	69,481	69,481
Disposals	-	-
Amortisation	(43,363)	(43,363)
Balance at the end of the year	144,847	144,847

Note 11 Leases

(a) Right-of-Use Assets

	2022	2021
	\$	\$
Right-of-use assets	362,068	253,981
Accumulated depreciation	(98,316)	(43,118)
	263,752	210,863

(i) Movements in Carrying Amounts

2022

	Office Equipment	Total
	\$	\$
Balance at the beginning of the year	210,863	210,863
Additions to right-of-use assets	108,087	108,087
Depreciation charge	(55,198)	(55,198)
Balance at the end of the year	263,752	263,752

(ii) AASB 16 Amounts Recognised in Profit or Loss

	2022	2021
	\$	\$
Interest expense on lease liabilities	9,718	7,683
Amortisation expense related to right-of-use assets	55,198	45,997

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 11 Leases (continued)

(b) Lease Liabilities

	2022	2021
	\$	\$
Current Lease liabilities	69,892	47,983
Non-Current Lease liabilities	199,865	165,898
Total Lease Liabilities	269,757	213,881

Note 12 Trade and Other Payables

Current		
Trade payables	332,888	266,939
Other payables	492,560	414,475
	825,438	681,414

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.

Note 13 Provisions

Current		
Provision for employee benefits	1,898,983	1,704,148
Non-current		
Provision for employee benefits	193,262	143,094
Total Provisions	2,092,245	1,847,242

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 13 Provisions (continued)

(a) Movement in Provisions

2022	Employee Benefits \$	Total \$
Opening balance at 1 July 2021	1,847,242	1,847,242
Additional provisions raised during the year	1,461,214	1,461,214
Utilised during the year	<u>(1,216,211)</u>	<u>(1,216,211)</u>
Balance at 30 June 2022	<u>2,092,245</u>	<u>2,092,245</u>

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for wages, annual leave and long service leave.

The current portion of this provision includes the total amount accrued for annual leave entitlements and amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. These amounts are classified as current liabilities since the Company does not have an unconditional right to defer settlement of these amounts in the event that employees wish to use their leave entitlement.

The non-current portion of this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 14 Borrowings

	2022	2021
Note	\$	\$
Current		
Bank loan	14(b) <u>9,276,647</u>	-
Non-current		
Bank loan	14(b) <u>-</u>	-
Total borrowings and loans	<u><u>9,276,647</u></u>	-

(a) Carrying Amounts of Non-current Assets Pledged as Security

	2022	2021
	\$	\$
Property, plant and equipment	88,553,262	65,751,152

(b) Security Provided

The bank loan was secured by registered first mortgage over the freehold land and buildings situated at 7 17-21 and 23 Garden Crescent, Port Macquarie and a general security agreement over all present and after acquired assets of the Company.

Financial assets that have been pledged as part of the total collateral for the benefit of the bank debt are:

	2022	2021
	\$	\$
Cash and cash equivalents	1,302,777	1,339,033
Trade and other receivables	526,821	667,246
Financial assets	<u>18,500,234</u>	<u>20,714,212</u>
	<u><u>20,328,832</u></u>	<u><u>22,720,491</u></u>

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 15 Other Liabilities

		2022	2021
	Note	\$	\$
Current			
Residents' loans	15(a)	34,664,028	35,087,266
Accommodation bonds, RADs and RACs	15(b)	19,213,624	17,116,957
Deferred income - contract liabilities		1,371,500	1,414,453
Other liabilities		634,930	368,465
Client unspent funds		91,051	-
		<u>55,975,133</u>	<u>53,987,141</u>

(a) Residents' Loans

Classic Apartments

Residents' loans are repaid within 6 months of an apartment becoming vacant. The amount repaid is calculated net of a non-refundable amount and after deducting monthly accrued departure fees (currently calculated at a rate of 3.50% per annum on the original loan amount). The non-refundable amount referred to above is calculated at a rate of 20% of the original loan amount in relation to residents' loans entered into from 1 May 2018. Prior to 1 May 2018 the non-refundable amount was calculated at a rate of 30% of the original loan amount.

Cascades Apartments

Residents' loans are repaid within 6 months of an apartment becoming vacant. The amount repaid is calculated after deducting monthly accrued departure fees (currently calculated at a rate of 3.50% per annum on the original loan amount capped at 10 years). Residents are also entitled to 65% of any capital gain realised when the apartment is sold (based on the difference between the price the residents purchased the unit for and the sale price to the next incoming resident to the apartment).

(b) Accommodation Bonds, RADs and RACs

Accommodation bonds, RADs and RACs are normally repaid within 14 days of a resident leaving the care of Garden Village Port Macquarie or within 14 days of the Company receiving notification of the administration of the estate. Interest rates applicable to accommodation bonds, RADs and RACs repaid during the previous financial year and during and since the end of the current financial year are as follows:

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 15 Other Liabilities (continued)

(b) Accommodation Bonds, RADs and RACs (continued)

	Repaid Within 14 Days %	Repaid After 14 Days %
1 July 2020 to 30 September 2020	2.25	4.10
1 October 2020 to 31 December 2020	2.25	4.10
1 January 2021 to 31 March 2021	2.25	4.02
1 April 2021 to 30 June 2021	2.25	4.01
1 July 2021 to 30 September 2021	2.25	4.04
1 October 2021 to 31 December 2021	2.25	4.01
1 January 2022 to 31 March 2022	2.25	4.04
1 April 2022 to 30 June 2022	2.25	4.07
1 July 2022 to 30 September 2022	2.25	5.00

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 16 Asset Revaluation Reserve

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

Note 17 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, cash on hand, accounts receivable and payable, lease liabilities, residents' loans and accommodation bonds, RADs and RACs.

The carrying amount for each category of financial instruments, measured in accordance with AASB 9, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 \$	2021 \$
Financial Assets			
Cash and cash equivalents	4	1,302,777	1,339,033
Trade and other receivables	5	525,821	667,246
Financial assets at amortised cost	7	18,500,234	20,714,212
Total Financial Assets		20,328,832	22,720,491
Financial Liabilities			
Lease liabilities	11(b)	269,757	213,881
Trade and other payables	12	825,438	681,414
Borrowings and loans	14	9,276,647	-
Residents' loans	15	34,664,028	35,087,266
Accommodation bonds, RADs and RACs	15	19,213,624	17,116,957
Total Financial Liabilities		64,249,494	53,099,518

(a) Net Fair Values

The net fair value of financial assets and financial liabilities approximates their carrying values. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Garden Village Port Macquarie

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Notes to the Financial Statements

For the Year Ended 30 June 2022

Note 18 Capital Commitments

Capital expenditure commitments contracted for:

	2022	2021
	\$	\$
Development costs	1,927,026	13,921,356
Software upgrades	-	62,803
	<u>1,927,026</u>	<u>13,984,159</u>

Note 19 Events After the End of the Reporting Period

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

Note 20 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of that Company.

The totals of remuneration paid to the key management personnel of the Company during the financial year are as follows:

Short-term benefits	856,297	987,975
Long-term benefits	-	-
Post-employment benefits	69,004	78,264
	<u>925,301</u>	<u>1,066,239</u>

Key management personnel remuneration includes (where applicable) wages, salaries, paid annual leave and paid sick leave, bonuses and the value of fringe benefits received, but excludes out-of-pocket expense reimbursements. All remuneration of Directors was approved at the Annual General Meeting of the Company held on 20 October 2021.

Garden Village Port Macquarie

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

Note 20 Key Management Personnel Remuneration (continued)

Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

During the year ended 30 June 2022 an amount of \$3,900 (2021: \$33,150) was paid to Gary Humphreys Consulting Pty Ltd for consultancy services provided during the 2022 financial year. Gary Humphreys Consulting Pty Ltd is a related entity of Director Gary Humphreys.

During the year ended 30 June 2022 an amount of \$Nil (2021: \$1,440) was paid to Director Maureen McGovern for consultancy services provided during the 2021 financial year.

During the year ended 30 June 2022 an amount of \$Nil (2021: \$3,850) was paid to Brendon Vos for consultancy services provided during the 2021 financial year. Brendon Vos is a related entity of Cassie Simadas, a member of the Company's key management personnel.

Note 21 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor for:		
- Auditing the financial statements	23,500	23,500
- Other assurance services	8,200	8,200
- Non-assurance services	4,600	4,600
	<u>36,300</u>	<u>36,300</u>

Note 22 Company Details

The registered office of the Company is:
Garden Village Port Macquarie
7 Garden Crescent
Port Macquarie NSW 2444

Garden Village Port Macquarie

ABN 93 000 818 682

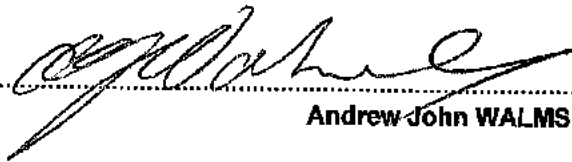
Directors' Declaration

The Directors of the Company declare that:

1. The financial statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to an forming part of the financial statements, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position of the Company as at 30 June 2022 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with Subdivision 80.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director



Andrew John WALMSLEY

Dated: 2 November 2022

PARTNERS

Paul Fahey B Bus CA

Bart Lawler B Com CA

Patrick Brennan B Com CA

Allison McKinnon B Bus CA

**Independent Auditor's Report
to the Members of Garden Village Port Macquarie**

Opinion

We have audited the financial report of Garden Village Port Macquarie (the Company), which comprises the Statement of Financial Position as at 30 June 2022, 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, notes to the financial statements including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of Garden Village Port Macquarie is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PARTNERS

Paul Fahey B Bus CA

Bart Lawler B Com CA

Patrick Brennan B Com CA

Alison McKinnon B Bus CA

Independent Auditor's Report (Continued)

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

PARTNERS

Paul Fahey B Bus CA

Bart Lawler B Com CA

Patrick Brennan B Com CA

Alison McKinnon B Bus CA

Independent Auditor's Report (Continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

NorthCorp Accountants



Alaine Ylias
Registered Company Auditor

10-12 Short Street
Port Macquarie NSW 2444

02 November 2022