



**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

**A.B.N. 15 660 751 609**

## Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2022

	NOTE	2022 \$000	2021 \$000
<b>Income</b>			
Residential care government subsidies		6,677	6,413
Independent & assisted living ingoing donations	2(i)	3,229	2,495
Independent living fees & charges		2,785	2,530
Residential care fees & charges		1,686	1,647
Assisted living fees & charges		648	570
Donations & bequests		272	290
Interest & investment income		167	131
Residential care lease income		165	169
Other government grants		164	128
Miscellaneous income		139	130
Gains (loss) on changes in fair value of financial assets		(92)	59
<b>Total income</b>		<u>15,840</u>	<u>14,562</u>
<b>Expenses</b>			
Employee expenses		(8,890)	(8,609)
Depreciation & impairment losses	3(a)	(2,530)	(2,368)
Food expenses		(421)	(363)
Repairs & maintenance expenses		(326)	(279)
Rates & services expenses		(307)	(264)
Finance expenses		(236)	(291)
Utilities expense		(213)	(220)
Services & contract expenses		(186)	(193)
Insurance expenses		(155)	(138)
Professional services expenses		(122)	(104)
Medical expenses		(113)	(273)
Cleaning & laundry expenses		(96)	(63)
Audit & other services		(43)	(47)
Printing, stationery & postage		(40)	(47)
Other expenses		(519)	(448)
<b>Total expenses</b>		<u>(14,197)</u>	<u>(13,707)</u>
<b>Surplus (deficit) before tax</b>		1,643	855
Income tax expense	2(k)	-	-
<b>Surplus (deficit) for the year</b>		<u>1,643</u>	<u>855</u>
<b>Other comprehensive income</b>			
<i>Items that may not subsequently be reclassified to profit or loss:</i>			
Changes to fair value of financial assets		(382)	460
<b>Total other comprehensive income (loss)</b>		<u>1,261</u>	<u>1,315</u>
<b>Total comprehensive income (loss)</b>		<u><u>1,261</u></u>	<u><u>1,315</u></u>

Old Colonists' Association of Victoria T/A Abound Communities

**Statement of Financial Position**

as at 30 June 2022

	NOTE	2022 \$000	2021 \$000
<b>Assets</b>			
<b>Current</b>			
Cash & cash equivalents	4	2,262	3,103
Trade & other receivables		402	2,115
Financial assets	5	1,147	152
Prepayments		103	90
<b>Total current assets</b>		<u>3,914</u>	<u>5,460</u>
<b>Non-current</b>			
Financial assets	5	3,424	3,801
Property, plant & equipment	6	60,925	62,043
<b>Total non-current assets</b>		<u>64,349</u>	<u>65,844</u>
<b>Total assets</b>		<u>68,263</u>	<u>71,304</u>
<b>Liabilities</b>			
<b>Current</b>			
Trade & other payables	7	4,847	5,037
Borrowings	9	-	620
Employee provisions	8	2,192	2,156
Deferred revenue	10	2,485	2,547
<b>Total current liabilities</b>		<u>9,524</u>	<u>10,360</u>
<b>Non-current</b>			
Borrowings	9	30	1,568
Employee provisions	8	309	308
Deferred revenue	10	12,214	14,141
<b>Total non-current liabilities</b>		<u>12,553</u>	<u>16,017</u>
<b>Total liabilities</b>		<u>22,077</u>	<u>26,377</u>
<b>Net assets</b>		<u>46,186</u>	<u>44,927</u>
<b>Equity</b>			
Accumulation account		45,899	44,206
Fair value reserve	11	141	575
Permanent fund	11	146	146
<b>Total equity</b>		<u>46,186</u>	<u>44,927</u>

**Old Colonists' Association of Victoria T/A Abound Communities**

**Statement of Cash Flows**

for the year ended 30 June 2022

	NOTE	2022 \$000	2021 \$000
<b>Cash flows from operating activities</b>			
Receipts from residential care government subsidies		6,702	6,541
Receipts from residential care, assisted & independent living services		5,366	4,691
Receipts from interest and investments		93	141
Receipts from donations & bequests		537	290
Payments to suppliers & employees		(11,356)	(11,033)
Interest paid		(8)	(25)
<b>Net cash generated by operating activities</b>		<u>1,334</u>	<u>605</u>
<b>Cash flows from investing activities</b>			
Receipts from sale of plant & equipment		-	33
Payments for property, plant & equipment		(1,412)	(1,991)
Receipts from sale of investments		153	605
Payment for Investments		(1,188)	-
<b>Net cash used in investing activities</b>		<u>(2,447)</u>	<u>(1,353)</u>
<b>Cash flows from financing activities</b>			
Receipts from bank loans		-	391
Repayment of bank loans		(2,221)	(4,412)
Receipts from independent & assisted living ingoing donations		2,713	3,227
Receipts from refundable accommodation deposits		790	1,100
Payments of accommodation bonds & refundable accommodation deposits		(1,010)	(2,263)
Interest paid		-	(25)
<b>Net cash provided by financing activities</b>		<u>272</u>	<u>(1,982)</u>
Net increase/(decrease) in cash held		(841)	(2,730)
Cash and cash equivalents at beginning of year		<u>3,103</u>	<u>5,833</u>
<b>Cash and cash equivalents at end of year</b>	4	<u><u>2,262</u></u>	<u><u>3,103</u></u>

Old Colonists' Association of Victoria T/A Abound Communities

**Statement of Changes in Equity**

for the Year Ended 30 June 2022

	NOTE	Accumulation account \$000	Fair value reserve \$000	Permanent fund \$000	Total \$000
<b>Balance at 30 June 2020</b>		43,126	340	146	43,612
Surplus for the year		855	-	-	855
Other comprehensive income (loss)		-	460	-	460
Total comprehensive income (loss) for the year		855	460	-	1,315
Transfer to accumulation		225	(225)	-	-
<b>Balance at 30 June 2021</b>		44,206	575	146	44,927
Surplus for the year		1,641	-	-	1,641
Other comprehensive income (loss)		-	(382)	-	(382)
Total comprehensive income (loss) for the year		1,641	(382)	-	1,259
Transfer to accumulation		52	(52)	-	-
<b>Balance at 30 June 2022</b>		45,899	141	146	46,186

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

**1. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

**Standards and interpretations affecting amounts reported in the current and prior year**

In the current year, Old Colonists' Association of Victoria trading as Abound Communities referred to as "The Association" has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Association's accounting policies, the Councillors are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and the future periods if the revision affects both current and future periods. Estimates are relevant when estimating the useful life of depreciable assets, the average length of stay of a resident for the recognition of ingoing donations and when calculating certain employee provisions.

Judgement has been exercised in considering the impact that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with the Old Colonists' Association of Victoria Act 1955 (as amended), Australian Accounting Standards- Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Act 2012 in order to satisfy the entity's financial reporting requirements. The financial statements cover Old Colonists' Association of Victoria as an individual entity.

The financial statements were authorised for issue by the Council on 17<sup>th</sup> October 2022.

**Going concern**

The financial report has been prepared on a going concern basis which assumes that the Association will be able to meet its obligations as and when they fall due. As at 30 June 2022 the Association had a net working capital deficiency, being current assets less current liabilities, of \$5,610,000. This mainly arises due to the requirement to classify Refundable Accommodation Deposits of \$4,312,000 and deferred revenue of \$2,485,000 in current liabilities.

It is not expected that the Refundable Accommodation Deposits balance will reduce significantly on an annual basis as the liabilities relating to residents who depart the facility are generally replaced by amounts received from new residents. Refundable Accommodation Deposits therefore are considered to form part of the long-term funding of the facility. The repayment of individual balances that make up the total current balance will be dependent upon the actual tenure of individual residents.

Deferred ingoing donation revenue is the balance of ingoing donations received from independent living and assisted living residents upon commencement of their residency and is amortised over an average revenue recognition period. This average revenue recognition period for the Association is nine years.

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Councillors have considered the position of the Association and consider the going concern basis to be appropriate for preparation of the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be incurred should the Association not continue as a going concern.

**Basis of preparation**

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Property, plant & equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation or amortisation. The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset. The carrying amount of property, plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from these assets.

Work in progress includes redevelopments and renovations of cottages. Work in progress is carried at cost and is transferred to cottages & buildings and furniture & plant once it is ready for use.

(b) Depreciation

The depreciable amount of all fixed assets, excluding land, is depreciated on a straight line basis over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

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

Class of fixed assets	Depreciation rate
Cottages & buildings	2.00%
Furniture & plant	2.00% - 25.00%
Motor vehicles & tractor mower	8.00% - 17.50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

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 and losses are included in the statement of profit or loss and other comprehensive income, recorded as other comprehensive income under the Association's election of AASB 136.

(c) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other 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. These include annual leave and long service

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

leave. Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

(d) Financial assets

Investments are recognised and derecognised on trade date, where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. They are initially measured at fair value net of transaction costs.

*(i) Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit or loss):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Association's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

*(ii) Financial assets measured at fair value through other comprehensive income*

Investments in listed equity instruments:

The Association made an irrevocable election at initial recognition for particular investments in equity instruments, which would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. Gain or loss, whether realised or unrealised, are recognised as other comprehensive income. Dividends on these financial assets are recognised as interest and investments income in the profit or loss.

When these financial assets are derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into accumulated surpluses.

*(iii) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss (FVTPL) include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

All income and expenses relating to financial assets at amortised costs or at FVTPL that are recognised in profit or loss are presented within gains on changes in fair value of the financial assets, interest & investment income or finance expenses, except for impairment of trade receivables, which is presented within other expenses.

*(iv) Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*(vi) Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investments have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

*(e) Financial liabilities issued by the Association*

*(i) Financial liabilities*

The Association's financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within lease income or finance expense.

*(f) Cash & cash equivalents*

Cash comprises of cash on hand and direct deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less as at the date of acquisition. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

*(g) Impairment of assets*

At each reporting date, the Association 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 value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss statement.

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

*(h) Goods & services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the costs of acquisition of the assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Revenue and income from operations

**Revenue from contracts with customers**

Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Association:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Deferred revenue represent the Association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Association has transferred the goods or services to the customer.

**Income from operations**

The Association recognises income in accordance with AASB 1058. Income under the standard is recognised where:

- an asset is received in a transaction, such as by way of grant, bequest or donation;
- there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and
- where the intention is to principally enable the entity to further its objectives.

The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

Revenue from contracts with customers and income from operations of the Association are as follows:

***Revenue from contracts with customers***

***Aged Care***

The Association recognises revenue from aged care services over time as performance obligation is satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services, as agreed in a single contract with the resident. The quantum of resident basic daily fees is regulated by the Government and typically increases in March and September each year. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days.

***Independent living and assisted living***

The Association receives daily fees from independent living and assisted living services and is recognised over time as services are provided. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days.

Revenue from Ingoing Donations is recognised over the expected length of stay of a resident. The expected length of stay of a resident is estimated based on the Association's historical tenure data. The difference between revenue recognised and contractual Ingoing Donations earned is recognised as deferred revenue within deferred revenue.

***Income from operations***

The Association recognises income in accordance with AASB 1058. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Ongoing residential care government subsidies***

Ongoing residential care government subsidies reflects the Association's entitlement to income from the Australian Government based upon the specific care and accommodation needs of the individual residents. Ongoing residential care government subsidies comprises of basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument ('ACFI'), accommodation supplements, funding for short-term 'respite' residents and other Government incomes. Ongoing residential care government subsidies is recognised over time as services are provided. Funding claims are submitted/updated daily and Government subsidy is usually payable within approximately one month of services having been performed.

***Other government grants***

Other government grants are recognised at the point in time when actual cash is received or at expected values when there is reasonable assurance that the Association will comply with the requirements and that the grant will be received.

***Donations and bequests***

Donations and bequests are recognised at a point in time only when the Association gains control of the funds and when the funds do not give rise to an obligation.

***Other income***

Other income is recognised when performance obligations are fulfilled.

All revenue and income is stated net of the amount of goods and services tax.

(j) Refundable accommodation deposits & accommodation bonds

The liability for accommodation bonds and refundable accommodation deposits is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees/retentions pursuant to the Aged Care Act 1997. These liabilities are considered to be current as the Association does not have unconditional right to defer settlement of the liability for at least 12 months after reporting date. The obligation to settle could occur anytime. Post 1 July 2014, new deposits are known as refundable accommodation deposits for residents entering the aged care system. Accommodation bonds are held for residents who entered aged care pre 1 July 2014 and have elected to maintain existing arrangements.

(k) Income tax expense

The Association is exempt from income tax under section 50-5 of the Income Tax Assessment Act (1997).

(l) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(m) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

**3. SURPLUS/(DEFICIT) FOR THE YEAR**

- Surplus/(deficit) for the year has been arrived at after charging the following:

(a) Expenses

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Depreciation of non-current assets		
- Cottages & buildings	1,258	1,190
- Motor vehicles & tractor mower	26	24
- Furniture & plant	1,237	1,154
	2,521	2,368
Impairment of Property, Plant and Equipment	9	-
	2,530	2,368

**4. CASH & CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
- Cash on hand	2	2
- Cash at bank	2,260	3,101
	2,262	3,103

**5. FINANCIAL ASSETS**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
- Current		
Financial assets measured at amortised cost	1,147	152
	1,147	152
- Non-Current		
Financial assets measured at fair value through other comprehensive income	2,247	2,656
Financial assets measured at fair value through profit or loss	1,177	1,145
	3,424	3,801
<b>TOTAL FINANCIAL ASSETS</b>	<b>4,571</b>	<b>3,953</b>

**6. PROPERTY, PLANT & EQUIPMENT**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Land- at cost		
- Braeside Park	509	509
- Currie Park	59	59
- Leith Park	35	35
Total	603	603
Cottages & buildings- at cost		
- Braeside Park		
Cottages & buildings	3,050	3,027
Provision for depreciation	(1,622)	(1,561)
Written down value	1,428	1,466
- Currie Park		
Cottages & buildings	1,295	1,289
Provision for depreciation	(812)	(787)
Written down value	483	502

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

6. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

- Leith Park		
Cottages & buildings	34,703	34,687
Provision for depreciation	<u>(8,314)</u>	<u>(7,623)</u>
Written down value	<u>26,389</u>	<u>27,064</u>
-Rushall Park		
Cottages & buildings	24,130	23,908
Provision for depreciation	<u>(2,578)</u>	<u>(2,100)</u>
Written down value	<u>21,552</u>	<u>21,808</u>
Total cottages & buildings	<u>49,852</u>	<u>50,840</u>
Furniture & plant- at cost	18,278	17,608
Provision for depreciation	<u>(8,313)</u>	<u>(7,332)</u>
Written down value	<u>9,965</u>	<u>10,276</u>
Motor vehicles & tractor mower- at cost	251	237
Provision for depreciation	<u>(112)</u>	<u>(86)</u>
Written down value	<u>139</u>	<u>151</u>
Works In progress- at cost	<u>366</u>	<u>173</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>60,925</u>	<u>62,043</u>

(a) Movements in carrying amounts

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

	Land	Cottages & buildings	Furniture & plant	Motor vehicle & tractor mower	Work in progress	Total
	2022 \$000	2022 \$000	2022 \$000	2022 \$000	2022 \$000	2022 \$000
Balance at the beginning of the year	603	50,841	10,276	151	173	62,043
Additions	-	277	928	14	1,412	2,631
Impairment losses	-	(7)	(2)	-	-	(9)
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	(1,219)	(1,219)
Depreciation expense	-	(1,258)	(1,237)	(26)	-	(2,522)
<b>Carrying amount at the end of the year</b>	<b>603</b>	<b>49,852</b>	<b>9,965</b>	<b>139</b>	<b>366</b>	<b>60,925</b>

7. TRADE & OTHER PAYABLES

	2022 \$000	2021 \$000
- Current		
Sundry creditors	509	464
Residents' deposits	26	76
Accommodation bonds & refundable accommodation deposits	<u>4,312</u>	<u>4,497</u>
	<u>4,847</u>	<u>5,037</u>

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

**7. TRADE & OTHER PAYABLES (CONTINUED)**

The average credit period on purchases of goods and services is 30 days. No interest is charged on the trade payables for the first 30 days. Specific suppliers may choose to charge interest after the period. The continuous monitoring of cash flows ensures that all payables are paid within the credit timeframe.

Pursuant to the Aged Care Act 1997, interest is paid on refundable accommodation deposits ("RAD") and accommodation bonds following departure (or death) of a resident. Interest is required to be paid at two different rates:

- at the base interest rate for the period between the date of the refunding event and the earlier of the date the balance is refunded and the date the legislated timeframe for the refund of the balance expires; and
- at the maximum permissible interest rate for the period after the end of the legislated time frame (or the time set out in the Formal Agreement) until the balance is refunded.

Refundable accommodation deposits and accommodation bonds are initially recognised as financial liability measured at fair value. The discount to the financial liability is recognised as lease income, and the corresponding addition to the financial liability is recognised as interest expense.

**8. EMPLOYEE PROVISIONS**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
- Current		
Annual leave	917	866
Other staff provisions	324	214
Long service leave	951	1,076
	2,192	2,156
- Non-current		
Long service leave	309	308
	309	308
<b>TOTAL EMPLOYEE PROVISIONS</b>	<b>2,501</b>	<b>2,464</b>

**9. BORROWINGS**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
- Current		
Bank Loan	-	620
	-	620
- Non-current		
Bank Loan	30	1,568
	30	1,568
<b>TOTAL BORROWINGS</b>	<b>30</b>	<b>2,188</b>

Interest bearing bank loans were obtained from Westpac Banking Corporation to fund the redevelopment projects at Leith Park and Rushall Park, secured by mortgages over certain Association properties.

**10. DEFERRED REVENUE**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
- Current		
Deferred ingoing donation revenue	2,385	2,547
Deferred grant revenue	100	-
	2,485	2,547

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

10. DEFERRED REVENUE (CONTINUED)

- Non-current Deferred ingoing donation revenue	12,214	14,141
<b>TOTAL DEFERRED REVENUE</b>	<b>14,699</b>	<b>16,688</b>

Deferred ingoing donation revenue is the balance of Ingoing Donations received from independent living and assisted living residents upon commencement of their residency at the Association amortised over an average revenue recognition period. This average revenue recognition period for the Association is nine years.

11. RESERVES

The fair value reserve records the fair value movements in the investments classified under fair value through other comprehensive income. The permanent fund records monies that have specifically been allocated from retained earnings for defined purposes.

	<b>Fair value reserve \$000</b>	<b>Permanent fund \$000</b>
<b>Balance at 30 June 2020</b>	340	146
Changes in fair value of investments classified as fair value through other comprehensive income	460	-
Transfer to accumulation	(225)	-
<b>Balance at 30 June 2021</b>	<b>575</b>	<b>146</b>
Changes in fair value of investments classified as fair value through other comprehensive income	(382)	-
Transfer to accumulation	(52)	-
<b>Balance at 30 June 2022</b>	<b>141</b>	<b>146</b>

12. RELATED PARTY DISCLOSURE

**Councillors**

The names of the Councillors who held office during the financial year are:

Kevin Neville  
 Carl Maissan  
 Leslie Wood  
 Judy Sharp  
 Jenny Roche (Resigned December 2021)  
 Lyndsay Neilson  
 Dominique Horne  
 Dr Mary Britton  
 Dr Philomena Horsley  
 Peter Slifirski

No Councillor received any remuneration during the year ended 30 June 2022 (2021: nil). There were no related party transactions.

**Old Colonists' Association of Victoria T/A Abound Communities**  
**Notes to financial statements**

12. RELATED PARTY DISCLOSURE (CONTINUED)

**Other key management personnel**

Any persons having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly are considered key management personnel.

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Total remuneration	724	690
Number of other key management personnel	4	4

13. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

FINANCIAL ASSETS

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>\$000</b>	<b>\$000</b>
- Current			
Cash & cash equivalents	4	2,262	3,103
Receivables		403	2,115
Financial assets at amortised cost	5	1,147	152
		<u>3,812</u>	<u>5,370</u>
- Non-Current			
Financial assets measured at fair value through profit or loss	5	1,177	1,145
Financial assets measured at fair value through other comprehensive income	5	2,247	2,656
		<u>3,424</u>	<u>3,801</u>
<b>TOTAL FINANCIAL ASSETS</b>		<u><b>7,236</b></u>	<u><b>9,171</b></u>

FINANCIAL LIABILITIES

- Current			
Trade & other payables	7	4,847	5,038
Borrowings	9	-	620
		<u>4,847</u>	<u>5,658</u>
- Non current			
Borrowings	9	30	1,568
		<u>30</u>	<u>1,568</u>
<b>TOTAL FINANCIAL LIABILITIES</b>		<u><b>4,877</b></u>	<u><b>7,226</b></u>

## Old Colonists' Association of Victoria T/A Abound Communities

### Councillors' declaration:

In the opinion of the Councillors of the Old Colonists' Association of Victoria:

- (a) The financial statements and notes of the Old Colonists' Association of Victoria are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including
  - i. Giving a true and fair view of its financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
  - ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Regulation 2013, and
- (b) There are reasonable grounds to believe that Old Colonists' Association of Victoria will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Council and is signed for and on behalf of the Council by:



**K.W. Neville**  
*President*



**C. Maissan**  
*Treasurer*

17<sup>th</sup> October 2022

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**Grant Thornton Audit Pty Ltd**

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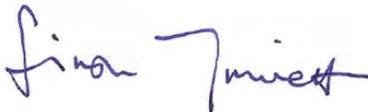
## Auditor's Independence Declaration

### To Old Colonists' Association of Victoria

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Old Colonists' Association of Victoria for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



S C Trivett  
Partner - Audit & Assurance

Melbourne, 17 October 2022

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## Independent Auditor's Report

### To the Members of Old Colonists' Association of Victoria

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Old Colonists' Association of Victoria (the "Association"), which comprises the statement of financial position as at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Council of the Association.

In our opinion, the financial report of Old Colonists' Association of Victoria has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

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

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 Council are responsible for the other information. The other information comprises the information included in the Association'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.

### **Responsibilities of those charged with governance for the financial report**

The Council of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Council determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council are responsible for assessing the Association'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 Council either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Council is responsible for overseeing the Association's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

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

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

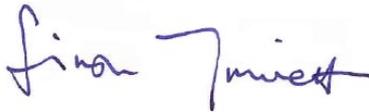
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

- Conclude on the appropriateness of the Council'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 Association'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 Association 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 Council with governance 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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



S C Trivett  
Partner – Audit & Assurance

Melbourne, 17 October 2022