



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

A.B.N. 15 660 751 609

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

	NOTE	2023 \$000	2022 \$000
Income			
Residential care government subsidies		6,139	6,677
Independent living fees & charges		2,964	2,785
Independent & assisted living ingoing contributions	2(i)	2,566	3,229
Residential care fees & charges		1,677	1,686
Assisted living fees & charges		709	648
Home and community care services fees & charges		11	-
Donations & bequests		266	272
Interest & investment income		222	167
Residential care lease income		257	165
Other government grants		542	164
Miscellaneous income		41	139
Gains (loss) on financial assets		46	(92)
Total income		<u>15,440</u>	<u>15,840</u>
Expenses			
Employee expenses		(9,611)	(8,890)
Depreciation & impairment losses	3(a)	(2,574)	(2,530)
Food expenses		(484)	(421)
Repairs & maintenance expenses		(355)	(326)
Rates & services expenses		(304)	(307)
Finance expenses		(293)	(236)
Services & contract expenses		(270)	(186)
Utilities expense		(206)	(213)
Insurance expenses		(183)	(155)
Medical expenses		(109)	(113)
Professional services expenses		(108)	(122)
Cleaning & laundry expenses		(80)	(96)
Audit & other services		(52)	(43)
Printing, stationery & postage		(39)	(40)
Other expenses		(439)	(519)
Total expenses		<u>(15,107)</u>	<u>(14,197)</u>
Surplus (deficit) before tax		333	1,643
Income tax expense	2(k)	-	-
Surplus (deficit) for the year		<u>333</u>	<u>1,643</u>
Other comprehensive income			
<i>Items that may not subsequently be reclassified to profit or loss:</i>			
Changes to fair value of financial assets		-	(382)
Total other comprehensive income (loss)		<u>333</u>	<u>1,261</u>
Total comprehensive income (loss)		<u><u>333</u></u>	<u><u>1,261</u></u>

Statement of Financial Position

as at 30 June 2023

	NOTE	2023 \$000	2022 \$000
Assets			
Current			
Cash & cash equivalents	4	3,997	2,262
Trade & other receivables	5	789	402
Financial assets	6	1,902	1,147
Prepayments		109	103
Total current assets		<u>6,797</u>	<u>3,914</u>
Non-current			
Financial assets	6	-	3,424
Property, plant & equipment	7	60,067	60,925
Total non-current assets		<u>60,067</u>	<u>64,349</u>
Total assets		<u>66,864</u>	<u>68,263</u>
Liabilities			
Current			
Trade & other payables	8	4,883	4,847
Employee provisions	9	2,101	2,192
Borrowings	10	53	-
Deferred revenue	11	2,366	2,485
Total current liabilities		<u>9,403</u>	<u>9,524</u>
Non-current			
Employee provisions	9	372	309
Borrowings	10	-	30
Deferred revenue	11	10,570	12,214
Total non-current liabilities		<u>10,942</u>	<u>12,553</u>
Total liabilities		<u>20,345</u>	<u>22,077</u>
Net assets		<u>46,519</u>	<u>46,186</u>
Equity			
Accumulation account		46,373	45,899
Fair value reserve	12	-	141
Permanent fund	12	146	146
Total equity		<u>46,519</u>	<u>46,186</u>

Old Colonists' Association of Victoria T/A Abound Communities

Statement of Cash Flows

for the year ended 30 June 2023

	NOTE	2023 \$000	2022 \$000
Cash flows from operating activities			
Receipts from residential care government subsidies		6,000	6,702
Receipts from residential care, assisted & independent living services		5,262	5,366
Receipts from independent & assisted living ingoing contributions		880	2,713
Receipts from donations & bequests		635	537
Receipts from interest and investments		125	93
Payments to suppliers & employees		(12,248)	(11,356)
Interest paid		(14)	(8)
Net cash generated by operating activities		<u>640</u>	<u>4,047</u>
Cash flows from investing activities			
Receipts from sale of investments		6,015	153
Receipts from sale of plant & equipment		16	-
Payments for property, plant & equipment		(1,732)	(1,412)
Payment for investments		(3,237)	(1,188)
Net cash used in investing activities		<u>1,062</u>	<u>(2,447)</u>
Cash flows from financing activities			
Repayment of bank loans		-	(2,221)
Receipts from refundable accommodation deposits		1,300	790
Payments of accommodation bonds & refundable accommodation deposits		(1,267)	(1,010)
Net cash provided by financing activities		<u>33</u>	<u>2,441</u>
Net increase/(decrease) in cash held		1,735	(841)
Cash and cash equivalents at beginning of year		<u>2,262</u>	<u>3,103</u>
Cash and cash equivalents at end of year	4	<u><u>3,997</u></u>	<u><u>2,262</u></u>

Old Colonists' Association of Victoria T/A Abound Communities

Statement of Changes in Equity

for the Year Ended 30 June 2023

	NOTE	Accumulation account \$000	Fair value reserve \$000	Permanent fund \$000	Total \$000
Balance at 30 June 2021		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)	-	-
Balance at 30 June 2022		45,899	141	146	46,186
Surplus for the year		333	-	-	333
Other comprehensive income (loss)		-	-	-	-
Total comprehensive income (loss) for the year		333	-	-	333
Transfer to accumulation		141	(141)	-	-
Balance at 30 June 2023		46,373	-	146	46,519

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 ongoing contributions and when calculating certain employee provisions.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through enterprise bargaining agreement and inflation have been taken into account.

Revenue recognition

In determining whether revenue should be recognised in the year or deferred to future accounting periods, management exercise significant level of judgement. The recognition criteria for each payment are subject to specific conditions or targets which are given in the relevant agreements. Management exercise judgement about the amount of revenue to be recognised in the accounting period in line with the funding agreement.

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- Simplified Disclosure Requirements (including Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Act 2012 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 16th October 2023.

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 2023 the Association had a net working capital deficiency, being current assets less current liabilities, of \$2,606,000 (2022: \$5,610,000). This mainly arises due to the requirement to classify Refundable Accommodation Deposits of \$4,332,000 (2022: \$4,312,000) and deferred revenue of \$2,366,000 (2022: \$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.

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred ingoing contribution revenue is the balance of ingoing contributions 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.

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

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 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.

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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 represents 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:

Aged Care and community services

The Association recognises revenue from aged care and community 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 aged care basic daily fees is regulated by the Government and typically increases in March and September each year. Customers 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 contributions 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 contributions earned is recognised as deferred revenue within deferred revenue.

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Aged 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 Australian National Aged Care Classification ('ANACC'), 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 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.

(n) Events occurring after the balance sheet date

All material events occurring after the balance sheet date are considered, and where necessary, adjustments made in these financial statements.

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

	2023	2022
	\$000	\$000
Depreciation of non-current assets		
- Cottages & buildings	1,262	1,258
- Motor vehicles & tractor mower	30	26
- Furniture & plant	1,282	1,237
	2,574	2,521
Impairment of Property, Plant and Equipment	-	9
	2,574	2,530

4. CASH & CASH EQUIVALENTS

	2023	2022
	\$000	\$000
- Cash on hand	2	2
- Cash at bank	3,995	2,260
	3,997	2,262

5. TRADE AND OTHER RECEIVABLES

	2023	2022
	\$000	\$000
Trade receivables	395	240
GST receivable	106	105
Other receivables	288	57
	789	402

6. FINANCIAL ASSETS

	2023	2022
	\$000	\$000
- Current		
Financial assets measured at amortised cost	1,670	1,147
Financial assets measured at fair value through profit or loss	232	
	1,902	1,147
- Non-Current		
Financial assets measured at fair value through other comprehensive income	-	2,247
Financial assets measured at fair value through profit or loss	-	1,177
	-	3,424
TOTAL FINANCIAL ASSETS	1,902	4,571

7. PROPERTY, PLANT & EQUIPMENT

	2023	2022
	\$000	\$000
Land- at cost		
- Braeside Park	509	509
- Currie Park	59	59
- Leith Park	35	35
Total	603	603

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

7. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

Cottages & buildings- at cost		
- Braeside Park		
Cottages & buildings	3,054	3,050
Provision for depreciation	<u>(1,684)</u>	<u>(1,622)</u>
Written down value	<u>1,370</u>	<u>1,428</u>
- Currie Park		
Cottages & buildings	1,295	1,295
Provision for depreciation	<u>(837)</u>	<u>(812)</u>
Written down value	<u>458</u>	<u>483</u>
- Leith Park		
Cottages & buildings	34,783	34,703
Provision for depreciation	<u>(9,007)</u>	<u>(8,314)</u>
Written down value	<u>25,776</u>	<u>26,389</u>
-Rushall Park		
Cottages & buildings	24,234	24,130
Provision for depreciation	<u>(3,060)</u>	<u>(2,578)</u>
Written down value	<u>21,174</u>	<u>21,552</u>
Total cottages & buildings	<u>48,778</u>	<u>49,852</u>
Furniture & plant- at cost	19,142	18,278
Provision for depreciation	<u>(9,180)</u>	<u>(8,313)</u>
Written down value	<u>9,962</u>	<u>9,965</u>
Motor vehicles & tractor mower- at cost	340	251
Provision for depreciation	<u>(120)</u>	<u>(112)</u>
Written down value	<u>220</u>	<u>139</u>
Works In progress- at cost	<u>504</u>	<u>366</u>
	504	366
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>60,067</u>	<u>60,925</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
	2023 \$000	2023 \$000	2023 \$000	2023 \$000	2023 \$000	2023 \$000
Balance at the beginning of the year	603	49,852	9,965	139	366	60,925
Additions	-	188	1,280	127	1,733	3,328
Impairment losses	-	-	-	-	-	-
Disposals	-	-	(1)	(16)	-	(17)
Transfers	-	-	-	-	(1,595)	(1,595)
Depreciation expense	-	(1,262)	(1,282)	(30)	-	(2,574)
Carrying amount at the end of the year	603	48,778	9,962	220	504	60,067

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

8. TRADE & OTHER PAYABLES

	2023	2022
	\$000	\$000
- Current		
Sundry creditors	522	509
Residents' deposits	29	26
Accommodation bonds & refundable accommodation deposits	4,332	4,312
	4,883	4,847

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.

9. EMPLOYEE PROVISIONS

	2023	2022
	\$000	\$000
- Current		
Annual leave	930	917
Other staff provisions	268	324
Long service leave	903	951
	2,101	2,192
- Non-current		
Long service leave	372	309
	372	309
TOTAL EMPLOYEE PROVISIONS	2,473	2,501

10. BORROWINGS

	2023	2022
	\$000	\$000
- Current		
Bank Loan	53	-
	53	-
- Non-current		
Bank Loan	-	30
TOTAL BORROWINGS	53	30

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.

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

11. DEFERRED REVENUE	2023	2022
	\$000	\$000
- Current		
Deferred ingoing contribution revenue	2,366	2,385
Deferred grant revenue	-	100
	<u>2,366</u>	<u>2,485</u>
- Non-current		
Deferred ingoing contribution revenue	10,570	12,214
TOTAL DEFERRED REVENUE	<u>12,936</u>	<u>14,699</u>

Deferred ingoing contribution revenue is the balance of Ingoing contributions 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.

12. 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.

	Fair value reserve \$000	Permanent fund \$000
Balance at 30 June 2021	575	146
Changes in fair value of investments classified as fair value through other comprehensive income	(382)	-
Transfer to accumulation	(52)	-
Balance at 30 June 2022	<u>141</u>	<u>146</u>
Changes in fair value of investments classified as fair value through other comprehensive income	-	-
Transfer to accumulation	(141)	-
Balance at 30 June 2023	<u>-</u>	<u>146</u>

13. RELATED PARTY DISCLOSURE

Councillors

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

Carl Maissan (appointed as President December 2022)
Catherine Wilson (appointed December 2022)
Dominique Horne
Dr Mary Britton (retired December 2022)
Dr Philomena Horsley (appointed as Vice President December 2022)
Judy Sharp
Katharine Stewart (appointed February 2023)
Kevin Neville (retired December 2022)
Leslie Wood (retired April 2023)
Lyndsay Neilson (retired January 2023)
Margaret Abernethy (appointed December 2022)
Peter Slifirski

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

13. RELATED PARTY DISCLOSURE (CONTINUED)

No Councillor received any remuneration during the year ended 30 June 2023 (2022: nil). There were no related party transactions.

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.

	2023	2022
	\$000	\$000
Total remuneration	531	724
Number of other key management personnel	3	4

14. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

FINANCIAL ASSETS	Notes	2023	2022
		\$000	\$000
- Current			
Cash & cash equivalents	4	3,997	2,262
Receivables		716	403
Financial assets at amortised cost	6	1,670	1,147
		<u>6,383</u>	<u>3,812</u>
- Non-Current			
Financial assets measured at fair value through profit or loss	6	232	1,177
Financial assets measured at fair value through other comprehensive income	6	-	2,247
		<u>232</u>	<u>3,424</u>
TOTAL FINANCIAL ASSETS		<u>6,615</u>	<u>7,236</u>
FINANCIAL LIABILITIES			
- Current			
Trade & other payables	8	4,883	4,847
Borrowings	10	53	-
		<u>4,936</u>	<u>4,847</u>
- Non current			
Borrowings	10	-	30
TOTAL FINANCIAL LIABILITIES		<u>4,936</u>	<u>4,877</u>

15. CAPITAL COMMITMENTS

	2023	2022
	\$000	\$000
Construction contracts		
Payable		
- not later than one year	2,265	-
- later than one year but not later than 5 years	-	-
	<u>2,265</u>	<u>-</u>

Old Colonists' Association of Victoria T/A Abound Communities

Councillors' declaration:

In the opinion of the Councillors of the Abound Communities:

- (a) The financial statements and notes of the Abound Communities 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 2023 and of its performance for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards – Simplified 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 Abound Communities 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:



Dr Philomena Horsley
Acting President



Niraj Bhojani
Treasurer

16th October 2023

Grant Thornton Audit Pty Ltd

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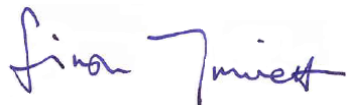
Auditor's Independence Declaration

To the Members of Old Colonists' Association of Victoria, trading as Abound Communities

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, trading as Abound Communities for the year ended 30 June 2023, 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, 16 October 2023

Independent Auditor's Report

To the Members of Old Colonists' Association of Victoria, trading as About Communities

Report on the audit of the financial report

Opinion

We have audited the financial report of Old Colonists' Association of Victoria, trading as About Communities (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2023, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Councillors' Declaration.

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 Registered Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

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

Responsibilities of those charged with governance for the Financial Report

The Council of the Registered Entity 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 Registered Entity'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 Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Council are responsible for overseeing the Registered Entity'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.

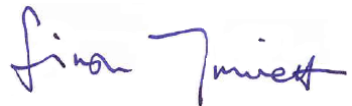
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Registered Entity'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 Registered Entity'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 Registered Entity 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 those charged 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.

A handwritten signature in blue ink that reads "Grant Thornton".

Grant Thornton Audit Pty Ltd
Chartered Accountants

A handwritten signature in blue ink that reads "S C Trivett".

S C Trivett
Partner – Audit & Assurance
Melbourne, 16 October 2023