

# **Association for Christian Senior Citizen's Homes (WA) Inc**

ABN 78 059 613 443

## **General Purpose Financial Report - 30 June 2023**

# Association for Christian Senior Citizen's Homes (WA) Inc

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30 June 2023

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### General information

The financial statements cover Association for Christian Senior Citizen's Homes (WA) Inc as an individual entity. The financial statements are presented in Australian dollars, which is Association for Christian Senior Citizen's Homes (WA) Inc's functional and presentation currency.

Association for Christian Senior Citizen's Homes (WA) Inc is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

86 Mills Road West, MARTIN WA 6110

A description of the nature of the association's operations and its principal activities are included in the board of directors' report, which is not part of the financial statements.

The financial statements were authorised for issue on 28 November 2023.

**DIRECTORS:**

**ROBERT CAMPBELL** RCA, CA  
**VIRAL PATEL** RCA, CA  
**ALASTAIR ABBOTT** RCA, CA  
**CHASSEY DAVIDS** RCA, CA

**ASSOCIATE DIRECTOR:**

**SANTO CASILLI** FCPA PFIIA

## **AUDITOR'S INDEPENDENCE DECLARATION**

To the Board of Directors of Association for Christian Senior Citizens Homes WA Inc T/a Manoah Homes

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 and section 80 of the Associations Incorporation Act 2015 (WA), in relation to our audit of the financial report of Association for Christian Senior Citizens Homes WA Inc T/a Manoah Homes for the year ended 30 June 2023, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b. No contraventions of the auditor independence requirements of the *Associations Incorporation Act 2015 (WA)* in relation to the audit; and
- c. No contraventions of any applicable code of professional conduct in relation to the audit



**Viral Patel**, CA, CPA, RCA

Registered Company Auditor number 333615

**Director**

**Australian Audit**

Perth, Western Australia

Date: 28 November 2023

**DIRECTORS:**

**ROBERT CAMPBELL RCA, CA**  
**VIRAL PATEL RCA, CA**  
**ALASTAIR ABBOTT RCA, CA**  
**CHASSEY DAVIDS RCA, CA**

**ASSOCIATE DIRECTOR:**

**SANTO CASILLI FCPA PFIIA**

## **INDEPENDENT AUDITOR'S REPORT**

To the members of Association for Christian Senior Citizens Homes WA Inc T/a Manoah Homes

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Association for Christian Senior Citizens Homes WA Inc T/a Manoah Homes (the entity), which comprises the statement of financial position as at 30 June 2023, the statement of profit or 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 directors' declaration.

In our opinion the accompanying financial report has been prepared in accordance with requirements of the Associations Incorporation Act 2015 (WA) and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), including:

- a. giving a true and fair view of the entity's financial position as at 30 June 2023, and of its financial performance and its cash flows 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 entity in accordance with the Associations Incorporation Act 2015 (WA), the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Responsibilities of Management and The Board of Directors for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the ACNC Act 2012 and the Associations Incorporation Act 2015 (WA). The responsibility of



Management also includes such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the 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 Australian Auditing Standards, we exercise professional judgment 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Report on Other Legal and Regulatory Requirements

In our opinion, the entity has complied with 60-30(3)(b), (c) and (d) of the ACNC Act and 82(1)(b), (c) and (d) of the Associations Incorporation Act 2015 (WA):

- a. by providing us with all information, explanation and assistance necessary for the conduct of the audit;
- b. by keeping financial records sufficient to enable a financial report to be prepared and audited;
- c. by keeping other records required by Part 3-2 of the ACNC Act, including those records required by Section 50-5 that correctly record its operations, so as to enable any recognised assessment activity to be carried out in relation to the entity; and
- d. by keeping other records required by Part 5 of the *Associations Incorporation Act 2015 (WA)*, including those records required by Section 66 that correctly record its operations, so as to enable true and fair financial statements to be prepared.

**Viral Patel**, CA, CPA, RCA

Registered Company Auditor number 333615

**Director**

**Australian Audit**

Perth, Western Australia

Date: 28 November 2023

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Board of directors' report**  
**30 June 2023**

The board of directors presents the report on Association for Christian Senior Citizen's Homes (WA) Inc. for the financial year ended 30 June 2023.

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

The net profit of Association for Christian Senior Citizen's Homes (WA) Inc. for the financial year ended 30 June 2023 amounted to \$120,573 (30 June 2022: net deficit \$52,587).

At the end of the 2023 financial year, the association results show a deficiency in working capital, with current liabilities exceeding current assets by more than \$6,000,000. Note 1 and Note 13 to the financial statements explain the nature of this liability. The directors expect that a substantial portion of this liability will not have to be paid within the next 12 months, and as a result, do not consider that there will be a difficulty in the organisation paying its debts as and when they fall due.

The principal activity of the association during the financial year was the provision of aged care accommodation in Perth, Western Australia.

During the period, Association for Christian Senior Citizens' Homes (WA) Inc applied Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

On behalf of the board of directors



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Tian Kotze  
Chairperson



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Jaco Van Staden  
Vice chairperson


28/11 \_\_\_\_\_ 2023

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Board of directors' declaration**  
**30 June 2023**

In the board of directors' opinion:

- the attached financial statements and notes comply with the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and Western Australian legislation the Associations Incorporation Act 2015;
- the attached financial statements and notes comply with Australian Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

On behalf of the board of directors



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Tian Kotze  
Chairperson



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Jaco Van Staden  
Vice chairperson

28/11 2023



**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Government subsidies		2,386,859	2,341,475
Village reduction in entry fee liabilities		97,753	191,664
Resident fees		980,721	821,615
Unit operating costs recovery		144,366	128,171
Grants		249,012	-
Donations	3	101,142	123,221
Fundraising	3	11,060	6,074
Other		58,533	76,130
		<u>4,029,446</u>	<u>3,688,350</u>
Interest revenue		46,582	46,679
Total revenue		<u>4,076,028</u>	<u>3,735,029</u>
<b>Expenses</b>			
Employee benefits expense		(2,830,763)	(2,655,593)
Grant utilised		(61,198)	-
Health support		(180,047)	(136,701)
Administration		(352,008)	(378,422)
Depreciation and amortisation expense		(57,801)	(66,958)
Property		(165,055)	(167,651)
Housekeeping		(53,887)	(57,203)
Electricity and gas		(53,000)	(51,136)
Insurance		(121,713)	(127,259)
Medical supplies		(44,275)	(62,592)
Bad debt		(284)	-
Finance costs		(35,423)	(84,701)
Total expenses		<u>(3,955,455)</u>	<u>(3,788,216)</u>
<b>Operating surplus/(deficit)</b>		120,573	(53,187)
Donations for Building Project	4	-	600
<b>Surplus/(deficit) for the year</b>	16	<u>120,573</u>	<u>(52,587)</u>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u><u>120,573</u></u>	<u><u>(52,587)</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Statement of financial position**  
**As at 30 June 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	1,204,398	511,554
Trade and other receivables	6	27,125	5,316
Investments	7	904,784	925,689
Other	8	31,258	111,525
Total current assets		2,167,565	1,554,084
<b>Non-current assets</b>			
Property, plant and equipment	9	9,421,332	10,364,488
Total non-current assets		9,421,332	10,364,488
<b>Total assets</b>		11,588,897	11,918,572
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	84,171	84,424
Employee benefits	12	217,000	213,488
Non-interest bearing current liabilities	13	8,360,059	7,452,563
Other	14	231,977	87,181
Total current liabilities		8,893,207	7,837,656
<b>Non-current liabilities</b>			
Borrowings	11	171,590	554,590
Employee benefits	12	75,711	75,711
Non-interest bearing non-current liabilities	13	100,000	159,903
Total non-current liabilities		347,301	790,204
<b>Total liabilities</b>		9,240,510	8,627,860
<b>Net assets</b>		2,348,389	3,290,712
<b>Equity</b>			
Reserves	15	725,586	1,788,482
Retained surpluses	16	1,622,803	1,502,230
<b>Total equity</b>		2,348,389	3,290,712

The above statement of financial position should be read in conjunction with the accompanying notes

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		4,018,736	3,452,117
Payments to suppliers and employees (inclusive of GST)		<u>(2,604,911)</u>	<u>(3,647,250)</u>
Net cash used in operating activities	22	<u>1,413,825</u>	<u>(195,133)</u>
<b>Cash flows from investing activities</b>			
Payments for investments		-	(267,385)
Payments for property, plant and equipment	9	(177,542)	(65,745)
Proceeds from disposal of investments		-	254,639
Interest received		<u>46,582</u>	<u>46,679</u>
Net cash used in investing activities		<u>(130,960)</u>	<u>(31,812)</u>
<b>Cash flows from financing activities</b>			
Proceeds/(Repayments) of borrowings		(383,000)	(100,000)
Accommodation bonds/refundable deposits received		1,408,911	1,813,000
Accommodation bonds/refundable deposits/entry contributions (refunded)		(1,578,451)	(1,649,188)
Interest and other finance costs paid		<u>(37,481)</u>	<u>(43,743)</u>
Net cash from financing activities		<u>(590,021)</u>	<u>20,069</u>
Net decrease in cash and cash equivalents		692,844	(206,876)
Cash and cash equivalents at the beginning of the financial year		<u>511,554</u>	<u>718,430</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>1,204,398</u></u>	<u><u>511,554</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	<b>Revaluation Reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	1,788,482	1,554,817	3,343,299
Deficit for the year	-	(52,587)	(52,587)
Total comprehensive income for the year	-	(52,587)	(52,587)
Balance at 30 June 2022	<u>1,788,482</u>	<u>1,502,230</u>	<u>3,290,712</u>
	<b>Revaluation Reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	1,788,482	1,502,230	3,290,712
Surplus for the year	-	120,573	120,573
Total comprehensive income for the year	-	120,573	120,573
Loss on the revaluation of Land and Buildings	(1,062,896)	-	(1,062,896)
Balance at 30 June 2023	<u>725,586</u>	<u>1,622,803</u>	<u>2,348,389</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Notes to the financial statements**  
**30 June 2023**

## **Note 1. Significant accounting policies**

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

### **New or amended Accounting Standards and Interpretations adopted**

The association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Western Australian legislation the Associations Incorporation Act 2015, as appropriate for not-for profit oriented entities.

### ***Historical cost convention***

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

### ***Critical accounting estimates***

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

## **Revenue recognition**

### ***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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

### ***Interest***

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Notes to the financial statements**  
**30 June 2023**

**Note 1. Significant accounting policies (continued)**

***Other revenue***

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other revenue is recognised when it is received or when the right to receive payment is established.

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

**Income tax**

As the association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Investments**

Investments are measured at fair value. The carrying amount of investments is reviewed annually by the board of directors to ensure it is not in excess of the recoverable amount of these investments.

***Investments***

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the association has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

**Impairments of assets**

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, or when annual impairment testing for an asset is required, the Association makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or Associations of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Notes to the financial statements**  
**30 June 2023**

**Note 1. Significant accounting policies (continued)**

**Leases**

Leases of plant and equipment, where substantially all the risk and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to Association for Christian Senior Citizens' Homes (WA) Inc, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that Association for Christian Senior Citizens' Homes (WA) Inc will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**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.

**Resident loans and accommodation bonds**

Resident loans and accommodation bonds/RADs/RACs are treated as financial liabilities through profit and loss.

Resident loans, and accommodation bonds/RADs/RACs are measured at the principal amount less reductions. Accommodation bonds are bonds in relation to care recipients who first entered care before 1 July 2014, while Refundable accommodation deposits (RADs) and Refundable accommodation contributions (RACs) are deposits for care recipients who first entered care on or after 1 July 2014.

Accommodation bonds/RADs/RACs are measured at the principal amount less retention amounts.

Resident loans and accommodation bonds/RADs/RACs are non-interest bearing and the net amount is repayable upon demand. The fair value of resident loans and accommodation bonds is not less than the amount payable on demand.

Resident loans are classified as current liabilities.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred.

**Comparatives**

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

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Notes to the financial statements**  
**30 June 2023**

**Note 1. Significant accounting policies (continued)**

**Equity of the Association**

According to the constitution of the association, members do not have a right to undistributed funds upon the wind up of the body; therefore all equity is recognised in the accounts as retained profits.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the association for the annual reporting period ended 30 June 2023. The association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

***Allowance for expected credit losses***

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

***Estimation of useful lives of assets***

The association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

***Employee benefits provision***

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be 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 promotion and inflation have been taken into account.

**Note 3. Donations and fundraising activities**

During the financial year, the Association conducted a number of fundraising activities. The breakdown of the revenue and expenditure of these activities is as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Donations solicited from association members	71,688	82,085
Donations solicited from churches supporting the association	29,454	41,136
Sale of plants and miscellaneous items	<u>11,060</u>	<u>6,074</u>
	<u><u>112,202</u></u>	<u><u>129,295</u></u>



**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Notes to the financial statements**  
**30 June 2023**

**Note 3. Donations and fundraising activities (continued)**

Association for Christian Senior Citizen's Homes (WA) Inc has obtained Charitable collections licence on 10 August 2018.

**Note 4. Donations for Building Project**

	<b>2023</b>	<b>2022</b>
	\$	\$
Donations for Building Project	-	600
	-	600

**Note 5. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b><i>Current assets</i></b>		
Cash on hand	980	809
Cash at bank	1,203,418	510,745
	1,204,398	511,554

***Accounting policy for cash and cash equivalents***

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

**Note 6. Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b><i>Current assets</i></b>		
Trade receivables	24,498	916
Accrued income	2,627	4,400
	27,125	5,316

***Accounting policy for trade and other receivables***

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Association for Christian Senior Citizen's Homes (WA) Inc**  
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**Note 7. Investments**

	2023 \$	2022 \$
<b><i>Current assets</i></b>		
Corporate bonds	904,784	925,689

Refer to note 18 for further information on fair value measurement.

**Note 8. Other**

	2023 \$	2022 \$
<b><i>Current assets</i></b>		
Prepayments	31,258	111,525

**Note 9. Property, plant and equipment**

	2023 \$	2022 \$
<b><i>Non-current assets</i></b>		
Land and buildings	8,758,001	9,820,897
Plant and equipment	1,318,060	1,129,421
Less: Accumulated depreciation	(654,729)	(585,830)
	663,331	543,591
	9,421,332	10,364,488

***Reconciliations***

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and Equipment \$	Land and Buildings \$	Total \$
Balance at 1 July 2021	544,803	9,820,897	10,365,700
Additions	65,745	-	65,745
Depreciation expense	(66,957)	-	(66,957)
	543,591	9,820,897	10,364,488
Balance at 30 June 2022	543,591	9,820,897	10,364,488
Additions	177,542	-	177,542
Gain on Revaluation of Village	-	2,071,577	2,071,577
Loss on Revaluation of Aged Care Facility	-	(3,134,473)	(3,134,473)
Depreciation expense	(57,801)	-	(57,801)
	663,331	8,758,001	9,421,332
Balance at 30 June 2023	663,331	8,758,001	9,421,332

**Association for Christian Senior Citizen's Homes (WA) Inc**  
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**Note 9. Property, plant and equipment (continued)**

***Valuations of land and buildings***

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation and impairment for buildings. In June 2023, Association has revalued the Land and Buildings, the fair value of the Land and Buildings are stated based on the independent professional valuer's valuation amounts. The values of the independent professional valuer's valuation report have been included in the statement of financial position, with the adjustment amount recorded through other comprehensive income if there is an adjustment to fair value of the land and buildings. No depreciation is calculated for revalued properties.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the balance sheet. Any revaluation decrement is recognised in the income statement. Independent valuations are planned to be performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

It is the policy of the Association to have a formal independent appraisal of buildings by a licensed valuer approximately every three years to satisfy the requirements of AASB 116 Property, Plant & Equipment.

Refer to note 18 for further information on fair value measurement.

***Accounting policy for property, plant and equipment***

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Land and buildings	0%
Plant and equipment	10-30%

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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**Note 10. Trade and other payables**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b><i>Current liabilities</i></b>		
Creditors	(285)	33,439
Superannuation payable	65,389	546
BAS payable	19,056	50,427
Other payables	<u>12</u>	<u>12</u>
	<u><u>84,171</u></u>	<u><u>84,424</u></u>

Refer to note 17 for further information on financial instruments.

***Accounting policy for trade and other payables***

These amounts represent liabilities for goods and services provided to the association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Note 11. Borrowings**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b><i>Non-current liabilities</i></b>		
Bank loan	<u>171,590</u>	<u>554,590</u>

Refer to note 17 for further information on financial instruments.

***Accounting policy for 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.

**Note 12. Employee benefits**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b><i>Current liabilities</i></b>		
Annual leave	202,930	199,283
Sick leave	<u>14,070</u>	<u>14,205</u>
	<u>217,000</u>	<u>213,488</u>
<b><i>Non-current liabilities</i></b>		
Long service leave	<u>75,711</u>	<u>75,711</u>
	<u><u>292,711</u></u>	<u><u>289,199</u></u>

**Association for Christian Senior Citizen's Homes (WA) Inc**  
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**Note 12. Employee benefits (continued)**

*Accounting policy for employee benefits*

**Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

**Other long-term employee benefits**

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

**Note 13. Non-interest bearing current liabilities**

	2023	2022
	\$	\$
<b>Accommodation bonds/RADs/RACs for hostel</b>		
Estimated settlement within 12 months	948,364	817,071
Estimated settlement longer than 12 months	3,791,098	3,266,253
	4,739,462	4,083,324
	2023	2022
	\$	\$
<b>Entry fees residential units</b>		
Estimated settlement within 12 months	469,084	425,541
Estimated settlement longer than 12 months	2,837,002	2,573,657
	3,306,086	2,999,198
	2023	2022
	\$	\$
<b>Village Contract Liability - AASB 15</b>		
Estimated settlement within 12 months	22,275	24,474
Estimated settlement longer than 12 months	292,236	345,567
	314,511	370,041
<b>Note 13. Non-interest bearing non-current liabilities</b>		
Other liabilities	100,000	159,903

Refer to note 17 for further information on financial instruments.

**Association for Christian Senior Citizen's Homes (WA) Inc**  
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**Note 13. Non-interest bearing current liabilities (continued)**

Accommodation bonds/RADs/RACs are current liabilities, because the association does not have an unconditional right to defer settlement of the liability (AASB 101 paragraph 69(d)). However, the expected settlement of the bond liability is often more than 12 months. The association has 19 bonds/RAD with an average accommodation bond of \$249,445. An amount of \$948,364 is expected to be settled within 12 months, and a further amount of \$3,791,098 is not expected to be settled within 12 months.

Entry fees for residential units are current liabilities because the association does not have an unconditional right to defer settlement of the liability (AASB 101 paragraph 69(d)). However, the expected settlement of the liability is often more than 12 months. The association has 19 units with an average balance of \$174,005. An amount of \$469,084 is expected to be settled within 12 months, and a further amount of \$2,837,002 is not expected to be settled within 12 months.

**Note 14. Other**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b><i>Current liabilities</i></b>		
Accrued expenses	83,199	80,965
Revenue received in advance	148,778	6,216
	<u>231,977</u>	<u>87,181</u>

**Note 15. Reserves**

	<b>2023</b>	<b>2022</b>
	\$	\$
Opening Asset revaluation reserve	1,788,482	1,788,482
Revaluation Loss	(1,062,896)	-
Closing Asset revaluation reserve	<u>725,586</u>	<u>1,788,482</u>

***Asset revaluation reserve***

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

**Note 16. Retained surpluses**

	<b>2023</b>	<b>2022</b>
	\$	\$
Retained surpluses at the beginning of the financial year	1,502,230	1,554,817
Surplus/(deficit) for the year	120,573	(52,587)
Retained surpluses at the end of the financial year	<u>1,622,803</u>	<u>1,502,230</u>

**Association for Christian Senior Citizen's Homes (WA) Inc**  
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**Note 17. Financial instruments**

***Financial risk management objectives***

The association's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The association's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the association. The association uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Risk management is carried out by management under policies approved by the board of directors ('the board'). These policies include identification and analysis of the risk exposure of the association and appropriate procedures, controls and risk limits. Management identifies, evaluates and hedges financial risks within the association's operating units. Management reports to the board on a monthly basis.

***Price risk***

The association is not exposed to any significant price risk.

***Interest rate risk***

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The association is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the association to interest rate risk are limited to lease liabilities, cash and cash equivalents.

***Fair value***

The financial assets and financial liabilities included in current assets and current liabilities in the balance sheet are carried at amounts that approximate their net fair values.

***Credit risk***

The association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the association is considered to relate to the class of assets described as accounts receivable.

The association has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the association based on recent sales experience, historical collection rates and forward-looking information that is available.

Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed upon between the association and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the association.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

***Collateral held as security***

No collateral is held as security for any of the trade and other receivable balances.

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Notes to the financial statements**  
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**Note 17. Financial instruments (continued)**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets classified as loans and receivables</b>		
Trade receivables		
Total current	24,498	916

*Collateral pledged*

No collateral has been pledged for any of the trade and other payable balances.

**Liquidity risk**

The following table details the exposure to liquidity risk as at the balance sheet date. The Association's maximum exposure to credit risk excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements. The contractual maturity amounts in the following table are representative of the undiscounted amounts at the balance sheet date.

Association for Christian Senior Citizen's Homes (WA) Inc. does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Association for Christian Senior Citizen's Homes Inc. does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it.

**Remaining contractual maturities**

	1 year or less	Between 1 and 5 years	over 5 years	Remaining contractual maturities
<b>2022</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets and (liabilities)</b>				
<i>Non-interest bearing</i>				
Cash and cash equivalents	709,176	-	-	709,176
Loans and receivables	916	-	-	916
Trade and other payables	(108,218)	-	-	(108,218)
Accommodation bonds/RADs/RACs	(817,071)	(3,266,253)	-	(4,083,324)
Entry fees refundable	(425,541)	(2,573,657)	-	(2,999,198)
Borrowings	-	(554,590)	-	(554,590)
<i>Interest-bearing - variable</i>				
Cash and cash equivalents	9,254	-	-	9,254
Total non-derivatives	(631,484)	(6,394,500)	-	(7,025,984)



**Association for Christian Senior Citizen's Homes (WA) Inc**  
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**Note 17. Financial instruments (continued)**

*Remaining contractual maturities*

2023	1 year or less \$	Between 1 and 5 years \$	over 5 years \$	Remaining contractual maturities \$
<b>Financial assets and (liabilities)</b>				
<i>Non-interest bearing</i>				
Cash and cash equivalents	1,194,907	-	-	1,194,907
Loans and receivables	24,498	-	-	24,498
Trade and other payables	(188,373)	-	-	(188,373)
Accommodation bonds/RADs/RACs	(948,364)	(3,791,098)	-	(4,739,462)
Entry fees refundable	(469,084)	(2,837,002)	-	(3,306,086)
Borrowings	-	(171,590)	-	(171,590)
<i>Interest-bearing - variable</i>				
Cash and cash equivalents	9,491	-	-	9,491
Total non-derivatives	<u>(376,925)</u>	<u>(6,799,690)</u>	<u>-</u>	<u>(7,176,615)</u>

Please refer to note 1 residential loan and accommodation bonds section for additional information relating to the accommodation bonds.

***Fair value of financial instruments***

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 18. Fair value measurement**

***Accounting policy for fair value measurement***

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Association for Christian Senior Citizen's Homes (WA) Inc**  
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**Note 19. Related party information**

***Board of directors***

The following persons were board of directors of Association for Christian Senior Citizen's Homes (WA) Inc during the financial year:

Leendert (Leon) Lorenzen	(resigned from Chairperson February 2023)
Jaco Van Staden	(Chairperson)
Tian Kotze	(Vice Chairperson)
Victor Eikelboom	
Adele Austin	
Suzane Burggraaf	
Brett Bylsma	(resigned October 2022)
Casparus (Cassie) Rautenbach	(resigned October 2022)
Muranda Janse Van Nieuwenhuizen	(resigned May 2022)
Karen Prins	(commenced November 2022)
Reinhard Prins	(commenced November 2022)

*Compensation by category: Key management personnel*

The remuneration of key management personnel is set by the board of directors. The annual rate was as listed below.

	<b>2023</b>	<b>2022</b>
	\$	\$
Chief Executive Officer	<u>147,870</u>	<u>137,219</u>

*Remuneration of the board of directors*

The members of the board of directors do not receive nor are entitled to any remuneration or superannuation contribution.

**Note 20. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by the auditor of the association:

	<b>2023</b>	<b>2022</b>
	\$	\$
<b><i>Audit services - Australian Audit</i></b>		
Audit of the financial statements	<u>14,000</u>	<u>12,000</u>

**Note 21. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the association's operations, the results of those operations, or the association's state of affairs in future financial years.

**Association for Christian Senior Citizen's Homes (WA) Inc**  
**Notes to the financial statements**  
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**Note 22. Cash flow information**

*Reconciliation of surplus/(deficit) to net cash from/(used in) operating activities*

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Surplus/(deficit) for the year	120,573	(52,587)
Adjustments for:		
Depreciation and amortisation	57,801	66,958
Revenue - non-cash	-	(65,702)
Interest received	(46,582)	(46,679)
Adjustment as result of AASB 15	(55,530)	(48,846)
Change in operating assets and liabilities:		
Increase in trade and other receivables	21,808	(5,686)
Increase in other operating assets	136,263	-
Decrease in trade and other payables	8,603	(29,467)
Increase in employee benefits	3,513	(13,124)
Increase in other liabilities	1,167,376	-
Net cash from/(used in) operating activities	<u>1,413,825</u>	<u>(195,133)</u>