

MID MURRAY HOMES FOR THE AGED INC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

ABN: 71 364 278 922

MID MURRAY HOMES FOR THE AGED INC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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MID MURRAY HOMES FOR THE AGED INC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue & Other Income			
Revenue	2	6,246,778	5,223,210
Other Income	2	216,408	410,907
Total Revenue & Other Income		<u>6,463,186</u>	<u>5,634,117</u>
Expenses			
Employee and Agency Staff Expenses	4	4,378,124	4,124,652
Depreciation		371,395	370,717
Interest charged		165,972	90,040
Administration		454,654	111,530
Catering		213,428	227,020
Housekeeping		45,371	35,447
Laundry		25,424	35,509
Property maintenance		72,326	65,822
Residential care		421,856	460,320
Utilities		177,589	172,278
Other		4,458	2,991
Total Expenditure		<u>6,330,597</u>	<u>5,696,326</u>
Net Surplus/(Deficit)		<u>132,589</u>	<u>(62,209)</u>
Other Comprehensive Income			
<i>Item that it will not subsequently be reclassified to profit or loss</i>			
Net Gain/(Loss) on Revaluation of Property, Plant and Equipment		-	-
Total Comprehensive Income		<u><u>132,589</u></u>	<u><u>(62,209)</u></u>

The above statement should be read in conjunction with the accompanying notes.

MID MURRAY HOMES FOR THE AGED INC
STATEMENT OF FINANCIAL POSITION
AS AT YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and short term deposits	5	749,369	290,614
Short term deposits	6	2,700,000	3,050,000
Trade and Other Receivables	7	159,288	100,698
TOTAL CURRENT ASSETS		<u>3,608,657</u>	<u>3,441,312</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	10,453,512	10,755,253
Total Non-Current Assets		<u>10,453,512</u>	<u>10,755,253</u>
Total Assets		<u>14,062,169</u>	<u>14,196,565</u>
Current Liabilities			
Trade and Other Payables	9	180,226	146,518
Borrowings	10	197,400	197,400
Provisions	11	384,710	410,702
Resident Liabilities	12	4,486,615	4,553,380
Total Current Liabilities		<u>5,248,951</u>	<u>5,308,000</u>
Non Current Liabilities			
Borrowings	10	2,557,265	2,755,205
Provisions	11	35,592	45,588
Total Non-Current Liabilities		<u>2,592,857</u>	<u>2,800,793</u>
Total Liabilities		<u>7,841,808</u>	<u>8,108,793</u>
Net Assets		<u>6,220,361</u>	<u>6,087,772</u>
Equity			
Retained Earnings		3,079,678	2,947,089
Asset Revaluation Reserve		1,640,683	1,640,683
Capital Grant Reserve		1,500,000	1,500,000
Total Equity		<u>6,220,361</u>	<u>6,087,772</u>

The above statement should be read in conjunction with the accompanying notes.

MID MURRAY HOMES FOR THE AGED INC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Earnings \$	Asset Revaluation Reserve \$	Capital Grant Reserve \$	Total \$
Balance at 1 July 2020	3,009,298	1,640,683	1,500,000	6,149,981
Comprehensive Income				
Profit / (loss) attributable to the entity	(62,209)	-	-	(62,209)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	(62,209)	-	-	(62,209)
Balance at 30 June 2021	2,947,089	1,640,683	1,500,000	6,087,772
Comprehensive Income				
Profit / (loss) attributable to the entity	132,589	-	-	132,589
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	132,589	-	-	132,589
Balance at 30 June 2022	3,079,678	1,640,683	1,500,000	6,220,361

Capital Grant Reserve

In the 2017 financial year, the association received a capital grant from the Commonwealth Government towards the cost of the new aged care facility extensions. The terms of this grant require repayment to the Commonwealth Government of all the grant if the facility is disposed of or used for any other purpose than aged care in the first 10 years from receiving the grant and then a reduction of 10% in the repayment for each year completed year with no change in use thereafter.

Asset revaluation reserve

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

The above statement should be read in conjunction with the accompanying notes.

MID MURRAY HOMES FOR THE AGED INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Cash flow from Operating activities			
Receipts from Residents & Government Subsidies		6,935,229	6,171,300
Payments to Suppliers & Employees		(6,432,103)	(6,153,513)
Interest expense		(165,972)	(90,040)
Interest Income		67,174	84,009
Net cash provided by Operating Activities		<u>404,328</u>	<u>11,756</u>
Cash Flows from Investing Activities			
Payment for property, plant and equipment		(69,654)	(63,757)
Purchase of short term deposits		<u>350,000</u>	<u>550,000</u>
Net cash provided by Investing Activities		<u>280,346</u>	<u>486,243</u>
Cash Flows from Financing Activities			
Receipts from refundable entry contributions		1,050,000	1,183,000
Payments of refundable entry contributions		(1,074,834)	(1,430,070)
Proceeds from / (repayment of) resident trust accounts		(3,145)	(9,879)
Repayment of borrowings		<u>(197,940)</u>	<u>(378,177)</u>
Net cash used in Financing Activities		<u>(225,919)</u>	<u>(635,126)</u>
Net Increase/ (Decrease) in Cash Held		458,755	(137,127)
Cash at beginning of Reporting Period		290,614	427,741
Cash at end of Reporting Period	5	<u><u>749,369</u></u>	<u><u>290,614</u></u>

The above statement should be read in conjunction with the accompanying notes.

MID MURRAY HOMES FOR THE AGED INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Mid Murray Homes for the Aged Inc as an individual entity. The financial statements are presented in Australian dollars, which is Mid Murray Homes for the Aged Inc's functional and presentation currency.

Mid Murray Homes for the Aged Inc is a not-for-profit incorporated association, incorporated and domiciled in Australia. The financial statements were authorised for issue the same date as the responsible persons declaration.

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

The principal activities of the association is to provide residential aged care services and independent living units.

The Registered Office and Principal Place of Business of the Association is:
14 Adelaide Road
Mannum SA 5238

New or amended Accounting Standards and Interpretations adopted

The incorporated 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the association.

The following Accounting Standards and Interpretations are most relevant to the incorporated association:

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

The association has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there are minor disclosure changes in these financial statements.

Basis of preparation

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

Income tax

The Association is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997, and accordingly no provision for income tax is included in these financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment.

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 incorporated 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 1(p).

Going concern

The financial report has been prepared on the basis that the Association is a going concern, although there is deficiency in its working capital with current liabilities exceeding current assets by \$1,675,886 (2021: \$1,912,276). Disclosed in current liabilities are refundable accommodation deposits from aged care residents totalling \$4,284,158 (2021: \$4,342,778) which are refundable to residents or the estate of a resident within 14 days of specified events taking place. However, while refundable accommodation deposits are classified as current liabilities, the Board of management believe that it is unlikely that the entire amount would be require repayment within 12 months of reporting date. Given these circumstances, the Board consider that the Association will be able to pay its debts as and when they fall due for at least 12 months from signing the financial report.

MID MURRAY HOMES FOR THE AGED INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(a) Property, Plant and Equipment

Land and buildings are shown at fair value, based on annual valuations by external independent valuers, less subsequent depreciation and impairment for buildings. 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 class of 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 straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings improvements	3%
Plant & Equipment	10-15%

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.

(b) Financial Assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

(c) Employee Benefits

(i) Short-term employee benefits

Provision is made for the entities liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled.

(ii) 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 recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as 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 corporate government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(d) Revenue

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.

MID MURRAY HOMES FOR THE AGED INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(d) Revenue (Cont.)

Government subsidies and Resident Fees

Revenue from government subsidies, resident fees and rentals are recognised as it is earned based on the provision of services to residents.

ILU Management Fee

ILU management fees is earned while the resident occupies the independent living unit and is recognised as income over the resident's expected tenure. The expected tenure is calculated with reference to historical trends of rollovers. ILU management fees are not discounted to present value as the income is received by offset against repayment of the existing resident liability on its settlement.

ILU management fees to which the association is contractually entitled at reporting date is presented in the statement of financial position as a deduction from resident loans. The excess of ILU management fees to which the association is contractually entitled at reporting date, over ILU management fees earned to date by amortisation over the expected period of tenure, is included in resident liabilities in the statement of financial position.

Grants

Grant revenue is recognised in profit or loss when the association satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

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.

Other revenue

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

(e) 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.

(f) 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.

(g) Goods and services tax

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.

(h) 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.

MID MURRAY HOMES FOR THE AGED INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(i) 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.

(j) Accommodation Bonds

Refundable Accommodation Deposits (RADs) are paid by residents upon their admission to homes and are refunded after a resident departs a home in accordance with the Aged Care Act 1997. Accommodation bonds are non-interest bearing until the departure of the resident. The amount carried as a liability is the amount that would be payable on departure of the resident.

RADs fall within the scope of AASB 16: Leases, in that there is a contract conveying to the resident the right to use an asset for a period of time, in exchange for consideration. The association has taken the view to estimate the fair value of the consideration by reference to the funding cost saved as a result of the entity having the benefit of interest free funds. This has resulted in an immaterial impact on interest income and interest expenditure, with no impact on net profit and therefore has not been recorded in the financial statements.

(k) ILU Liabilities

ILU liabilities are classified as financial liabilities at fair value through profit and loss with resulting fair value adjustments recognised in the profit or loss. Fair value is the amount payable on demand and is measured at the principal amount plus the residents' share of any increases in market value to reporting date less management fees contractually accruing to reporting date.

(l) 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.

Fair value measurement hierarchy

The entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. Assets and liabilities carried at fair value are property, plant & equipment (note 8) and resident liability - ILUs (note 12).

Estimation of useful lives of assets

The entity 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(c), 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.

Expected tenure for ILU resident

The expected tenure for ILU residents are calculated based on the average length of stay for outgoing residents.

MID MURRAY HOMES FOR THE AGED INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Note 2 Revenue			
Commonwealth Subsidies		3,764,623	2,855,026
Resident Fees		1,277,938	1,196,192
ILUs - Management Fee		214,478	205,756
Daily Accommodation Payment/Charge		458,759	353,832
Accommodation charges		530,980	612,404
Total		<u>6,246,778</u>	<u>5,223,210</u>
Note 3 Other Income			
Interest Received		67,174	84,009
Donations & bequests		52,327	72,061
Sundry income		1,303	4,693
COVID-19 subsidies		85,815	239,552
Rental income		9,789	10,592
Total		<u>216,408</u>	<u>410,907</u>
Note 4 Expenses			
Employee and Agency Staff Expenses			
Staff salaries and wages		3,868,766	3,600,004
Agency staff		7,428	13,295
Superannuation		377,294	326,455
Workcover		122,265	183,464
Other staff costs		2,371	1,434
Total		<u>4,378,124</u>	<u>4,124,652</u>
Note 5 Cash and cash equivalents			
Cash on hand		732	556
Cash at Bank		748,637	290,058
Total		<u>749,369</u>	<u>290,614</u>
Note 6 Short term deposits			
Short-term bank deposits		2,700,000	3,050,000
Total		<u>2,700,000</u>	<u>3,050,000</u>
Note 7 Trade & Other Receivables			
Trade Receivables		100,719	44,489
Other receivables		3,956	7,714
Prepayments		54,613	48,495
Less: Allowance for expected credit losses		-	-
Total		<u>159,288</u>	<u>100,698</u>

MID MURRAY HOMES FOR THE AGED INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
Note 8 Property, Plant & Equipment		
Land		
At valuation	1,035,000	1,035,000
Total	<u>1,035,000</u>	<u>1,035,000</u>
Buildings & Improvements		
At Valuation	7,685,693	7,925,603
Total	<u>7,685,693</u>	<u>7,925,603</u>
Independent living units (ILUs)		
At Valuation	1,382,217	1,427,824
Total	<u>1,382,217</u>	<u>1,427,824</u>
Capital Works in Progress		
At Cost	24,373	-
Total	<u>24,373</u>	<u>-</u>
Plant & Equipment		
At cost	856,306	811,025
Less Accumulated Depreciation	(530,077)	(444,199)
Total	<u>326,229</u>	<u>366,826</u>
Total	<u>10,453,512</u>	<u>10,755,253</u>

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

	Land	Buildings	ILUs	Capital Works	Plant & Equipment	Total
1 July 2021	1,035,000	7,925,603	1,427,824	-	366,826	10,755,253
Additions	-	-	-	24,373	45,281	69,654
Depreciation	-	(239,910)	(45,607)	-	(85,878)	(371,395)
Closing Balance	<u>1,035,000</u>	<u>7,685,693</u>	<u>1,382,217</u>	<u>24,373</u>	<u>326,229</u>	<u>10,453,512</u>

Valuations of land and buildings

The basis of the valuation of land, buildings and ILUs is fair value. The land, buildings and ILUs were last revalued on 30 June 2019 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land, buildings and ILUs being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations of land are based on current prices for similar properties in the same location and condition and valuation of buildings and ILUs is based on depreciable replacement cost.

Note 9 Trade & Other Payables

Trade Payables	93,112	91,640
Fees received in advance	22,606	22,867
Sundry accruals	25,481	2,189
Payroll liabilities	39,027	29,822
Total	<u>180,226</u>	<u>146,518</u>

Note 10 Borrowings

Current

ZRIL Loan	197,400	197,400
	<u>197,400</u>	<u>197,400</u>

Non Current

ZRIL Loan	2,557,265	2,755,205
	<u>2,557,265</u>	<u>2,755,205</u>

MID MURRAY HOMES FOR THE AGED INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
Note 11 Provisions		
<i>Current</i>		
Annual Leave	242,342	255,470
Long Service Leave	142,368	155,232
	<u>384,710</u>	<u>410,702</u>
<i>Non Current</i>		
Long Service Leave	35,592	45,588
	<u>35,592</u>	<u>45,588</u>
Note 12 Resident Liabilities		
Refundable Accommodation Deposits/Charges	4,284,158	4,342,778
Resident contributions for Independent Living Units	155,000	160,000
Resident trust accounts	47,457	50,602
Total	<u>4,486,615</u>	<u>4,553,380</u>

Refundable Accommodation Deposits/Charges are measured at amortised cost. Resident contributions for Independent Living Units are measured at fair value through profit or loss.

Note 13 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd (2021: Dean & Associates), the auditor of the company:

Audit Services - BDO Audit Pty Ltd (2021: Dean & Associates)	19,000	6,600
Other Services - BDO Audit Pty Ltd (2021: Dean & Associates)	2,500	-
	<u>21,500</u>	<u>6,600</u>

Other services included compilation of financial statements.

Note 14 Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the association is set out below. Any person(s) having authority and responsibility for planning, direction and controlling the activities of the Association, directly or indirectly, including its Board Directors, is considered key management personnel and include compulsory Superannuation Guarantee payment.

Aggregate Compensation	<u>256,671</u>	<u>258,653</u>
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Note 15 Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in the previous note.

Transactions with related parties

There were no transactions or balances payable or receivable to / from related parties during the financial year (2021: \$0)

Note 16 Contingencies & Commitments

There were no contingent assets or liabilities at 30 June 2022 (2021: \$0).

There were no operational or capital commitments at 30 June 2022 (2021: \$0)

Note 17 Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

**MID MURRAY HOMES FOR THE AGED INC
RESPONSIBLE PERSONS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2022**

Per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013, The responsible persons declare that in the responsible persons' opinion:

(a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

(b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Chairperson - Peter Raison

Dated this 25th day of October 2022

MID MURRAY HOMES FOR THE AGED INC
BOARD REPORT
FOR THE YEAR ENDED 30 JUNE 2022

In accordance with section 35(5) of the Associations Incorporation Act 1985, the Board of the Mid Murray Homes for the Aged Inc Incorporated hereby states that, during the financial year ended 30 June 2022:

- (a) (i) no board member; or
- (ii) no firm of which the board director is a member; and
- (iii) no body corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association.
- (b) No other director of the association has received, directly or indirectly from the Association any payment or other benefit of a pecuniary value other than.

This report is made in accordance with a resolution of the Board.



Chairperson - Peter Raison

Dated this 25th day of October 2022
Adelaide



Board Director - Henry Grabowski

Dated this 25th day of October 2022
Adelaide



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DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF MID MURRAY HOMES FOR THE AGED INCORPORATED

As lead auditor of Mid Murray Homes for the Aged Incorporated for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 28 October 2022



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MID MURRAY HOMES FOR THE AGED INCORPORATED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mid Murray Homes for the Aged Incorporated (the registered entity), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' **declaration**.

In our opinion the accompanying financial report of Mid Murray Homes for the Aged Incorporated, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) **Giving a true and fair view of the registered entity's financial position** as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures 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 registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards **Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)** (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The responsible entities of the registered entity are responsible for the other information. The other **information obtained at the date of this auditor's report is information included in the registered entity's annual report, but does not include the financial report and our auditor's report thereon.**

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information obtained prior to the date of this **auditor's report, we conclude that there is a material misstatement of this other information, we are** required to report that fact. We have nothing to report in this regard.

Other matter

The financial report of Mid Murray Homes for the Aged Incorporated, for the year ended 30 June 2021 was audited by another auditor who expressed an unmodified opinion on that report on 22 September 2021.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities 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, responsible entities 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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 28 October 2022