



**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**  
**ABN: 51 104 269 221**

**FINANCIAL REPORT - 30 JUNE 2023**

**CONTENTS**

Statement of Financial Position	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Changes in Funds	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Directors of the Trustee's Declaration	18
Auditor's Independence Declaration	19
Independent Auditor's Report	20

## SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	62,377,307	53,999,181
Trade and other receivables	7	160,725,399	159,374,393
Financial assets	8	11,032,685	4,912,335
<i>Total current assets</i>		<u>234,135,391</u>	<u>218,285,909</u>
<b>Non-current assets</b>			
Plant and equipment	9	1,831,321	1,626,588
Intangible assets	10	613,901	393,288
<i>Total non-current assets</i>		<u>2,445,222</u>	<u>2,019,876</u>
<b>TOTAL ASSETS</b>		<u>236,580,613</u>	<u>220,305,785</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	4,002,977	3,572,526
Employee benefits	12	2,762,955	2,687,984
Refundable loans	13	204,002,900	191,214,930
<i>Total current liabilities</i>		<u>210,768,832</u>	<u>197,475,440</u>
<b>Non-current liabilities</b>			
Employee benefits	12	333,938	366,745
<i>Total non-current liabilities</i>		<u>333,938</u>	<u>366,745</u>
<b>TOTAL LIABILITIES</b>		<u>211,102,770</u>	<u>197,842,185</u>
<b>NET ASSETS</b>		<u>25,477,843</u>	<u>22,463,600</u>
<b>FUNDS</b>			
Denominational funds		<u>25,477,843</u>	<u>22,463,600</u>
<b>TOTAL FUNDS</b>		<u>25,477,843</u>	<u>22,463,600</u>

The accompanying notes form part of these financial statements

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>	4	43,219,557	37,511,593
<b>Other income</b>	4	34,634	-
		<u>43,254,191</u>	<u>37,511,593</u>
<b>Expenses</b>			
Administration expenses		(2,344,932)	(1,737,860)
Catering and food supplies		(780,223)	(697,893)
Cleaning and laundry expenses		(195,578)	(146,683)
Depreciation and amortisation	5	(485,570)	(445,860)
Finance costs	5	(110,631)	(96,504)
Fair value loss on financial assets	5	-	(129,651)
Insurances		(1,228,806)	(1,006,902)
Lease fee		(6,245,685)	(6,107,939)
Maintenance and property costs		(1,700,235)	(1,551,936)
Marketing and consultants expenses		(517,576)	(405,245)
Resident and client expenses		(5,009,853)	(3,423,915)
Salaries and employee benefits		(20,407,020)	(18,376,240)
Utilities		(1,213,839)	(1,046,416)
		<u>(40,239,948)</u>	<u>(35,173,044)</u>
<b>Surplus before income tax</b>		3,014,243	2,338,549
Income tax expense		-	-
<b>Surplus for the year</b>		3,014,243	2,338,549
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u><u>3,014,243</u></u>	<u><u>2,338,549</u></u>

The accompanying notes form part of these financial statements

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST****STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<b>Denominational Funds</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2021</b>	20,125,051	20,125,051
<b>Comprehensive income</b>		
Surplus for the year	2,338,549	2,338,549
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>2,338,549</u>	<u>2,338,549</u>
<b>Balance at 30 June 2022</b>	<u><b>22,463,600</b></u>	<u><b>22,463,600</b></u>
<b>Balance at 1 July 2022</b>	22,463,600	22,463,600
<b>Comprehensive income</b>		
Surplus for the year	3,014,243	3,014,243
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>3,014,243</u>	<u>3,014,243</u>
<b>Balance at 30 June 2023</b>	<u><b>25,477,843</b></u>	<u><b>25,477,843</b></u>

The accompanying notes form part of these financial statements

## SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and government		34,401,392	32,652,725
Payments to suppliers and employees		(34,740,473)	(30,592,023)
Interest and investment income received		1,599,834	217,829
Interest paid		(110,631)	(96,504)
<i>Net cash flows from operating activities</i>		<u>1,150,122</u>	<u>2,182,027</u>
<b>Cash flows from investing activities</b>			
Purchase of financial assets		(6,085,716)	(5,041,986)
Purchase of property, plant and equipment - residential		(325,823)	(131,018)
Purchase of property, plant and equipment - non residential		(314,877)	(236,464)
Purchase of intangible assets - residential		(565,930)	(166,020)
Purchase of intangible assets - non residential		-	(103,773)
Payment of loans to denominational entities		(6,796,351)	(11,110,928)
<i>Net cash flows from investing activities</i>		<u>(14,088,697)</u>	<u>(16,790,189)</u>
<b>Cash flows from financing activities</b>			
Proceeds from refundable accommodation deposits		12,162,546	10,257,752
Proceeds from refundable entry contributions		28,845,062	27,231,370
Repayment of refundable accommodation deposits		(8,389,696)	(8,576,929)
Repayment of refundable entry contributions		(11,301,211)	(6,035,916)
<i>Net cash flows from financing activities</i>		<u>21,316,701</u>	<u>22,876,277</u>
Net increase in cash and cash equivalents		8,378,126	8,268,115
Cash and cash equivalents at the beginning of the financial year		<u>53,999,181</u>	<u>45,731,066</u>
Cash and cash equivalents at the end of the financial year	6	<u><b>62,377,307</b></u>	<u><b>53,999,181</b></u>

The accompanying notes form part of these financial statements

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Note 1 - Corporate information**

The financial report includes the financial statements and notes of Seventh-day Adventist Aged Care (North New South Wales) Trust ("the Trust"). The Trust is a not-for-profit entity domiciled in Australia.

The Trustee of Seventh-day Adventist Aged Care (North New South Wales) Trust is Seventh-day Adventist Aged Care (North New South Wales) Limited ("the Trustee").

*Scope of activities*

The Seventh-day Adventist Aged Care (North New South Wales) Trust, a purpose driven trust, reflects the interest of the North New South Wales Conference of the Seventh-day Adventist Church in the activities of Seventh-day Adventist Aged Care (North New South Wales Conference) Limited (the company) which is a public company limited by guarantee, incorporated in Australia and responsible for the operational activities as delegated by the Executive Committee of the North New South Wales Conference of the Seventh-day Adventist Church.

The company was established to facilitate the mission of the North New South Wales Conference of the Seventh-day Adventist Church relative to aged care services. It acts as the Approved Provider and employs staff associated with the following facilities:

- Avondale Lifestyle Community
- Alstonville Lifestyle Community
- Wyee Point Lifestyle Community
- Jewells Lifestyle Community
- Tweed Heads Lifestyle Community

The registered address and principal place of business of the Trust is:

10 University Drive  
 Cooranbong NSW 2265

The financial statements were approved by the Directors of the Trustee on 19 October 2023.

**Note 2 - Basis of preparation**

***Statement of compliance***

These general purpose financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures*. The Trust is a not-for-profit entity for the purposes of preparing these financial statements.

***Basis of measurement***

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

***Comparatives***

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the Trust has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Note 2 - Basis of preparation (continued)**

***Critical accounting estimates and judgements***

The Directors of the Trust evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Trust.

**Key estimates**

***Impairment***

The Directors of the Trust assess impairment at the end of each reporting period by evaluation of conditions and events specific to the Trust that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

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

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

***Refundable entry contributions***

The amounts repayable to residents upon their exit from the Trust's retirement villages changes with time and movements in the value of the underlying property. The amounts that will be deducted from the original amount deposited by the resident are a function of time. The amount that may be added to the original amount deposited by the resident is a function of the movement in the underlying property value. For the purposes of these financial statements, these refundable loans have been designated as current liabilities. As a result of this classification the calculation of the amount payable is based on the variables as they stand at balance date.

***New and revised standards that are effective for these financial statements***

Several amendments to Australian Accounting Standards and interpretations are mandatory for the 30 June 2023 reporting period. These include:

- *AASB 2022-3 Amendments to AASs - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15* (effective for the year ending 30 June 2023)
- *AASB 2020-3 Amendments to AASB 116 - Property, Plant and Equipment: Proceeds before Intended Use* (effective for the year ending 30 June 2023)
- *AASB 2020-3 Amendments to AASB 137 - Onerous Contracts - Cost of Fulfilling a Contract* (effective for the year ended 30 June 2023)

The application of the amendments to AASB 15, AASB 116 and AASB 137 have not had a material impact on the carrying values of the Trust's asset, liability or equity balances; nor a material impact on the disclosures in the financial report nor the recognition and measurement of the Trust's revenue or expenses.

***New standards and interpretations not yet adopted***

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Trust. These include:

- *AASB 2020-1: Amendments to AASs - Classification of Liabilities as Current or Non-current* (effective for the year ending 30 June 2024)
- *AASB 2021-2- and AASB 2021-6: Amendments to AASs - Disclosure of Accounting Policies* (effective for the year ending 30 June 2024)
- *AASB 2021-2: Amendments to AASB 108 - Definition of Accounting Estimates* (effective for the year ending 30 June 2024)

It is not expected that AASB 2020-1, AASB 2021-2 or AASB 2021-6 will have a material impact on the Trust in future reporting periods.

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Note 3 - Significant accounting policies**

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

***Income tax***

The Trust is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

***Goods and services tax (GST)***

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

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

***Revenue recognition***

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

***Resident fees, daily accommodation payments and recurrent government subsidies***

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

***Grants, donations and bequests***

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the Trust obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the Trust; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

***Interest and dividends***

Revenue from interest and dividends is recognised on an accrual's basis.

***Retentions from entry contributions***

The retention income earned from resident entry contributions is recognised as revenue as the Trust becomes entitled to receive the retention under the terms of the resident agreement.

***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 twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

***Trade receivables***

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of receivables.



**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Note 3 - Significant accounting policies (continued)**

***Plant and equipment***

Recognition and measurement

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by the Directors of the Trustee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation and amortisation

The depreciable amount of all plant and equipment is depreciated on a straight line basis over the asset's useful life to the Trust commencing from the time the asset is held ready for use.

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

Plant and equipment	10% - 33.3%
Furniture, fixtures and fittings	10% - 20%
Motor vehicles	15% - 20%
Computer equipment	16.67% - 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

***Intangible assets***

*Software*

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of between one and six years.

***Impairment of assets***

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Note 3 - Significant accounting policies (continued)**

***Leases***

The Trust does not recognise leases that have a lease term of 12 months or less or meet the definition of a “peppercorn” lease. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

***Financial instruments***

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the Trust commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified “at fair value through profit or loss” in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

**Classification and subsequent measurement**

***Financial assets***

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- Amortised cost
- Equity instruments at fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:

- The contractual cash flow characteristics of the financial asset
- The business model for managing the financial asset

***Financial assets at amortised cost***

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

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

***Equity instruments at fair value through other comprehensive income***

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Note 3 - Significant accounting policies (continued)**

***Financial instruments (continued)***

*Financial assets at fair value through profit or loss*

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

*Impairment of financial assets*

The impairment requirements as applicable under AASB 9 use more forward-looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Directors considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- Financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”.

***Trade and other payables***

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Trust during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

***Income received in advance***

Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

***Employee benefits***

Provision is made for the Trust’s liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

***Refundable entry contributions***

Refundable entry contributions are received from residents of self-care villages, and they are non-interest bearing and the net amount is repayable upon departure or transfer. Refundable entry contributions are measured at the principal amount net of any retentions, or any other amounts deducted from the loan at the election of the resident, plus the resident’s share of the capital gains (if any) based on the market value of the underlying property at balance date.

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023****Note 3 - Significant accounting policies (continued)*****Refundable entry contributions (continued)***

Refundable entry contributions are classified as current liabilities because the Trust does not have an unconditional right to defer settlement for more than 12 months. However, history shows that on average a resident in a retirement village will stay for between 6 and 12 years. The repayment of contributions to residents including capital gains and net of any retention will be funded largely by contributions from incoming residents.

***Refundable accommodation deposits and resident accommodation bonds***

Refundable accommodation deposits and resident accommodation bonds are non-interest-bearing deposits made by aged care facility residents to the Trust upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident. Accommodation bonds are measured at the principal amount net of any retentions, or any other amounts deducted from the bond at the election of the resident.

## SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b><u>Note 4 - Revenue</u></b>		
<b>Operating revenue</b>		
Government subsidies and recurrent grants	16,082,588	14,942,588
Government support - COVID-19	245,517	14,939
Client fees and charges - home care	5,137,511	4,604,874
Resident fees and charges - residential aged care	6,206,754	5,234,315
Resident fees and charges - independent living units	3,520,674	3,264,477
Retentions - independent living units	8,395,688	7,093,863
Other operating revenue	90,241	62,738
	<u>39,678,973</u>	<u>35,217,794</u>
<b>Other revenue</b>		
Donations	4,000	73
Interest and investment income	1,689,495	217,829
Rental income	355,189	372,216
Other revenue	1,491,900	1,703,681
	<u>3,540,584</u>	<u>2,293,799</u>
<i>Total revenue</i>	<u>43,219,557</u>	<u>37,511,593</u>
<b>Other income</b>		
Fair value gain on financial assets	34,634	-
<i>Total other income</i>	<u>34,634</u>	<u>-</u>
<i>Total revenue and other income</i>	<u>43,254,191</u>	<u>37,511,593</u>
<b><u>Note 5 - Expenses</u></b>		
Depreciation and amortisation		
Plant and equipment	435,967	403,120
Software	49,603	42,740
<i>Total depreciation and amortisation</i>	<u>485,570</u>	<u>445,860</u>
Bad debts	8,665	77,105
Impairment - trade receivables	7,283	(68,080)
Finance costs	110,631	96,504
Fair value loss on financial assets	-	129,651
<b><u>Note 6 - Cash and cash equivalents</u></b>		
Cash at bank and on hand	14,672,828	27,696,258
Cash management facility at call accounts	28,564,947	16,683,074
Other short term deposits	19,139,532	9,619,849
<i>Total cash and cash equivalents</i>	<u>62,377,307</u>	<u>53,999,181</u>

In order to ensure that denominational funds in hand are always fully utilised, the South Pacific Division of the Seventh-day Adventist Church has established Seventh-day Adventist Church Limited to provide facilities for their pooling. Funds deposited in the Cash Management Facility operated by that company are unsecured but are available at call. Distributions, paid quarterly to participating denominational entities, are disclosed together with other appropriations received by the Trust.

## SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
<b><u>Note 7 - Trade and other receivables</u></b>		
<b><u>Current</u></b>		
Trade receivables	482,427	305,427
Provision for impairment	(40,247)	(32,964)
Loans to denominational entities	158,735,010	158,184,344
Other receivables	354,242	149,534
Prepayments	1,193,967	768,052
<i>Total current trade and other receivables</i>	<u>160,725,399</u>	<u>159,374,393</u>
<b><u>Provision for impairment</u></b>		
Opening net carrying amount	32,964	101,044
Increase in provision	7,283	(68,080)
Closing net carrying amount	<u>40,247</u>	<u>32,964</u>
<b><u>Loans to denominational entities</u></b>		
An at-call interest free loan has been given to North New South Wales Conference of the Seventh-day Adventist Church to assist with the construction of buildings, used by the entity, on land held by Australasian Conference Association Limited on behalf of the conference.		
	2023 \$	2022 \$
<b><u>Note 8 - Financial assets</u></b>		
<b><u>Current</u></b>		
Financial assets at fair value through profit or loss		
Managed funds	11,032,685	4,912,335
<i>Total financial assets</i>	<u>11,032,685</u>	<u>4,912,335</u>
<b><u>Movements in carrying amount</u></b>		
Opening net carrying amount	4,912,335	-
Additions	6,085,716	5,041,986
Fair value movement	34,634	(129,651)
Closing net carrying amount	<u>11,032,685</u>	<u>4,912,335</u>
<b><u>Note 9 - Plant and equipment</u></b>		
<b><u>Plant and equipment</u></b>		
Cost	7,777,176	7,136,476
Accumulated depreciation	(5,945,855)	(5,509,888)
<i>Net carrying amount</i>	<u>1,831,321</u>	<u>1,626,588</u>
<b><u>Movements in carrying amounts</u></b>		
Opening net carrying amount	1,626,588	1,662,226
Additions - residential	325,823	131,018
Additions - non residential	314,877	236,464
Depreciation charge for the year	(435,967)	(403,120)
Closing net carrying amount	<u>1,831,321</u>	<u>1,626,588</u>

Land and buildings used by the Trust are owned by Australasian Conference Association Limited on behalf of the North New South Wales Conference of the Seventh-day Adventist Church. That company, at the request of the North New South Wales Conference of the Seventh-day Adventist Church, has permitted Seventh-day Adventist Aged Care (North New South Wales) Limited to use the property for an agreed fee in conjunction with the activities of the Trust.

## SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Note 10 - Intangible assets**

	<b>Software</b>	<b>WIP</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 30 June 2022</b>			
Cost	605,063	383,406	988,469
Accumulated depreciation and impairment	(595,181)	-	(595,181)
<i>Net carrying amount</i>	<u>9,882</u>	<u>383,406</u>	<u>393,288</u>
<b>Movements in carrying amounts</b>			
Opening net carrying amount	9,882	383,406	393,288
Additions	-	565,930	565,930
Reclassification	633,716	(633,716)	-
Amortisation charge for the year	(49,603)	-	(49,603)
Impairment	-	(295,714)	(295,714)
Closing net carrying amount	<u>593,995</u>	<u>19,906</u>	<u>613,901</u>
<b>At 30 June 2023</b>			
Cost	1,238,779	19,906	1,258,685
Accumulated depreciation and impairment	(644,784)	-	(644,784)
<i>Net carrying amount</i>	<u>593,995</u>	<u>19,906</u>	<u>613,901</u>

Intellectual property used by the Trust are owned by Australasian Conference Association Limited on behalf of the North New South Wales Conference of the Seventh-day Adventist Church. That company, at the request of the North New South Wales Conference of the Seventh-day Adventist Church, has permitted Seventh-day Adventist Aged Care (North New South Wales) Limited to use the property for an agreed fee in conjunction with the activities of the Trust.

While intellectual property contained in intangible assets is owned by Australasian Conference Association Limited, intangible assets such as business/trading names and computer software are held in the name of Seventh-day Adventist Aged Care (North New South Wales) Limited.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Note 11 - Trade and other payables</b>		
<u>Current</u>		
Trade payables	1,211,690	919,328
Income in advance	523,048	459,362
Funds held in trust	408,707	516,937
Other payables	1,859,532	1,676,899
<i>Total current trade and other payables</i>	<u>4,002,977</u>	<u>3,572,526</u>

**Note 12 - Employee benefits**

<u>Current</u>		
Annual leave	1,611,900	1,652,042
Long service leave	1,151,055	1,035,942
<i>Total current employee benefits</i>	<u>2,762,955</u>	<u>2,687,984</u>
<u>Non-current</u>		
Long service leave	333,938	366,745
<i>Total non-current employee benefits</i>	<u>333,938</u>	<u>366,745</u>

## SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b><u>Note 13 - Refundable loans</u></b>		
<b><u>Current</u></b>		
Capital gains provision	6,970,767	7,006,049
Refundable accommodation deposits		
- estimated to be payable within 12 months	6,681,177	6,688,513
- estimated to be payable later than 12 months	30,436,475	26,754,050
	<u>37,117,652</u>	<u>33,442,563</u>
Refundable entry contributions		
- estimated to be payable within 12 months	9,594,869	6,030,653
- estimated to be payable later than 12 months	150,319,612	144,735,665
	<u>159,914,481</u>	<u>150,766,318</u>
<i>Total refundable loans</i>	<u>204,002,900</u>	<u>191,214,930</u>
<b><u>Movement in refundable accommodation deposits</u></b>		
Opening net carrying amount	33,442,563	31,847,602
RADs received	12,162,546	10,227,752
Allowable deductions	(97,761)	(55,862)
RADs refunded	(8,389,696)	(8,576,929)
Closing net carrying amount	<u>37,117,652</u>	<u>33,442,563</u>
<b><u>Movement in refundable entry contributions</u></b>		
Opening net carrying amount	150,766,318	136,664,727
Contributions received	28,845,062	27,231,370
Retentions	(8,395,688)	(7,093,863)
Contributions refunded	(11,301,211)	(6,035,916)
Closing net carrying amount	<u>159,914,481</u>	<u>150,766,318</u>

**Terms and conditions**

Refundable accommodation deposits (loans) are repayable on the following basis: -

- (i) If the resident gives notice more than 14 days prior to departure then the loan is payable on the date of departure;
- (ii) If the resident gives notice less than 14 days prior to departure the loan is payable within 14 days after notice is given;
- (iii) If the resident gives no notice the loan is repayable 14 days after departure; and
- (iv) If the resident dies, the loan is repayable within 14 days from the date that notice is received of the granting of probate or letters of administration.

Resident entry contributions are non-interest bearing and have an average repayment term of 6 months.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b><u>Note 14 - Commitments</u></b>		
<b><u>Operating lease commitments</u></b>		
Non-cancellable operating leases contracted for but not recognised in the financial statements as follows:		
Within one year	103,360	67,300
Later than one year but not later than five years	89,798	125,362
	<u>193,158</u>	<u>192,662</u>

The Trust is committed to a number of short-term and low-value leases in relation to office equipment and other operational assets.



**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b><u>Note 15 - Key management personnel</u></b>		
<b><i>Remuneration of key management personnel</i></b>		
The aggregate amount of compensation paid to Directors and other key management personnel during the year was:	<u>177,724</u>	<u>173,854</u>

**Note 16 - Auditor's remuneration**

Fees paid to StewartBrown, Chartered Accountants:

Audit of the financial report	39,000	37,100
Preparation of the financial report	3,500	3,300
Other advisory services	<u>5,000</u>	<u>8,500</u>
<i>Total auditor's remuneration</i>	<u>47,500</u>	<u>48,900</u>

**Note 17 - Contingent liabilities**

At balance date the Trust is not aware of the existence of any contingent liability.

**Note 18 - Related party transactions**

***Trustees' remuneration***

A Directors Levy of \$39,196 (2022: \$54,120) was raised by the Seventh-day Adventist NNSW Conference for services rendered by the NNSW Conference. There is \$Nil outstanding at balance date (2022: \$Nil).

In accordance with the Trust Deed, the Directors of the Trustee company do not receive a remuneration for their services.

There are no other related parties other than Directors and employees. No advances were made to Directors other than employees.

Except as mentioned below all transactions with employees and Directors are made on the understanding that they will be cleared through regular payroll activity. Outstanding balances resulting from such transactions are disclosed in Notes 7 and 11.

Employees remunerated under the South Pacific division Wage Schedule are entitled, after completing a required period of employment to borrow funds from the Trust towards the purchase of a home. All loan funds advanced attract an interest rate as set by the South Pacific Division of the Seventh-day Adventist Church. Outstanding employee loans receivable are reflected in Note 7.

**Note 19 - Economic dependency**

The Trustees consider that the Trust is economically dependent on revenue received from the Commonwealth Government Department of Health and Aged Care with respect to its residential aged care facilities. The Trustees believe that this revenue will continue to be made available to the Trust for the foreseeable future.

The total amount of recurrent government funding received during the financial year was \$16,082,588 (2022: \$14,942,588) and this represented 37.2% of total revenue (2022: 39.8%).

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023****Note 20 - Denominational funds**

The concept of ownership is not appropriate as all dispositions received by the Trust are to be applied to the charitable purposes set out in its constitution. While the constitution indicates that property and income is to be held and applied for the purposes of the company, the property and income held belongs to the company as trustee of that Trust. Hence all such dispositions received have been recorded as revenue regardless of intended use whether stipulated by the donor or not. Consequently equity has been classified as retained earnings rather than as contributed equity and is termed Denominational Equity.

When managing capital, management's objective is to ensure the Trust continues as a going concern. Management also aims to maintain a cost structure that ensures the lowest cost of capital available to the Trust.

The company has a documented Liquidity Management Strategy which assists the company in meeting the requirements of the Aged Care Act 1997 by determining the level of funding that will be required to meet expected refundable accommodation deposit and bond refunds as they fall due.

Management also monitors working capital in accordance with the recommendations as outlined in the South Pacific Division Working Policy FIN.10.10 Working Capital.

When the available working capital is less than 100% of the recommendation, the trust will make provision for covering such deficiencies in ensuing years in accordance with South Pacific Division Working Policy FIN.10.50 Financial Control.

The Trust has no other externally imposed capital management requirements and there were no changes in the Trust's approach to capital management during the year.

**Note 21 - Events occurring after balance date**

No significant events have occurred after balance date.

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST****FINANCIAL REPORT - 30 JUNE 2023****DIRECTORS OF THE TRUSTEE'S DECLARATION**

The Directors of the Trustee of Seventh-day Adventist Aged Care (North New South Wales) declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2023, and the statement of comprehensive profit or loss and other income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes:
  - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations); and
  - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Trust.
2. In the opinion of the Directors of the Trustee, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to be 'R' followed by a long, sweeping horizontal line that curves upwards at the end.

Russell Halliday  
Treasurer

19 October 2023

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

**FINANCIAL REPORT - 30 JUNE 2023**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40  
OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012  
TO THE MEMBERS OF SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



**StewartBrown**  
Chartered Accountants



**S.J. Hutcheon**  
Partner

19 October 2023

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

**FINANCIAL REPORT - 30 JUNE 2023**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST**

***Opinion***

We have audited the financial report of Seventh-day Adventist Aged Care (North New South Wales) Trust which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors of the Trustee's Declaration.

In our opinion, the accompanying financial report of the Seventh-day Adventist Aged Care (North New South Wales) Trust is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Trust's financial position as at 30 June 2023 and of its financial performance for the year then ended, and
- b) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Regulation 2022*.

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the Trustee, would be in the same terms if given to the Directors of the Trustee as at the time of this auditor's report.

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

***Directors of the Trustee's Responsibility for the Financial Report***

The Directors of the Trustee are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors of the Trustee determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Directors of the Trustee are responsible for overseeing the Trust's financial reporting process.

**SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST****FINANCIAL REPORT - 30 JUNE 2023****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SEVENTH-DAY ADVENTIST AGED CARE (NORTH NEW SOUTH WALES) TRUST*****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* and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the Directors of the Trustee 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.



**Stewart Brown**  
Chartered Accountants



**S.J. Hutcheon**  
Partner

19 October 2023