



CLARENCE VILLAGE LIMITED
ABN 46 135 598 097

FINANCIAL REPORT - 30 JUNE 2022

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CLARENCE VILLAGE LIMITED**ABN 46 135 598 097****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	10,106,336	8,916,296
Trade and other receivables	7	410,266	1,184,399
Financial assets	8	5,254,367	2,980,000
Investment properties	9	2,974,761	2,644,644
Property, plant and equipment	10	17,459,203	17,976,545
Intangible assets	11	9,854	19,221
TOTAL ASSETS		36,214,787	33,721,105
LIABILITIES			
Current liabilities			
Trade and other payables	12	709,542	567,616
Borrowings expected to be paid within 12 months	13	16,033	5,895
Refundable loans expected to be paid within 12 months	14	1,964,705	1,932,976
Provisions expected to be paid within 12 months	15	713,783	625,123
Borrowings expected to be paid later than 12 months	13	-	16,036
Refundable loans expected to be paid later than 12 months	14	13,658,097	12,228,819
TOTAL LIABILITIES		17,062,160	15,376,465
NET ASSETS		19,152,627	18,344,640
FUNDS			
Accumulated funds		19,152,627	18,344,640
TOTAL FUNDS		19,152,627	18,344,640

The accompanying notes form part of these financial statements

CLARENCE VILLAGE LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Revenue	4	10,399,338	9,798,558
		<u>10,399,338</u>	<u>9,798,558</u>
Expenses			
Administration and other expenses		(481,840)	(487,635)
Cleaning, laundry and catering expenses		(91,454)	(81,906)
Depreciation	5	(774,432)	(734,076)
Finance costs	5	(13,931)	(2,202)
Food supplies		(453,158)	(393,294)
Insurance		(108,671)	(88,124)
Maintenance costs		(390,981)	(571,169)
Resident and client expenses		(400,027)	(445,263)
Salaries and employee benefits		(6,573,391)	(5,475,868)
Utilities		(303,466)	(266,051)
		<u>(9,591,351)</u>	<u>(8,545,588)</u>
Surplus (deficit) before income tax		807,987	1,252,970
Income tax expense		-	-
Surplus (deficit) for the year		807,987	1,252,970
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		<u><u>807,987</u></u>	<u><u>1,252,970</u></u>

The accompanying notes form part of these financial statements

CLARENCE VILLAGE LIMITED**STATEMENT OF CHANGES IN FUNDS**
FOR THE YEAR ENDED 30 JUNE 2022

	Accumulated Funds	Total
	\$	\$
Balance at 1 July 2020	17,091,670	17,091,670
Comprehensive income		
Surplus for the year	1,252,970	1,252,970
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,252,970</u>	<u>1,252,970</u>
Balance at 30 June 2021	<u>18,344,640</u>	<u>18,344,640</u>
Balance at 1 July 2021	18,344,640	18,344,640
Comprehensive income		
Surplus (deficit) for the year	807,987	807,987
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	<u>807,987</u>	<u>807,987</u>
Balance at 30 June 2022	<u>19,152,627</u>	<u>19,152,627</u>

CLARENCE VILLAGE LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers and government		10,170,434	8,819,333
Payments to suppliers and employees		(8,752,824)	(8,444,727)
Investment income received		260,137	222,119
Interest paid		(13,931)	(2,202)
<i>Net cash flows from operating activities</i>		<u>1,663,816</u>	<u>594,523</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(247,723)	(875,495)
Purchase of investment property		(330,117)	(2,644,644)
Purchase of intangible assets		-	(8,372)
Purchase of financial assets		(2,076,195)	(2,980,000)
<i>Net cash flows from investing activities</i>		<u>(2,654,035)</u>	<u>(6,508,511)</u>
Cash flows from financing activities			
Proceeds from refundable accommodation deposits		3,292,556	3,362,500
Proceeds from refundable entry contributions		1,147,447	265,000
Repayment of refundable accommodation deposits		(1,902,763)	(1,829,138)
Repayment of refundable entry contributions		(351,083)	(518,267)
Repayment of borrowings		(5,898)	(16,036)
<i>Net cash flows from financing activities</i>		<u>2,180,259</u>	<u>1,264,059</u>
Net increase in cash and cash equivalents		1,190,040	(4,649,929)
Cash and cash equivalents at the beginning of the financial year		<u>8,916,296</u>	<u>13,566,225</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>10,106,336</u></u>	<u><u>8,916,296</u></u>

The accompanying notes form part of these financial statements

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 1 - Corporate Information**

The financial report includes the financial statements and notes of Clarence Village Limited. Clarence Village Limited (the company) is under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012* and domiciled in Australia.

The company provides residential aged care and retirement living services.

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

194 Turf Street
Grafton NSW 2460

The financial statements were approved by the Board of Directors on 28 October 2022.

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 company is a not-for-profit entity for the purposes of preparing these financial statements.

Other than the change in disclosure requirements, the adoption of *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* has had no significant impact on the financial statements because the company's previous financial statements complied with *Australian Accounting Standards - Reduced Disclosure Requirements*.

Basis of measurement

The financial statements 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.

Critical accounting estimates and judgements

The Directors 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 company.

Key estimates***Impairment***

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the company 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.

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 2 - Basis of preparation (continued)*****Critical accounting estimates and judgements (continued)******Key estimates (continued)******Resident entry contributions***

The amounts repayable to residents upon their exit from the company's retirement villas 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.

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 2022 reporting period. These include:

- *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (effective for the year ending 30 June 2022)
- *AASB 2020-2: Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities* (effective for the year ended 30 June 2022)

AASB 1060 and AASB 2020-2 act to mandate that the company prepare a general purpose financial report under a new Simplified Disclosure Standard. The application of AASB 1060 and AASB 2020-2 have not had a material impact on the carrying values of the company's asset, liability or equity balances; nor a material impact on the recognition and measurement of the company'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 2022 reporting periods and have not been early adopted by the company. 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: Amendments to AASs – Disclosure of Accounting Policies and Definition of Accounting Estimates* (effective for the year ending 30 June 2024)

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

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

Clarence Village Limited is a not-for-profit exempt institution 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.

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 3 - Significant accounting policies (continued)*****Cash and cash equivalents***

Cash and cash equivalents include 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.

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 company 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 company; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Investment revenue

Investment revenue from financial assets is recognised on an accrual's basis.

Rental income

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Retentions from entry contributions

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

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, 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 is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

Investment property

Property classified as being for investment purposes, essentially being those land and buildings which attract a financial return to the facility predominantly through rental and capital appreciation, is measured at fair value, determined periodically by the Directors, and is not depreciated.

Any gains or losses arising from changes in fair value and/or on disposal are included in the net surplus for the period. Costs incurred in relation to the improvement and refurbishment of investment property is charged to the statement of profit or loss and other comprehensive income and expensed during the period in which they are incurred.

Investment properties are revalued annually by the Directors to its fair value, based on the most recent market valuations and/or by reference to current market indications.

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 3 - Significant accounting policies (continued)*****Property, 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 comprehensive income.

Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses. Freehold land and buildings have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

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 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.

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 company 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.

Carrying amount

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

Depreciation

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

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

Land and Buildings	2.5%
Leasehold Improvements	15% - 25%
Plant and Equipment	22.5%
Software	20%

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 three years.

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 3 - Significant accounting policies (continued)*****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).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Financial instruments**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the company 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.

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**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 company 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.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of the loan facilities are recognised in the statement of profit or loss and other comprehensive income when they are incurred.

Resident entry contributions

Resident entry contributions are received from residents of self-care villas, and they are non-interest bearing and the net amount is repayable upon departure or transfer. Resident 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.

Refundable accommodation deposits

Refundable accommodation deposits are non-interest-bearing deposits made by aged care facility residents to the company 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.

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022**Note 3 - Significant accounting policies (continued)*****Employee benefits***

Provision is made for the company'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.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Capital gains

Some Self Care Residence and Service Agreements allow residents to share in the capital gain on their units. A liability is recognised at each balance date in relation to the residents' share of this capital gain, representing the difference between the initial ingoing contribution and an estimate of the current market value of their unit multiplied by their percentage share of the capital gain.

Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
<u>Note 4 - Revenue</u>		
Operating revenue		
Government subsidies and recurrent grants	5,719,561	4,626,367
Government support - <i>COVID-19</i>	-	1,368,500
Resident fees and charges	1,307,950	1,289,209
Daily accommodation payments	264,253	205,780
Recurrent fees	747,459	708,966
Retentions from entry contributions	237,025	428,352
	<u>8,276,248</u>	<u>8,627,174</u>
Other revenue		
Investment income	260,137	222,119
Rental income	1,311,556	877,831
Fair value gain on financial assets	198,172	-
Other revenue	353,225	71,434
	<u>2,123,090</u>	<u>1,171,384</u>
<i>Total revenue</i>	<u>10,399,338</u>	<u>9,798,558</u>
<u>Note 5 - Expenses</u>		
Depreciation		
Buildings and improvements	418,419	304,538
Leasehold improvements	153,972	261,355
Plant and equipment	192,674	159,488
Software	9,367	8,695
<i>Total depreciation</i>	<u>774,432</u>	<u>734,076</u>
Finance costs	13,931	2,202
<u>Note 6 - Cash and cash equivalents</u>		
Cash at bank and on hand	10,106,336	1,909,516
Term deposits	-	7,006,780
<i>Total cash and cash equivalents</i>	<u>10,106,336</u>	<u>8,916,296</u>
<u>Note 7 - Trade and other receivables</u>		
<u>Expected to be settled within 12 months</u>		
Trade receivables	14,810	51,201
Entry contributions receivable receivable	289,395	771,842
Other receivables	63,862	317,326
Prepayments	42,199	44,030
<i>Total current trade and other receivables</i>	<u>410,266</u>	<u>1,184,399</u>

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
Note 8 - Financial assets		
<u>Expected to be settled within 12 months</u>		
Financial assets at fair value through profit or loss		
Managed funds	952,967	-
	<u>952,967</u>	<u>-</u>
<u>Expected to be settled after 12 months</u>		
Financial assets at fair value through profit or loss		
Units in Unlisted Unit Trust - Westlawn Property Trust	4,301,400	2,980,000
	<u>4,301,400</u>	<u>2,980,000</u>
<i>Total financial assets</i>	<u>5,254,367</u>	<u>2,980,000</u>
Movements in carrying amount		
Opening net carrying amount	2,980,000	-
Additions	2,076,195	2,980,000
Fair value gain (loss)	198,172	-
Closing net carrying amount	<u>5,254,367</u>	<u>2,980,000</u>

Note 9 - Investment propertiesExpected to be settled after 12 months

Investment properties at fair value	2,974,761	2,644,644
<i>Total investment property</i>	<u>2,974,761</u>	<u>2,644,644</u>

Movements in carrying amount

Opening net carrying amount	2,644,644	-
Additions	330,117	2,644,644
Opening net carrying amount	<u>2,974,761</u>	<u>2,644,644</u>

Note 10 - Property, plant and equipment

	Land \$	Buildings & Improvements \$	Leasehold Improvements \$	Plant & Equipment \$	Total \$
At 30 June 2021					
Cost	1,510,908	14,568,716	6,158,874	2,779,955	25,018,453
Accumulated depreciation	-	(5,233,641)	(224,467)	(1,583,800)	(7,041,908)
<i>Net carrying amount</i>	<u>1,510,908</u>	<u>9,335,075</u>	<u>5,934,407</u>	<u>1,196,155</u>	<u>17,976,545</u>
Movements in carrying amounts					
Opening net carrying amount	1,510,908	9,335,075	5,934,407	1,196,155	17,976,545
Additions	5,385	42,636	-	199,702	247,723
Reclassification	19,062	(19,062)	-	-	-
Depreciation charge for the year	-	(418,419)	(153,972)	(192,674)	(765,065)
Closing net carrying amount	<u>1,535,355</u>	<u>8,940,230</u>	<u>5,780,435</u>	<u>1,203,183</u>	<u>17,459,203</u>
At 30 June 2022					
Cost	1,535,355	14,592,290	6,158,874	2,979,657	25,266,176
Accumulated depreciation	-	(5,652,060)	(378,439)	(1,776,474)	(7,806,973)
<i>Net carrying amount</i>	<u>1,535,355</u>	<u>8,940,230</u>	<u>5,780,435</u>	<u>1,203,183</u>	<u>17,459,203</u>

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<u>Note 11 - Intangible assets</u>		
Software		
Cost	130,510	130,510
Accumulated amortisation	(120,656)	(111,289)
<i>Net carrying amount</i>	<u>9,854</u>	<u>19,221</u>
Movements in carrying amounts		
Opening net carrying amount	19,221	27,916
Amortisation charge for the year	(9,367)	(8,695)
Closing net carrying amount	<u>9,854</u>	<u>19,221</u>
<u>Note 12 - Trade and other payables</u>		
<u>Expected to be payable within 12 months</u>		
Trade payables	176,230	105,309
Other payables	533,312	462,307
<i>Total current trade and other payables</i>	<u>709,542</u>	<u>567,616</u>
<u>Note 13 - Borrowings</u>		
<u>Expected to be payable within 12 months</u>		
Loans - secured	16,033	5,895
	<u>16,033</u>	<u>5,895</u>
<u>Expected to be payable after 12 months</u>		
Loans - secured	-	16,036
	<u>-</u>	<u>16,036</u>
<i>Total borrowings</i>	<u>16,033</u>	<u>21,931</u>
Movements in carrying amounts		
Opening net carrying amount	21,931	37,967
Repayments	(5,898)	(16,036)
Closing net carrying amount	<u>16,033</u>	<u>21,931</u>
<u>Note 14 - Refundable loans</u>		
<u>Expected to be payable within 12 months</u>		
Refundable accommodation deposits	1,643,738	1,511,172
Refundable entry contributions	320,967	421,804
	<u>1,964,705</u>	<u>1,932,976</u>
<u>Expected to be payable after 12 months</u>		
Refundable accommodation deposits	8,629,622	7,378,073
Refundable entry contributions	5,028,475	4,850,746
	<u>13,658,097</u>	<u>12,228,819</u>
<i>Total refundable loans</i>	<u>15,622,802</u>	<u>14,161,795</u>
Movement in refundable accommodation deposits		
Opening net carrying amount	8,889,245	7,365,308
RADs received	3,292,556	3,362,500
Allowable deductions	(5,678)	(9,425)
RADs refunded	(1,902,763)	(1,829,138)
Closing net carrying amount	<u>10,273,360</u>	<u>8,889,245</u>

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
Note 14 - Refundable loans (continued)		
Movement in resident entry contributions		
Opening net carrying amount	5,272,550	5,954,169
New contributions received	665,000	265,000
Retentions	(237,025)	(428,352)
Contributions refunded	(351,083)	(518,267)
Closing net carrying amount	<u>5,349,442</u>	<u>5,272,550</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 of letters of administration being issued.

	2022	2021
	\$	\$
Note 15 - Provisions		
<u>Expected to be settled within 12 months</u>		
Annual leave	404,929	320,333
Long service leave	308,854	304,790
	<u>713,783</u>	<u>625,123</u>
<i>Total provisions</i>	<u>713,783</u>	<u>625,123</u>

Note 16 - Commitments**Capital commitments**

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	<u>123,149</u>	<u>-</u>
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Note 17 - Key management personnel**Remuneration of key management personnel**

The aggregate amount of compensation paid to Directors and other Key Management Personnel during the year was:

	<u>543,146</u>	<u>449,043</u>
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Note 18 - Auditor's remuneration

Fees paid to StewartBrown, Chartered Accountants:

Audit of the financial report	18,000	-
Preparation of the financial report	2,500	-
Other advisory services	700	700
<i>Total auditor's remuneration</i>	<u>21,200</u>	<u>700</u>

CLARENCE VILLAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$

Note 19 - Government grants

The company has recognised government grant revenue from the following levels of government and departments:

Commonwealth

Department of Health and Aged Care

Total government grants

95,363	-
<u>95,363</u>	<u>-</u>

Note 20 - Limitation of members' liability

The company is registered as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed \$2 per member. At 30 June 2022 the number of members of this company was 20 (2021: 20).

Note 21 - Events occurring after balance date

Subsequent to the end of the financial year, there remains a degree of uncertainty in relation to future economic and other impacts of the COVID-19 pandemic.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the company in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including the ability to pay the debts as and when they become due and payable.

There have not been any significant events subsequent to the reporting date.

Note 22 - Economic dependency

Clarence Village depends on funding from the Commonwealth Department of Health and Aged Care to fund its operation. The company believes that this revenue will continue to be made available to the company for the foreseeable future. The total amount of recurrent government funding received during the financial year was \$5,719,561 (2021: \$5,994,867) and this represented 56.1% of total revenue (2021: 61.2%).

Note 23 - Interest in joint ventures**Ownership Interest**

	2022	2021
	\$	\$

Joint Ventures

Clarence Village and NSW Housing Corporation

31.77%	31.77%
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The below relates to the construction of residential units for disadvantaged pensioners of the district:

Other current assets

62,275

66,793

Depreciation

(4,518)

(4,519)

CLARENCE VILLAGE LIMITED
ABN 46 135 598 097

FINANCIAL REPORT - 30 JUNE 2022

DIRECTORS' DECLARATION

The Directors of Clarence Village Limited declares that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive 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 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the company.
2. In the opinion of the Directors, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Mark Dougherty
Chairman



Neil Payne
Deputy Chairman

28 October 2022

CLARENCE VILLAGE LIMITED
ABN 46 135 598 097

FINANCIAL REPORT - 30 JUNE 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40
OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE MEMBERS OF CLARENCE VILLAGE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 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

28 October 2022

CLARENCE VILLAGE LIMITED
ABN 46 135 598 097

FINANCIAL REPORT - 30 JUNE 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CLARENCE VILLAGE LIMITED

Opinion

We have audited the financial report of Clarence Village Limited 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 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' Declaration.

In our opinion, the accompanying financial report of Clarence Village Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2022 and of its financial performance for the year then ended, and
- b) complying with *Australian Accounting Standards - Simplified Disclosures* and 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 Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company 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 company, would be in the same terms if given to the Directors 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' Responsibility for the Financial Report

The Directors of the company 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 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 are responsible for assessing the company'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 either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the company's financial reporting process.

CLARENCE VILLAGE LIMITED
ABN 46 135 598 097

FINANCIAL REPORT - 30 JUNE 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CLARENCE VILLAGE LIMITED

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 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.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

28 October 2022