

WARWICK BENEVOLENT SOCIETY INC.

ABN: 25 598 708 473

Financial Report
for the year ended 30 June 2022

WARWICK BENEVOLENT SOCIETY

ABN 25 598 708 473

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**Financial Report for The Year Ended 30
June 2022**

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WARWICK BENEVOLENT SOCIETY

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COMMITTEE'S REPORT

Your committee members submit the financial report of the Warwick Benevolent Society Inc. for the financial year ended 30 June 2022.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Douglas Cutmore
Glenna Kay
Ros Keim
Robert Lindenberg
Judi Haidley
Donald Stewart
Christopher O'Brien
Gail Watts
David Gengos

Corporate Information

Warwick Benevolent Society Inc. is an association incorporated in Queensland under the Associations Incorporation Act 1981. The association is registered charity with the Australian Charities and Not-for-profits Commission (ACNC). It is endorsed as a Deductible Gift Recipient. The association is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Principal Activities

The objects for which the association was established are:

- To provide appropriate care and accommodation for aged, infirm and disabled persons, including residential, non-residential and community services.
- To work in accord with statutory and other bodies and organisations engaged in all aspects of relating care.
- To arrange and provide for or join in arranging and providing for the holding of meetings, lectures and classes calculated directly or indirectly to further the objects of the Association or any of them.


Significant Changes

No significant change in these activities occurred during the year.

Operating Result

The deficit after providing for income tax amounted to \$155,447.

Signed in accordance with a resolution of the Members of the Committee.



Donald Stewart



David Gengos

Dated this 26th day of September 2022

WARWICK BENEVOLENT SOCIETY

ABN 25 598 708 473

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDING 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue	2	7,773,467	6,103,078
Other income		2,747,720	4,192,738
Employee benefit expense		(7,916,295)	(7,714,358)
Depreciation and Amortisation Expense		(37,800)	(136,482)
Advertising and promotion expenses		(7,947)	(6,543)
Sundry Expenses		(2,664,713)	(1,962,602)
Capital grant expenditure		<u>(49,879)</u>	<u>-</u>
Current year surplus before income tax	3	<u>(155,447)</u>	<u>475,831</u>
Income Tax Expense		<u>-</u>	<u>-</u>
Net current year surplus		<u>(155,447)</u>	<u>475,831</u>
Total Comprehensive income for the year		<u>(155,447)</u>	<u>475,831</u>

The accompanying notes form part of these statements

WARWICK BENEVOLENT SOCIETY

ABN 25 598 708 473

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	10,846,010	8,763,877
Accounts receivable and other debtors	6	<u>226,622</u>	<u>236,422</u>
TOTAL CURRENT ASSETS		<u>11,072,632</u>	<u>9,000,299</u>
NON-CURRENT ASSETS			
Property plant and equipment	8	10,856,146	10,253,113
Other non-current assets	7	<u>10</u>	<u>10</u>
TOTAL NON-CURRENT ASSETS		<u>10,856,156</u>	<u>10,253,123</u>
TOTAL ASSETS		<u>21,928,788</u>	<u>19,253,422</u>
LIABILITIES			
CURRENT LIABILITIES			
Contract liabilities	9	344,704	-
Accounts payables and other payables	10	150,275	99,433
Employee provisions	11	1,408,373	1,335,336
Community Home Care unspent funds		44,327	288,127
Resident accommodation deposits		<u>11,996,395</u>	<u>9,365,954</u>
TOTAL CURRENT LIABILITIES		<u>13,944,074</u>	<u>11,088,850</u>
NON-CURRENT LIABILITIES			
Employee provisions		<u>67,272</u>	<u>91,683</u>
TOTAL NON-CURRENT LIABILITIES		<u>67,272</u>	<u>91,683</u>
TOTAL LIABILITIES		<u>14,011,346</u>	<u>11,180,533</u>
NET ASSETS		<u>7,917,442</u>	<u>8,072,889</u>
EQUITY			
Reserves		1,039,305	1,039,305
Retained Surplus		<u>6,878,137</u>	<u>7,033,584</u>
TOTAL EQUITY		<u>7,917,442</u>	<u>8,072,889</u>

The accompanying notes form part of these statements

WARWICK BENEVOLENT SOCIETY

ABN 25 598 708 473

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Retained Surplus \$	Property Revaluation Reserve \$	Total \$
Balance at 1 July 2020	6,557,753	393,045	6,950,798
Net surplus for the year	475,831		475,831
Other comprehensive income			
Non-Comprehensive income			
Revaluation of land and buildings	646,260		646,260
Transfer to financial assets reserve	(646,260)	646,260	-
Total comprehensive income attributable to members of the association for the year	<u>475,831</u>	<u>646,260</u>	<u>1,122,091</u>
Balance at 30 June 2021	<u>7,033,584</u>	<u>1,039,305</u>	<u>8,072,889</u>
Balance at 1 July 2021	7,033,584	1,039,305	8,072,889
Net Surplus/deficit for the year	(155,447)		(155,447)
Other comprehensive income			
Non-Comprehensive income			
Revaluation of land and buildings			
Transfer to financial assets reserve			
Total comprehensive income attributable to members of the association for the year	<u>(155,447)</u>		<u>(155,447)</u>
Balance at 30 June 2022	<u>6,878,137</u>	<u>1,039,305</u>	<u>7,917,442</u>

The accompanying notes form part of these statements

WARWICK BENEVOLENT SOCIETY

ABN 25 598 708 473

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Government grants		6,811,813	7,460,578
Donations received		6,789	17,687
Payments to suppliers and employees		(10,461,860)	(9,589,986)
Interest received		47,690	100,933
Resident and client fees and contributions		2,502,590	2,441,243
Sundry income		<u>185,684</u>	<u>276,742</u>
Net cash (used in)/generated by operating activities	13	<u>(907,294)</u>	<u>707,197</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital grants for property, plant and equipment		1,014,194	
Payments to acquire property plant and equipment		(718,340)	(24,602)
Receipts from the sale of property plant and equipment		<u>-</u>	<u>-</u>
Net cash (used in)/generated by investing activities		<u>295,854</u>	<u>(24,602)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of resident accommodation deposits		(2,820,442)	-
Proceeds from resident accommodation deposits		<u>5,514,016</u>	<u>326,863</u>
Net cash (used in)/generated by financing activities		<u>2,693,574</u>	<u>326,863</u>
Net increase/(decrease) in cash held		2,082,133	1,009,458
Cash and cash equivalents at the beginning of the year		<u>8,763,877</u>	<u>7,754,419</u>
Net cash and cash equivalents at the end of the year		<u><u>10,846,010</u></u>	<u><u>8,763,877</u></u>

The accompanying notes form part of these statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

The financial statements cover Warwick Benevolent Society Inc. as an individual entity. Warwick Benevolent Society Inc. is an association incorporated in Queensland under the Associations Incorporation Act 1981.

Note 1 Summary of Significant Accounting Policies

a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profit Commission reporting requirements as required by the Australian Charities and Not-for-profit Commission Act 2012.

The association does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the Tier 2 reporting framework under Australian Accounting Standards. The association is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards

Warwick Benevolent Society Inc. is an association incorporated in Queensland under the Associations Incorporation Act 1981. The association has been granted deductible gift recipient status by the Australian Taxation Office. The address of its registered office and principal place of business are as follows:

Akooramak Aged Care Facility
277 Wood Street
WARWICK QLD 4370

The association's principal activities are to provide appropriate care and accommodation for aged, infirm and disabled persons, including residential, non-residential and community services.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. The financial report of the association complies with Australian Accounting Standards – Simplified Disclosure requirements.

Relevant accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Going Concern

The association has a net current liability on 30 June 2022 of \$2,871,442 (2021: \$2,088,551). The net current liability position is substantially due to refundable accommodation deposits being classified as current liabilities. The association has recognised all refundable accommodation deposits as a current liability. The group has no contractual rights to defer payment beyond one year.

The directors estimate that receipt of refundable accommodation deposits will offset the payments to outgoing residents.

After considering all available current information, the directors have concluded that there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due and payable for a minimum 12-month period from the date of signing the financial statements and that preparation of the financial statements on a going concern basis is appropriate.

Changes in Accounting Policies

The association previously prepared general purpose financial statements under Tier 2-Reduced disclosure requirements. There were no major transition adjustments other than disclosure changes on adoption of Australian Accounting Standard – Simplified disclosures.

b) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax, as a registered charity, under Section 50 of the Income Tax Assessment Act 1997.

c) Inventories

No inventories are held by the association.

d) Fair Value of Assets and Liabilities

The association measures some of its assets 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 association would receive to sell an asset or would have to pay to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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 the principal market for the asset or liability (the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market

available to the association at the end of the reporting period (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.

e) Property, Plant and Equipment

Land, buildings and fixtures

Land and buildings are reported in the statement of financial position at fair value being their revalued amount at the latest date of valuation. Land, buildings and fixtures were revalued in March, 2021.

Any revaluation increase is recognized in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease previously recognized in profit and loss. In this case the increase is credited to profit and loss to the extent of the decrease previously expensed. A decrease on revaluation is recognised in profit and loss to the extent that it exceeds the balance held in the revaluation reserve relating to a previous revaluation of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

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 association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including office equipment, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Plant, furniture and fittings	Depreciation rate	20.00%
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The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur.

f) Impairment of Assets

At the end of each reporting period, the association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the association would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

The association recognised an asset impairment loss of \$77,508 (2021: \$0) following a review of asset values.

g) Employee Provisions

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The obligations for short-term employee benefits such as wages, salaries and associated oncosts are recognised as part of current accounts payable and other payables in the statement of financial position.

Long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates approximating the terms of the obligations. Any re-measurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Claim for a 25% increase in the aged care award.

The Fair Work Commission is considering a 25% award wage increase claim for aged care employees and is expected to make a determination later in the year. A determination in this case may materially impact employee provisions. The government has indicated that it will fund any award increase, but it is not clear if this commitment will extend to leave liabilities.

Change in estimate of employee provisions

A change in the estimate of short term and long-term employee benefits has been implemented in 2021-2022 and the impacts of the change have been recognised in the current financial year. This change has been reported in accordance with *AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors*. The change has increased employee benefit expense in 2021-2022 by \$174,709.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

Restricted cash

The amount of cash that is restricted is determined in compliance with prudential standards under the *Aged Care Fees and Payments Principles*, requiring refundable accommodation payment balances be used only for permitted purposes. Restricted cash on June 30 2022 was \$7,636,244 (2021: \$5,379,439).

i) Accounts Receivable and Other Debtors

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivables are initially recognised at initial invoice amount less any allowance for uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Debts to the value of \$42,221 (2021: \$0) were written off in 2022.

The association does not have material credit risk exposure to any single or group of receivables.

j) Revenue and Other Income

Government Grants

Government grants are not recognised until there is reasonable assurance that the association will comply with the conditions relating to the grant and that the grants will be received. Government grants are recognised in profit and loss on a systematic basis in which the association recognises expenses associated with the grant.

Government grants that are receivable as compensation for expenses or losses already incurred are recognised in profit and loss in the period in which they become receivable.

The association receives government subsidies, based on the assessed care needs of residents and clients. These subsidies are recognised as income in the period that care services are provided. Subsidy payments are received from Services Australia (Medicare) monthly in advance.

Capital Grants

The association has received two capital grants in the financial year under the Aged Care Approval Round (ACAR) and the Aged Care Business Improvement Fund (BIF). Both grants are subject to funding agreements and associated performance obligations and are within the scope of AASB15. Income is recognised in the profit and loss as performance obligations are met. Capital and recurrent expenses are recognised when they are incurred. Any unexpended funds are recognised as a grant contract liability.

Resident Fees

The association receives daily fees, from residents and community clients, for the provision of care and accommodation is based on an agreed contract with the resident or client. The basic daily care fee rate is set by the Federal Government. Revenue is recognised on a recurring basis as care and accommodation services are provided. In addition to the basic daily care fee residents may be charged fees relating to accommodation payments and contributions determined in accordance with the Aged Care Act (1997). Resident fees are invoiced monthly in advance.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

Donations

Donations and bequests are recognised as revenue in the period that they are received.

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

l) 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 and 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.

m) Comparative Figures

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

Where the Association retrospectively applies an accounting policy, makes a retrospective restatement, or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

n) Provisions

Provisions are recognised when the association has a legal or constructive obligation, because 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.

o) Judgements and key sources of estimate uncertainty

Impairment

The association assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are re-assessed using value-in-use calculations which incorporate various key assumptions.

Provision for impairment of receivables

The association has undertaken a probability analysis of the debtors aged trial balance and estimated the amount not likely to be received. This amount has been written off in the profit and loss.

Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

Note 2 Revenue and other income

	Note	2022 \$	2021 \$
Revenue			
Revenue from grants			
Department of Health and Aged Care		7,054,098	6,103,078
Capital grant Aged Care Funding Round (ACAR)		546,816	
Capital grant Business Improvement Fund (BIF)		<u>172,553</u>	
Total Revenue		<u>7,773,467</u>	<u>6,103,078</u>
Other Income			
- donations received and fundraising		6,789	17,686
- Resident and client contributions		2,507,557	2,441,243
- Interest income		47,690	100,933
- Other revenue from non-operating activities		185,684	275,376
- Cashflow boost		-	37,500
- Jobkeeper		<u>-</u>	<u>1,320,000</u>
Total Other Income		<u>2,747,720</u>	<u>4,192,738</u>
Total revenue and other income		<u>10,521,187</u>	<u>10,295,816</u>

Note 3 Surplus for the year

	Note	2022 \$	2021 \$
Expenses			
- Accounting		10,300	9,000
- Advertising		7,947	6,543
- Auditor's remuneration	4	13,002	9,000
- Depreciation		37,800	136,482
- Food and supplies		568,044	485,254
- Interest expense		1,869	2,386
- Light and power		172,766	164,745
- Medical supplies		280,513	264,209
- Repair and maintenance		386,565	349,243
- Superannuation (employee benefit expense)		648,708	606,447
- Wages (employee benefit expense)		7,267,588	7,024,055
- Other expenses from ordinary activities		1,231,654	762,621
- Expenditure related to capital grants		<u>49,879</u>	
Total other expenses		<u>10,676,635</u>	<u>9,819,985</u>

Note 4 Auditors Fees

	2022	2021
Note	\$	\$
Auditing the financial statements	13,002	9,000

Note 5 Cash and cash equivalents

	2022	2021
Note	\$	\$
Cash at bank	5,221,365	3,176,045
Short term investments - bank term deposits	<u>5,624,645</u>	<u>5,587,832</u>
	<u>10,846,010</u>	<u>8,763,877</u>

Note 6 Accounts receivable and other debtors

	2022	2021
Note	\$	\$
CURRENT		
Other debtors	<u>226,622</u>	<u>236,422</u>
Total accounts receivable and other debtors	<u>226,622</u>	<u>236,422</u>

Note 7 Other non-current assets

	2022	2021
Note	\$	\$
Shares in Warwick Credit Union	10	10

Note 8 Property plant and equipment

	Note	\$	\$
Land buildings and fittings			
At valuation 2021		10,100,000	10,100,000
At cost			-
Accumulated depreciation			-
		<u>10,100,000</u>	<u>10,100,000</u>
Plant and equipment			
At valuation			470,117
At cost		189,002	212,291
Accumulated depreciation		<u>113,207</u>	<u>529,295</u>
		<u>75,795</u>	<u>153,113</u>
Work in Progress			
Stacey House		10,860	-
Capital grant - Aged Care Approval Round		546,816	
Capital grant - Business Improvement Fund		<u>122,674</u>	-
		<u>680,350</u>	-
Total property plant and equipment		<u><u>10,856,146</u></u>	<u><u>10,253,113</u></u>

Movements in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year.

	Land and Buildings \$	Plant and Equipment \$	Work in Progress \$	Total \$
Balance at 1 July 2020	9,429,373	289,360		9,718,733
Additions	24,367	235		24,602
Disposals				
Revaluations	646,260			646,260
Depreciation Expense		<u>(136,482)</u>		<u>(136,482)</u>
Carrying amount at 30 June 2021	<u>10,100,000</u>	<u>153,113</u>		<u>10,253,113</u>
Additions		37,990	680,350	718,340
Impairment		<u>(77,508)</u>		<u>(77,508)</u>
Depreciation Expense		<u>(37,800)</u>		<u>(37,800)</u>
Carrying amount at 30 June 2022	<u><u>10,100,000</u></u>	<u><u>75,795</u></u>		<u><u>10,856,146</u></u>

Plant and equipment impairment of \$77,508 has been written off in the profit and loss, following a review of plant and equipment at cost.

Note 9 Contract liabilities

Contract liabilities are comprised of capital grants received as follows

	2022	2021
Note	\$	\$
Balance at 1 July 2021	-	-
Additional grants received during the year	1,064,073	-
Revenue recognised in profit and loss	<u>(719,369)</u>	<u>-</u>
Balance at 30 June 2022	<u>344,704</u>	<u>-</u>

Note 10 Accounts payable and other payables

	2022	2021
Note	\$	\$
CURRENT		
Accounts payable	150,275	99,433
Community Home Care Packages - unspent funds	44,327	288,127
Resident accommodation deposits	<u>11,996,395</u>	<u>9,365,954</u>
	<u>12,190,997</u>	<u>9,753,514</u>

Note 11 Employee provisions

	2022	2021
Note	\$	\$
CURRENT		
Annual leave entitlements	850,006	848,391
Long service leave entitlements	<u>558,367</u>	<u>486,945</u>
	<u>1,408,373</u>	<u>1,335,336</u>
NON-CURRENT		
Long service leave entitlements	<u>67,272</u>	<u>91,683</u>
	<u>67,272</u>	<u>91,683</u>
Total employee provisions	<u>1,475,645</u>	<u>1,427,019</u>

The method of estimating employee liabilities was changed in 2021-2022. The financial impact on profit and loss of this change in methodology is (\$174,709).

Note 12 Financial risk management

	2022	2021
Note	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	10,846,010	8,763,877
Accounts receivable and other debtors	<u>226,622</u>	<u>236,422</u>
	<u>11,072,632</u>	<u>9,000,299</u>
FINANCIAL LIABILITIES		
Accounts payable	150,275	99,433
Community Home Care Packages - unspent funds	44,327	288,127
Resident accommodation deposits	<u>11,996,395</u>	<u>9,365,954</u>
	<u>12,190,997</u>	<u>9,753,514</u>

Note 13 Notes to the statement of cash flows

Reconciliation of cash flows from operating activities

	2022	2021
Note	\$	\$
Net current year surplus/deficit	(155,447)	475,831
Depreciation expense	37,800	136,482
Accommodation payment drawdowns from lump sums	(63,132)	
Capital grants – investment component	(669,490)	
Net (gain)/loss on impairment	77,507	
(Increase)/decrease in accounts receivable	9,800	295,255
Increase/(decrease) in HCP unspent balance	(243,800)	68,707
Increase/(decrease) in accounts payable	50,842	(239,611)
Increase/(decrease) in employee provisions	48,626	(29,467)
Net cash generated by operating activities	(907,294)	707,197

Note 14 Related party transactions

There were no transactions between related parties.

Note 15 Events after reporting period

The balance of grant funding (\$526,000) under the Business Improvement Fund capital grant was received after the reporting period.

Note 16 Association details

The registered office and principal place of business of the association is:

Warwick Benevolent Society Inc.
267 – 269 Wood Street

**ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION
AND PERFORMANCE OF INCORPORATED ASSOCIATION**

We, Donald Stewart and David Gengos, being members of the committee of Warwick Benevolent Society Inc., certify that the statements attached to this certificate give a true and fair view of the financial position and performance of Warwick Benevolent Society Inc. during and at the end of the financial year of the association ending on 30 June 2022.

Signed: 

Dated: 26th September, 2022

Signed: 

Dated: 26th September, 2022

CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Donald Stewart of Warwick Benevolent Society Inc., and I, David Gengos of Warwick Benevolent Society Inc., certify that:

- a. We attended the annual general meeting of the association held on the 26th September, 2022; and
- b. The financial statements for the year ended 30 June 2022 were submitted to the members of the association at the annual general meeting.

Dated this 26th day of September 2022



Donald Stewart



David Gengos

WARWICK BENEVOLENT SOCIETY INC.
ABN: 25 598 708 473
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
Note	\$	\$
INCOME		
Grants (recurrent)	7,054,098	6,103,078
Capital Grant Aged Care Approval Round (ACAR)	546,816	
Capital Grants Building Improvement Fund (BIF)	172,553	
Donations and Fundraising	6,789	17,687
Resident contributions	2,507,557	2,441,243
Interest income	47,690	100,933
Revenue non-operating activities	185,684	275,376
Cash flow boost	-	37,500
Jobkeeper	-	1,320,000
Total income	<u>10,521,187</u>	<u>10,295,817</u>
EXPENDITURE		
Accounting	10,300	9,000
Advertising	7,947	6,543
Auditors' remuneration	13,002	9,000
Depreciation	37,800	136,482
Food and supplies	568,044	485,254
Interest expense	1,869	2,386
Light and power	172,766	164,745
Medical supplies	280,513	264,209
Repairs and maintenance	386,565	349,243
Superannuation	648,708	606,447
Wages	7,267,587	7,024,055
Other expenses from ordinary activities	1,231,654	762,621
Capital Grants operational expenditure	49,879	-
Total expenses	<u>10,676,635</u>	<u>9,819,985</u>
Current year surplus/(deficit) before income tax	(155,447)	475,832
Income tax expense	-	-
Current year surplus/(deficit) after income tax	<u>(155,447)</u>	<u>475,831</u>

26th September, 2022

David Hartmann
Harwil Auditors Pty Ltd
P O Box 246
SPRINGWOOD QLD 4127

Dear Sirs,

We confirm to the best of our knowledge and belief and having made appropriate enquiries of other directors and officials of the entity, the following representations which are given to you in connection with your audit of the financial statements of the entity for the year ended 30 June 2022 and in the light of the requirements of the Australian Charities and Not-for-Profits Commission.

GENERAL

Completeness of Information

1. We confirm that we have made available to you:
 - (a) All accounting records and supporting documents, information and explanations necessary for an understanding of the nature of transactions entered into, the assets owned, and the liabilities and commitments incurred, by the entity.
 - (b) Complete minutes of all meetings of committees to the date of this letter.

Compliance with regulations and contractual agreements

2. We are not aware of any breaches of regulations which might result in the entity suffering significant penalties or other loss.
3. The entity has complied with all aspects of agreements that would have a material effect on the accounts in the event of non-compliance.

Accounting Policies

4. All significant accounting policies are described in Note 1 to the financial statements and have been consistently applied.

Fraud and error

5. We are not aware of any material misappropriation of assets or intentional misrepresentation of financial information of one or more individuals among management, employees, or third parties, and neither were we aware of any unintentional mistakes in financial information that have not been corrected.

ASSETS

General

6. All assets included in the balance sheet and free from any lien, encumbrance or charge, except as disclosed in the financial statements. The balance sheet includes all tangible assets owned by the entity.

Land, buildings, plant and equipment

7. The net book amounts at which the premises, plant and equipment are stated in the balance sheet are arrived at:
 - (a) After taking into account all capital expenditure or additions thereto, but no expenditure properly charged to revenue;
 - (b) After eliminating the cost and accumulative depreciation related to items sold or scrapped;
 - (c) After providing for depreciation and obsolescence on bases and at rates calculated to reduce the net book amount of each asset to its estimated residual value by the end of its probable useful lives have been realistically estimated.
8. At the balance sheet date contractual commitments entered into for purchase of fixed assets amount in total to nil.

Other current assets

9. On realisation in the ordinary course of the entity's business the other current assets in the balance sheet are expected to produce at least the amounts at which they are stated, in particular that adequate provision has been made against all amounts owing to the entity which are known, or may be expected, to be irrecoverable.

LIABILITIES

General

10. All known liabilities at balance sheet date have been recorded in the accounting records.

Provisions for losses

11. Appropriate provisions have been made for all significant losses capable of being estimated with reasonable accuracy which are now expected to result from commitments contingent liabilities and other events which had occurred by the balance sheet date.

Contingent liabilities

12. All material contingent liabilities have been appropriately disclosed in the financial statements other than those where the possibility of losses arising therefrom is remote.
13. We have no plans or intentions that may materially affect the book value of any assets or liabilities.

RESULTS

14. Except those disclosed in the financial statements, the results for the year were not materially affected by:
 - (a) Any change on the basis of accounting;
 - (b) Circumstances of an extraordinary nature;
 - (c) Charges or credits relating to prior years.

EVENTS SINCE THE BALANCE SHEET DATE

15. No events have occurred since the balance sheet date which would require adjustment to or disclosure in the financial statements or which should be disclosed through some other medium other than those already disclosed in the financial statements.

Warwick Benevolent Society Inc.

D. Stewart

D. Stewart
