

ANNUAL REPORT 2021



MAURICE ZEFFERT

Trusted Jewish Aged Care

National Approved
Providers System
(NAPS) ID: 664

119 Cresswell Road
Dianella WA 6059
08 9375 4600
info@mzh.org.au
ABN: 43 422 387 456



OUR PURPOSE

To be a trusted Partner,
enriching the lives of Elders
in our Jewish Community.

OUR VALUES (THE 4c's)



OUR STRATEGIC OBJECTIVES

1. SERVICE QUALITY

Ensure the delivery of high quality care and services.

2. EXCELLENT STAFF

Recruit, retain and develop quality staff and a thriving workplace culture.

3. QUALITY FACILITIES

Provide comfortable, fit for purpose facilities and infrastructure.

4. STRONG FUTURE

Maintain a strong financial position, reputation and governance.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

PRESIDENT'S REPORT

In recent times the Aged Care sector has been challenged by continuous reform and the threat and impact of the COVID-19 global pandemic. This turbulence has resulted in hard times for the 850+ residential aged care providers nationally and Maurice Zeffert has not been immune.

Workforce challenges, funding constraints and ongoing regulatory reform present an uncertain landscape for any business, let alone a community-based provider like Maurice Zeffert. Whilst the challenges are front of mind for the Board and Executive, there are still many opportunities for the future.

Over the past 60 years we have worked to be "A trusted Partner, enriching the lives of elders and our Jewish community". While many know us for our residential care, our future focus recognises the important role that our independent living units play in enriching the lives of our community elders, and our position across the wider community. We are also excited to begin to explore the services we can offer to further that enrichment.

As a Board we are excited about the future and want to acknowledge the hard work of our dedicated staff, who continue to be the reason we receive such positive feedback from so many of the families we work with.

It is these special people that have made Maurice Zeffert into the home that it is today. For me it has been a privilege to work with such dedicated, hardworking people.



Irwin Tollman

President

15th October 2021

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2021

RESPONSIBLE ENTITY REPORT

The Board of Management are represented by the following responsible officers on a voluntary basis:



Irwin Tollman
PRESIDENT

Irwin is a Chartered Accountant with over 45 years' experience with various commercial businesses. Most recently with Monadelphous Group Limited, an ASX Listed company, as a long-term Non-Executive Director of 21 years. Irwin has been a trustee of the Perth Jewish Hardship Fund which 2 years ago merged with Menora Charity Fund.



Miriam Sauley
SECRETARY

Miriam is the Director of Legal Services for the Department of Primary Industries and Regional Development. She has over 25 years legal experience in the government sector and is a graduate of the Australian Institute of Company Directors. Miriam has also chaired the Motor Vehicle Industry Board and served on various other regulatory boards.



Mervyn Kitay
VICE PRESIDENT

Mervyn is a Chartered Accountant and registered company Liquidator with over 30 years' experience in public practice. He is the founding partner of Worrells Solvency and Forensic Partners in Western Australia.

Mervyn brings to the Board a discipline of financial management and the ability to recognise underperformance in business operations.



Jeremy Jacobs
VICE PRESIDENT

Jeremy is an experienced finance executive, specialising in the provision of commercial management, and business and corporate strategy. Jeremy is currently Chief Financial Officer, Company Secretary, and Chief Risk Officer at Foundation Housing. Prior to this role, Jeremy was Director Corporate Services at VCS Ltd, a Director in KPMG's Health, Ageing and Human Services division, Head of Finance Strategy at Ansell Strategic, Commercial Manager at Murdoch University, led Internal Investments at Bankwest, and was responsible for the State Commercial Department at Coles Group Logistics.



Graham Walters
TREASURER

Graham is a Chartered Accountant and graduate of the Australian Institute of Company Directors with vast experience across diverse industries. Graham has specialist skills in identifying and delivering strategic projects and managing financial and operational functions with system review and implementation.

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Ian Schwartz
BOARD MEMBER

Ian has a B.Sc. (Agric) and is a board member of 5 private companies from a diverse range of sectors. Over the years Ian has been involved in many acquisitions of various businesses. Ian was instrumental in growing, developing and running one of the largest chemical manufacturing operations in Australia, supplying the supermarkets and hardware industries, which, after 25 years, has recently been sold.



Karen Steinberg
BOARD MEMBER

Karen has spent over thirty years in business, both as a highly successful entrepreneur in the IT industry and in the corporate sector. Karen was twice runner up in the South African Businesswoman of the Year. Karen joined the Mental Health Commission four years ago as a Senior Program Officer. She has a passion for helping people with mental illness and was a peer support volunteer for a suicide prevention outreach program called ARBOR for many years.

Karen also has a passion for contributing to the Community having spent over 10 years on the Carmel School Board and co-managing the 2014 Maccabi Junior Carnival in Perth.



Lynette Chester AM
BOARD MEMBER

Lynette has extensive experience at Board level in the not-for-profit community health sector. As one of the founders of ADARDS, the forerunner of Alzheimer's WA, she served in all executive Board positions, including President. Her voluntary work culminated in the establishment of the family resource and day respite centre in Shenton Park. Lynette also contributed at the national level, holding executive Board positions with Alzheimer's Australia (now Dementia Australia), and as a Director of the Dementia Australia Research Foundation. She also served in a voluntary capacity in other community health roles, including Chairperson of the WA HACC Advisory Committee and Convenor of the First National Alzheimer's conference.

Lynette is a graduate of Curtin University (BA, Grad DipEd) with a professional background in education, business management, property development and public relations. Lynette is a Life Member of Alzheimer's WA and was appointed a Member in the General Division of the Order of Australia for her significant contribution to community health, in particular to people living with dementia and their families.



Jad Reuben
BOARD MEMBER

Jad Reuben was born in Perth, Western Australia and is married with three young children. He completed a Bachelor of Commerce majoring in Finance, Marketing and Management and a Diploma of Financial Planning while working in the Financial Planning industry for a Private firm for four years. Jad joined the family retail (Textile Traders) and commercial property business which he managed for 14 years before the family successfully exited the retail business in 2018.

Jad was involved in all aspects of the business including Strategy, People, Financial & Property Management, Marketing, Warehousing and Distribution. Jad is a current member of the Young Presidents Association (YPO) and enjoys spending time with family, friends and staying fit and healthy. Jad has had two Grandparents reside at Maurice Zeffert Home and believes that the home is a very important asset in the Perth Jewish Community.

MAURICE ZEFFERT HOME (Inc)

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The Executive Management Team is represented by:



Eileen Johnstone
DIRECTOR OF
CARE SERVICES

Eileen's career began more than 40 years ago as a Nursing Assistant. Her passion to help others, allowed her to advance her career and continue her education. Eileen quickly worked her way from Nursing Assistant then Enrolled Nurse to Registered Nurse.

Eileen earned her Bachelor's Degree in Nursing from Edith Cowan University. She has worked both nationally and internationally in Management positions. A portion of those years were as the Nurse Manager of a medical ward in Saudi Arabia.



Yvonne Goldman
DIRECTOR OF
OPERATIONS

Yvonne manages the portfolio of Quality, Support Services and the Retirement Village. Yvonne has a background in nursing obtained in South Africa and believes that the provision of high quality Support Services are an essential aspect of consumer care and comfort.



Amanda Macnamara
DIRECTOR OF
CORPORATE
SERVICES

Amanda is a Chartered Accountant with a broad range of experience from public practice (audit), commercial ASX Listed companies (mining, oil & gas, litigation funding) and the Not for Profit Sector (aged care, community sporting groups and arts foundation).

Amanda is highly interpersonal and an effective communicator to all levels of stakeholders. She is passionate about working in the "For Purpose" sector and is a LASA member representative.

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2021

PRINCIPAL ACTIVITIES

Maurice Zeffert Home (Inc.) was incorporated in 1959 and is a 90 bed residential care facility offering High Care, Low Care, Dementia specific care, emergency respite and a 51 unit Retirement Village for the Jewish Community of Perth. Day Therapy Services, Shule Services, Kosher Meals on Wheels and other community services have been offered to the residents and the wider community.

There have been no significant changes to the nature of the activities during the year.

OBJECTIVES

The Home's short term objectives are to:

- Strengthen our position in the Human Resource crisis affecting the age care sector.
- Implement changes affecting the aged care sector in response to the Royal Commission findings.
- Prepare for the introduction of a new externally assessed funding tool.
- Improve on the Information Technology capabilities, reliability and infrastructure of the Home

The Home's long-term objectives are outlined in the Strategic Plan 2021 – 2023. The Strategy going forward will focus on recovery from the global pandemic and establish clear direction for the organisation to strive toward, whilst aligning to our mission and key values.

MEETINGS

The number of meetings held from 1 July 2020 to 30 June 2021, and the number of meetings attended by each member of the Board of Management are:

	Number of Meetings available to attend	Number of Meetings Attended
Irwin Tollman	11	11
Miriam Sauley	11	9
Mervyn Kitay	11	10
Jeremy Jacobs	11	10
Ian Schwartz	11	11
Graham Walters	11	10
Karen Steinberg	11	10
Lynette Chester	11	11
Jad Reuben	6	5
Ian Rose	5	4
Ron Wilson	5	1

WINDING UP

If the Incorporated Association is wound up, the Constitution provides that any surplus funds or property shall be distributed to another Incorporated Association in support of other Jewish charitable purposes and shall not be used for the purpose of profit or gain to individual members.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

AUDITORS INDEPENDENCE DECLARATION

A copy of the Auditors Independence Declaration as required under section 60-40 of the *Australian Charities and Not for Profit Commission Act 2012* is included in page 10 of this financial report and forms part of this Report.



Graham Walters
Treasurer
15th October 2021



Irwin Tollman
President
15th October 2021

Auditor's Independence Declaration

To the Directors of Maurice Zeffert Home (Inc)

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Maurice Zeffert Home (Inc) for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 15 October 2021

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021	2020
		\$	\$
Revenue	2	10,959,934	10,672,423
		10,959,934	10,672,423
Employee benefits expense		(7,406,073)	(7,537,639)
Depreciation and amortisation expense		(347,927)	(363,218)
Repairs and maintenance		(668,340)	(795,654)
Other expenses		(48,176)	(36,365)
Operating costs		(1,491,716)	(1,380,240)
Insurance expenses		(212,300)	(201,726)
Bad and doubtful debts		-	-
Lease Expenditure (AASB 16 Adjustment)		(669,285)	(800,549)
Trading expenditure		(10,843,817)	(11,115,391)
Net changes in fair value of investment property	8	-	(787,932)
Total expenses		(10,843,817)	(11,903,322)
Surplus/(Loss) before Income tax expense		116,117	(1,230,900)
Income tax expense	1(a)	-	-
Surplus/(Loss) for the year		116,117	(1,230,900)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		-	-
Net changes in fair value of land and buildings	9	-	134,399
		-	-
Other comprehensive loss for the year		-	134,399
Total comprehensive income/(loss) for the year		116,117	(1,096,501)

The accompanying notes form part of these financial statements.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	13,249,826	10,243,854
Trade and other receivables	5	69,979	77,888
Financial assets	6	4,351,669	4,212,943
Other current assets	7	244,637	268,181
TOTAL CURRENT ASSETS		17,916,111	14,802,866
NON-CURRENT ASSETS			
Investment property	8	12,800,000	12,800,000
Property, plant and equipment	9	10,307,325	10,584,720
TOTAL NON-CURRENT ASSETS		23,107,325	23,384,720
TOTAL ASSETS		41,023,436	38,187,586
CURRENT LIABILITIES			
Trade and other payables	10	740,872	583,119
Provisions	12	799,197	798,613
Other liabilities	11	23,040,597	20,478,135
TOTAL CURRENT LIABILITIES		24,580,666	21,859,867
NON-CURRENT LIABILITIES			
Provisions	12	261,146	262,212
TOTAL NON-CURRENT LIABILITIES		261,146	262,212
TOTAL LIABILITIES		24,841,812	22,122,079
NET ASSETS		16,181,624	16,065,507
EQUITY			
Members funds	13	11,022,032	10,905,915
Asset revaluation reserve		5,159,592	5,159,592
TOTAL EQUITY		16,181,624	16,065,507

The accompanying notes form part of these financial statements.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Members Funds \$	Asset Revaluation Reserve \$	Total Equity \$
Balance at 30 June 2019	12,136,815	5,025,193	17,162,008
Total comprehensive income for the year	(1,230,900)	134,399	(1,096,501)
Balance at 30 June 2020	<u>10,905,915</u>	<u>5,159,592</u>	<u>16,065,507</u>
Total comprehensive income for the year	116,117	-	116,117
Balance at 30 June 2021	<u>11,022,032</u>	<u>5,159,592</u>	<u>16,181,624</u>

The accompanying notes form part of these financial statements.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
OPERATING ACTIVITIES			
Receipts from residents and Government Departments		9,716,634	9,533,187
Payments to suppliers, employees and others		(9,576,597)	(9,630,714)
Charitable, fundraising and other activities		241,952	260,623
Net cash flows provided by operating activities		381,989	163,096
INVESTING ACTIVITIES			
Interest received		56,066	125,950
Proceeds from financial asset investments		180,268	38,541
Payments for financial asset investments		-	-
Payments for investment property improvements		(157,760)	(438,847)
Payments for plant and equipment		(65,500)	(320,724)
Net cash flows used for investing activities		13,074	(595,080)
FINANCING ACTIVITIES			
Proceeds from Interest Free Loans		676,315	394,207
Repayment of Interest Free Loans		(440,710)	(483,677)
Interest paid on accommodation payments		(1,234)	(1,860)
Proceeds from accommodation payments		7,912,614	7,568,969
Repayment of accommodation payments		(5,536,076)	(6,419,824)
Net cash flows provided by financing activities		2,610,909	1,057,815
Net (decrease)/increase in cash and cash equivalents		3,005,972	625,831
Cash and cash equivalents at the beginning of the financial year		10,243,854	9,618,023
Cash and cash equivalents at the end of the financial year	4	13,249,826	10,243,854

The accompanying notes form part of these financial statements.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the *Australian Charities and Not-For-Profits Commission Act 2012*, Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirement of the *Associations Act 2015*.

The financial report covers Maurice Zeffert Home (Inc) ("Organisation") as an individual entity. The Organisation operates the Hoffman Nursing Home and Carl and Sadie Cohen Hostel Aged Care Facilities. The Organisation is a non-profit organisation established and domiciled in Australia.

The financial report complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB). The organisation is a not-for-profit entity for the purpose of preparing financial statements.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money/values or, except where stated current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the Organisation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial statements were authorised for issue on 15th October 2021 by the Board of Management.

a. Income Tax

Maurice Zeffert Home (Inc) is not subjected to taxation as it is exempt from income tax as a Registered Charitable Organisation pursuant to paragraph 50-5 of the Income Tax Assessment Act 1997.

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Land is measured at fair value. Fair Value is determined based on appraisals prepared by external professional valuers once every three years or more frequently if market factors indicate a material change in fair value. During the current year there was an independent revaluation undertaken.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings are measured at fair value less accumulated depreciation and less any impairment losses recognised after the date of the revaluation.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Organisation to ensure 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 which will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Organisation commencing from the time the asset is held ready 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:

Class of Fixed Asset	Depreciation Rate
Buildings	4%
Motor Vehicles	15%
Furniture & Fittings	13%
Plant & Equipment	10% to 25%

The carrying amount of fixed assets is reviewed annually by the management of the Organisation to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

c. Impairment of Non-Current Assets

At each reporting date, the Organisation reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

d. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation and are accounted for using the fair value model. Investment Property includes the retirement village at 130 Cresswell Road, Dianella.

The fair value of investment properties is reviewed annually and any revaluations are included in the statement of financial position at their open market value.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss within change in fair value of investment property.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Accommodation Deposits

Accommodation bonds received from residents are initially recognised as a liability when they are received or receivable. Retentions deducted from bonds are accounted for as income in the year earned. Where a refund is required, the retentions are calculated to the date the amount is required to be repaid, and not until the date it is repaid. Accommodation bonds are treated as a current liability as their face value (less earned retentions) as the Association does not have an unconditional right to defer settlement beyond 12 months from balance date.

f. Interest-Free Loans

Interest Free Loans received from residents of the Retirement Village who enter on a Lease for Life basis are recognised as a liability when they are received or receivable. Retentions deducted from interest free loans are accounted for as income in the year they are earned. Where a refund is required, the retentions are calculated to the monthly date the unit is vacated. There is no interest payable on refunded balances. Interest free loans are treated as a current liability at their face value (less earned retentions) as the Association does not have an unconditional right to defer settlement beyond 12 months from balance date.

g. Employee Benefits

Provision is made for the Organisation's liability for employee benefits arising from services rendered by employees to balance date.

Employee benefits 'expected to be settled wholly' within 12 months after the end of the reporting period are short term benefits, and therefore are not discounted when calculating leave liabilities. Unless all annual leave is expected to be used wholly within 12 months of the end of the reporting period this will in future be an 'other long-term benefit' which will be discounted when calculating the leave liability. This has no impact on the presentation of annual leave as a current liability.

Contributions are made by the Organisation to various superannuation funds chosen by employees and are charged as expenses when incurred.

h. Provisions

Provisions are recognised when the group 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.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks. Credit card liabilities are shown as payables and bank overdrafts are shown as interest bearing liabilities on the balance sheet.

j. Revenue

Where revenue applies outside AASB15, the Organisation considered the requirements of other standards being AASB1058, AASB16 and AASB120. The Organisation applies the 5 step process in assessing the timing of recognition which includes: (1) Identification of Consumer Contracts; (2) Identification of Performance Obligations within the Contracts; (3) Determination of the transaction price; (4) Allocation of transaction price to the performance obligations; and (5) Recognising revenue when the performance obligation is satisfied.

Revenue recognition for the different revenue streams is outlined below.

(i) Government Revenue

Government revenue reflects the Organisation's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents. Government revenue comprises of basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument (ACFI), accommodation supplements, funding for short term 'respite' residents and other Government incomes. Revenue is recognised over time as services are provided. Funding claims are submitted / updated daily and Government revenue is usually payable within approximately one month of services having been performed.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Revenue (continued)

(ii) Resident basic daily fee revenue

Residents are charged a basic daily fee as a contribution to the provision of care and accommodation. The quantum of resident basic daily fees is regulated by the Government and typically increases in March and September each year. Resident basic daily fee revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and are usually payable within 30 days.

(iii) Other resident revenue

Other resident revenue represents other fees charged to residents in respect of care and accommodation services provided by the Association and includes means tested care fees, Daily Accommodation Payment (DAP) /Daily Accommodation Contribution (DAC) revenue, additional services revenue and other income. Other resident revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and are usually payable within 30 days.

(iv) Deferred management fee (DMF) revenue

DMF revenue represents a fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from a retirement village. DMF revenue is recognised on a systematic basis over the expected length of stay of a resident.

(v) Imputed Revenue on RAD and Bond Balances under AASB 16

For residents who have chosen a RAD or Bond arrangement to receive residential aged care services, the Organisation has determined to follow the adoption of AASB 16; these are lease arrangements for accounting purposes with the Organisation acting as the lessor. The Organisation has recognised as revenue an imputed non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement. The accounting treatment required a non-cash increase in revenue for accommodation and a non-cash increase in finance cost on the outstanding RAD and Bond balance, with no net impact on the result for the period.

(vii) Other operating revenue

Other operating revenue comprises other sundry revenue. Revenue is recognised over time as services are provided. Residents are typically invoiced on a monthly basis and are usually payable within 30 days.

k. Financial Assets

Financial Assets are managed investment portfolio held with JB Were. Financial Assets are invested in accordance with the Investment Strategy determined by the Board of Management's Investment subcommittee and the governance documents set by the Board. Financial Assets are held on a collect and sell basis and are categorised at fair value through the profit and loss statement. These assets are measured initially at fair value and subsequent measurement of all financial assets and liabilities accounts for all income and expenditure relating to the financial asset being recognised through the profit and loss statement. Financial assets are derecognised when the contractual rights to the cashflows from the financial asset expire or when the financial asset and all the substantial risk and rewards are transferred.

l. Expenditure

All expenditure is accounted for on accrual basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

m. 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Trade and other receivables

Trade receivables, which comprise amounts due for sales of meals on wheels, from services provided to residents, and accommodation bonds are recognised and carried at original invoice or agreement amount less an allowance for any uncollectible amounts. The carrying amount of the receivable is deemed to reflect fair value. On adoption of AASB9 Financial Instruments, impairment of receivables by applying the expected credit loss model, the organisation assessed there was no material impact for the period. An allowance for doubtful debts is made when there is objective evidence that the organisation will not be able to collect the debts. Bad debts are written off when identified.

o. Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the organisation prior to the end of the financial year that are unpaid. The carrying amount of the creditors and payables is deemed to reflect fair value.

p. Rounding

Figures recorded in the financial report have been rounded to the nearest dollar.

q. Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

r. New or amended Accounting Standards and Interpretations adopted

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

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

i) AASB 138 Intangible Assets - Agenda Decision

The Agenda Decision requires that management capitalise those elements of expenditure that meet the definition of an "Intangible Asset" as defined by AASB 138 Intangible Assets and recognise any additional amounts as an expense as the entity benefits from the expenditure – either by applying AASB 138 or applying another accounting standard.

The Agenda Decision then clarified:

- The nature of expenditure that met the definition of an Intangible Asset;
- Methods of differentiating between Intangible Assets and expenses; and
- The pattern in which the Organisation benefits from expenditure that does not qualify as an Intangible Asset.

When this policy is first adopted for the reporting period ending 30 June 2021, there will be no material impact on the transactions and balances recognised in the financial statements. Historical financial information has not been restated due to no retrospective impact identified.

s. Economic Dependence

The organisation is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

t. Operating Leases

Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Reserves

Asset Revaluation Reserve comprises gains and losses from the revaluation of land and buildings.

v. Significant management judgements in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

Assets are reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired or the carrying amount may not be recoverable. For the purposes of assessing impairment, assets are grouped and external factors influencing recoverability are considered by management.

Impairment of Financial Assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses. The Organisation considers a broader 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. The Organisation assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered. The Organisation has used the 10-year Australian Government Bond Yield as published by the Reserve Bank of Australia in discounting the estimated entitlement back to present value.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: REVENUE	2021	2020
	\$	\$
Operating activities		
– Residents' fees	2,587,620	2,602,972
– Accommodation Payment Revenue	367,222	283,793
– Government Funding ⁽¹⁾	6,395,446	6,161,569
– Kosher Food Services	16,345	19,344
– Other services provided to residents	445,729	379,082
	9,812,362	9,446,760 ⁽⁴⁾
Non-operating activities		
– Interest received	152,508	125,950
– Donations and Bequests	241,952	260,623
– Investment Income	83,827	38,541
– Lease income (AASB 16 Adjustment) ⁽²⁾	669,285	800,549
	1,147,572	1,225,663
Total revenue ⁽³⁾	10,959,934	10,672,423

(1) Government Funding is provided through the Australian Government Department of Health and Department of Social Services.

(2) Following the adoption of AASB 16 on 1 July 2019, total revenue includes an imputed non-cash charge for accommodation in respect of residents who have chosen to pay a RAD or Bond.

(3) All revenue is derived in Australia.

NOTE 3: SURPLUS FOR THE YEAR

Surplus from ordinary activities has been determined after:

Expenses

Depreciation of buildings	203,094	203,219
Depreciation of furniture, fittings, plant, equipment & motor vehicles	144,833	159,999
<i>Remuneration of auditor</i>		
– Audit of the financial statements	26,887	22,000
– Other non-audit services	-	

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	1,520	1,520
Cash at bank	6,119,516	4,141,375
Cash at bank – resident trust fund	128,790	100,959
Cash at bank – short term deposits ⁽¹⁾	7,000,000	6,000,000
	13,249,826	10,243,854

(1) Short term deposits are with maturity of nine months or less.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT	2021	2020
	\$	\$
Debtors – Resident Fees	69,979	77,888
	69,979	77,888

NOTE 6: FINANCIAL ASSETS

CURRENT	2021	2020
Managed Investment Portfolio	4,351,669	4,212,943
	4,351,669	4,212,943

Financial Assets are revalued at Fair Value through the Profit and Loss and are a managed investment portfolio that is managed by JB Were under governance from the Investment Committee. The portfolio consists of cash and bond assets.

NOTE 7: OTHER CURRENT ASSETS

Prepayments	240,955	259,413
Accrued Income	3,682	8,768
	244,637	268,181

NOTE 8: INVESTMENT PROPERTY

130 Cresswell Road, Dianella		12,800,000
	\$	
Carrying Value at 1 July 2019	13,482,044	
Asset Revaluation	27,746	
Additions	105,888	
Impairment	(815,678)	
Balance at 30 June 2020	12,800,000	
Asset Revaluation	-	
Additions	-	
Balance 30 June 2021	12,800,000	

The investment property held at fair value at 130 Cresswell Road is a 51 unit retirement village comprising Lease for Life and rental units.

The fair values of investment properties were estimated using observable data on recent transactions and rental yields for similar properties.

The investment property was revalued at 30 June 2020 in accordance with the accounting policy by Property Valuation & Advisory (WA).

\$157,760 of renovation and refurbishment costs have not been capitalised to the asset in accordance with the Accounting Policy.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: PROPERTY, PLANT AND EQUIPMENT	2021	2020
	\$	\$
119 Cresswell Road, Dianella		
Land – at carrying value	6,140,000	5,950,000
Land – revaluation	-	190,000
Land – at fair value	6,140,000	6,140,000
Buildings – at carrying value	5,140,487	5,196,088
Additions	10,830	-
Revaluation	-	(55,601)
Buildings – at fair value	5,151,317	5,140,487
Less: accumulated depreciation	(1,283,581)	(1,080,487)
	3,867,736	4,060,000
Total Land and Buildings	10,007,736	10,200,000
Furniture, Fittings, Plant and Equipment – at cost	2,477,110	2,429,531
Less: accumulated depreciation	(2,234,064)	(2,106,359)
	243,046	323,172
Motor Vehicles – at cost	158,831	151,740
Less: accumulated depreciation	(102,288)	(90,192)
	56,543	61,548
Total Property, Plant and Equipment	10,307,325	10,584,720

NOTE 9A: PROPERTY, PLANT AND EQUIPMENT

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year	Land and Buildings	Furniture, Fittings, Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at the beginning of year	10,200,000	323,172	61,548	10,584,720
Additions	10,830	53,125	7,091	71,046
Disposals	-	(514)	-	(514)
Depreciation expense	(203,094)	(132,737)	(12,096)	(347,927)
Carrying amount at the end of year	10,007,736	243,046	56,543	10,307,325

The Land and Buildings were revalued at 30 June 2020 in accordance with the accounting policy by Property Valuation & Advisory (WA).

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: TRADE AND OTHER PAYABLES	2021	2020
	\$	\$
CURRENT		
Resident funds in trust	128,790	100,959
Trade Creditors	387,748	410,439
Amounts due to Australian Taxation Office	(27,600)	37,825
Wages and Superannuation	233,684	11,896
Audit Fees	18,250	22,000
	740,872	583,119

NOTE 11: OTHER LIABILITIES

CURRENT		
Resident's Accommodation Bonds	18,175,427	15,823,300
Resident's Interest Free Loans (Units)	4,865,170	4,654,835
	23,040,597	20,478,135

NOTE 12: PROVISIONS

CURRENT		
Annual Leave	572,001	603,508
Long Service Leave	227,196	195,105
Other Accruals	-	-
	799,197	798,613
NON-CURRENT		
Long Service Leave	196,891	173,875
Other Reserves	64,255	88,337
	261,146	262,212

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13: MEMBERS' FUNDS

	2021	2020
	\$	\$
Balance at the beginning of the financial year	10,905,915	12,136,815
Net surplus/(loss) attributable to the Organisation	116,117	(1,230,900)
Balance at the end of the financial year	11,022,032	10,905,915

NOTE 14: SEGMENT REPORT

The Organisation operates in one business and geographic segment, being in the Aged Care and Retirement Living sector providing services to the community throughout Perth, Western Australia.

NOTE 15: RELATED PARTY TRANSACTIONS

The Organisation's related parties consist of its key management personnel, shown in Note 16 below.

One member of the present board has a parent and one present board member has a grandparent in permanent residence at the Home. All Residential Agreements are made at arm's length and on commercial terms.

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

	2021	2020
	\$	\$
Collaborative Leadership Model Short-Term Benefits	115,938	112,689
Collaborative Leadership Model Long-Term benefits	11,013	10,705
	126,951	123,394

Effective 1 January 2018 the Board of Management entered into a Memorandum of Understanding with the Director of Care Services, Director of Operations and Director of Corporate Services who have equal remuneration for assuming the Key Management Responsibilities. The Members of the Board are not remunerated.

NOTE 17: LEASE COMMITMENTS

The Organisations future minimum operating lease payments are as follows:

	Within 1 year \$	1 to 5 years \$	After 5 years \$	Total \$
30 June 2020	23,880	61,690	-	85,570
30 June 2021	23,880	37,810	-	61,690

Lease expenses during the period represent the minimum lease payments. The lease commitments are non-cancellable and based on a lease term of 4 years that commenced 23 January 2020.

In August 2021 Forum Group who managed these lease commitments was taken over by One Kloud. The agreement remains in place.

NOTE 18: CONTINGENT LIABILITIES

There were no other contingent liabilities at the reporting date.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

NOTE 19: CAPITAL COMMITMENTS

There are no capital commitments as at reporting date.

NOTE 20: POST REPORTING DATE EVENTS

In September 2021 the Organisation transitioned out of the Commonwealth Home Support Program (CHSP) that funded its Day Therapy Program. The Program will continue to be run in house and the Organisation will not receive federal funding for the Program after October 2021. There are no liabilities attached to the exit of the Program.

Other than noted above there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Board, to affect significantly the operations of the Organisation.

MAURICE ZEFFERT HOME (Inc)
Financial Report for the Year Ended 30 June 2021

BOARD OF MANAGEMENT DECLARATION

The Board of Management declare that:

1. The attached financial statements and notes give a true and fair view of the financial position as at 30 June 2021 and the performance for the year ended on that date of the Organisation in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations);
2. In the Board's opinion, there are reasonable grounds to believe that the Organisation 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 Management and is signed for and on behalf of the Board of Management by:



Graham Walters
Treasurer



Irwin Tollman
President

15th October 2021

Independent Auditor's Report

To the Members of Maurice Zeffert Home (Inc)

Report on the audit of the financial report

Opinion

We have audited the financial report of Maurice Zeffert Home (Inc) (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Maurice Zeffert Home (Inc):

- a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors' for the financial report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and ACNC Act. This responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the 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 Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner – Audit & Assurance

Perth, 15 October 2021