

ANNUAL REPORT 2022



MAURICE ZEFFERT

Trusted Jewish Aged Care

National Approved
Providers System
(NAPS) ID: 664

119 Cresswell Road
Dianella WA 6059
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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)



COMPASSION



COLLABORATION



CONNECTION



CARE

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 2022

PRESIDENT'S REPORT

This year has seen the release of the aged care royal commission's final report, the government's response to said report and COVID-19 outbreaks and lockdowns. These are just some of the significant events that took place during 2021/2022, another challenging year for aged care.

Significantly workforce challenges, continued financial constraints and ongoing increasing compliance present an ambiguous and apprehensive climate for a small aged care business such as Maurice Zeffert. Whilst the challenges are front of mind for the Board and Executive, there are still many opportunities for the future especially with the continued generous support from the community and the outstanding staff ensuring successful operations.

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, especially during the COVID 19 outbreaks. It is reflected in our high occupancy, outstanding reputation and 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. I would like to thank the ongoing contributions from the Board of Directors.



Jeremy Jacobs

President

14th October 2022

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

RESPONSIBLE ENTITY REPORT

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



Jeremy Jacobs
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.



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.

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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)

Financial Report for the Year Ended 30 June 2022

The Executive Management Team was 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.

This Executive Management Leadership model was in place up until the 26th of May 2022. With the resignation of Amanda Macnamara, the decision was taken by the Board to appoint a CEO. The remaining two Directors Eileen Johnstone and Yvonne Goldman continued in their roles in an interim capacity until the new CEO commenced on the 29th of August 2022.

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

Principle 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 the introduction of new externally assessed funding tools.
- Improve on the Information Technology capabilities, reliability and infrastructure of the Home.

The Home's long-term objectives are outlined in the Strategic Plan 2022-2025 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 2021 to 30 June 2022, and the number of meetings attended by each member of the Board Management are:

	Number of Meetings available to attend	Number of Meetings Attended
Irwin Tollman	11	8
Miriam Sauley	11	11
Mervyn Kitay	11	11
Jeremy Jacobs	11	11
Ian Schwartz	11	8
Graham Walters	11	11
Karen Steinberg	11	10
Lynette Chester	11	11
Jad Reuben	11	10

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 2022

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

14 October 2022



Jeremy Jacobs
President

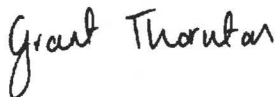
14 October 2022

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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 2022, 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, 14 October 2022

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MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

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General information

The financial statements cover Maurice Zeffert Home (Inc) as an individual entity. The financial statements are presented in Australian dollars, which is Maurice Zeffert Home (Inc)'s functional and presentation currency.

Maurice Zeffert Home (Inc) is a not-for-profit incorporated association.

The financial statements were authorised for issue on 14 October 2022.

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

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

	Note	2022 \$	2021 \$
Revenue	2	10,851,485	10,959,934
Employee benefit expense		(7,858,759)	(7,406,073)
Depreciation and amortization		(341,646)	(347,927)
Repairs and maintenance		(869,846)	(668,340)
Other expenses		(27,950)	(48,176)
Operating costs		(1,542,712)	(1,491,716)
Insurance		(191,704)	(212,300)
Lease expenditure (AASB 16 Adjustment)		(734,846)	(669,285)
		<u>(11,567,463)</u>	<u>(10,843,817)</u>
(Loss)/ Surplus before income tax expense		(715,978)	116,117
Income tax expense	1(a)	-	-
(Loss)/ Surplus for the year		<u>(715,978)</u>	<u>116,117</u>
Other comprehensive income, net of tax		-	-
Total comprehensive (loss)/ income for the year		<u>(715,978)</u>	<u>116,117</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

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

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	4	13,560,404	13,249,826
Receivables, net	5	2,757	69,979
Financial assets	6	4,221,141	4,351,669
Other current assets	7	346,334	272,237
Total current assets		18,130,636	17,943,711
Non-current assets			
Investment Property	8	12,800,000	12,800,000
Property, plant and equipment	9	10,185,026	10,307,325
Total non-current assets		22,985,026	23,107,325
Total assets		41,115,662	41,051,036
Current liabilities			
Trade and other payables	10	711,460	768,472
Contract liability		115,611	-
Provisions	11	707,883	799,197
Other liabilities	12	23,909,488	23,040,597
Total current liabilities		25,444,442	24,608,266
Non-current liabilities			
Provisions	11	205,574	261,146
Total non-current liabilities		205,574	261,146
Total liabilities		25,650,016	24,869,412
Net assets		15,465,646	16,181,624
Equity			
Members funds	13	10,306,054	11,022,032
Asset revaluation reserve		5,159,592	5,159,592
Total equity		15,465,646	16,181,624

The above statement of financial position should be read in conjunction with the accompanying notes

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

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

	Members Funds \$	Asset Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2020	10,905,915	5,159,592	16,065,507
Total comprehensive income for the year	<u>116,117</u>	-	<u>116,117</u>
Balance at 30 June 2021	<u>11,022,032</u>	<u>5,159,592</u>	<u>16,181,624</u>
	Members Funds \$	Asset Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2021	11,022,032	5,159,592	16,181,624
Total comprehensive (loss) for the year	<u>(715,978)</u>	-	<u>(715,978)</u>
Balance at 30 June 2022	<u>10,306,054</u>	<u>5,159,592</u>	<u>15,465,646</u>

#8498775v1 The above statement of changes in equity should be read in conjunction with the accompanying notes

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

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

	Note	2022 \$	2021 \$
Operating activities			
Receipts from residents and Government Departments		9,538,320	9,716,634
Payments to suppliers, employees, and others		(10,135,517)	(9,576,597)
Charitable, fundraising, and other activities		429,526	241,952
Net cash flows (used in)/ provided by operating activities		(167,671)	381,989
Investing activities			
Interest received		45,337	56,066
Proceeds from financial asset investments		109,442	180,268
Payments for investment property improvements		(380,957)	(157,760)
Payments for property, plant and equipment		(219,348)	(65,500)
Net cash flows used in investing activities		(445,526)	13,074
Financing Activities			
Proceeds from interest free loans		8,277	676,315
Repayment of interest free loan		(528,592)	(440,710)
Interest paid on accommodation payments		(1,815)	(1,234)
Proceeds from accommodation payments		10,767,000	7,912,614
Repayment of accommodation payments		(9,321,095)	(5,536,076)
Net cash flows provided by financing activities		923,775	2,610,909
Net (decrease)/increase in cash and cash equivalents		310,578	3,005,972
Cash and cash equivalents at the beginning of the financial year		13,249,826	10,243,854
Cash and cash equivalents at the end of the financial year	4	13,560,404	13,249,826

The above statement of cash flows should be read in conjunction with the accompanying notes

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

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

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

The incorporated association has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the incorporated association's financial statements.

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 – Simplified Disclosures 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 14th October 2022 by the Board of Management.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(u).

a. Income tax

Maurice Zeffert Home (Inc) is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, and is therefore, exempt from paying income tax.

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

Note 1. Significant accounting policies (continued)

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.

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% - 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.

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

Note 1. Significant accounting policies (continued)

c. Impairment of non-financial 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 every 3 years 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.

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.

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

Note 1. Significant accounting policies (continued)

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.
- (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.
- (vi) **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

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

Note 1. Significant accounting policies (continued)

asset being recognised through the profit and loss statement. Financial assets are derecognised when the

k. Financial Assets (continued)

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.

n. Trade and other receivable

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. 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.

s. 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.

t. Reserves

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

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

Note 1. Significant accounting policies (continued)

u. Significant management judgements in apply 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 Receivables

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 2022

Note 1. Significant accounting policies (continued)

v. New and Revised Accounting Standards and Interpretations

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 30 June 2022.

Reference	Nature of change	Effective date	Likely impact on initial application
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or Non-current	<p>AASB 2020-1 makes amendments to AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or noncurrent.</p> <p>A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for the liability for at least 12 months after the reporting period. The AASB recently issued amendments at AASB 101 to clarify the requirements for classifying liabilities as current. Specifically:</p> <ul style="list-style-type: none"> • clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period; • stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability; • adding guidance about lending conditions and how these can impact classification; and <p>including requirements for liabilities that can be settled using an entity's own instruments.</p>	<p>1 January 2022*</p> <p>*The mandatory effective date of AASB 2020-1 has been deferred to 1 January 2023 by AASB 2020-6.</p>	When these amendments are first adopted for the year ending 30 June 2024, there will be no material impact on the financial statements.
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	<p>AASB 2021-2 amends the following Australian Accounting Standards:</p> <ul style="list-style-type: none"> • AASB 7 Financial Instruments: Disclosures (August 2015); • AASB 101 Presentation of Financial Statements (July 2015); • AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (August 2015); and • AASB 134 Interim Financial Reporting (August 2015). The Standard also makes amendments to AASB Practice Statement 2 Making Materiality Judgements (December 2017). <p>These amendments arise from the issuance by the International Accounting Standards Board (IASB) in February 2021 of the following International Financial Reporting Standards:</p> <ul style="list-style-type: none"> • Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2); and • Definition of Accounting Estimates (Amendments to IAS 8). 	1 January 2023	When these amendments are first adopted for the year ending 30 June 2024 there will be no material impact on the financial statements.
AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Accounting Standards	<p>AASB 2021-6 amends the following Australian Accounting Standards:</p> <ul style="list-style-type: none"> • AASB 1049 Whole of Government and General Sector Financial Reporting, • AASB 1054 Australian Additional Disclosures, • AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities. <p>These amendments require entities to disclose their material accounting policy information rather than their significant accounting policies and to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements.</p> <p>The amendments reflect the issuance of AASB 2021 2 Amendments to Australian Accounting Standards –Disclosure of Accounting Policies and Definition of Accounting Estimates (March 2021).</p>	1 January 2023	When these amendments are first adopted for the year ending 30 June 2024 there will be no material impact on the financial statements.

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Revenue

	2022	2021
	\$	\$
<i>Operating activities</i>		
Residents' fees	2,491,662	2,587,620
Accommodation Payment Revenue	214,800	367,222
Government Funding ⁽¹⁾	6,502,117	6,395,446
Kosher Food Services	12,265	16,345
Other services provided to residents	488,315	445,729
	<u>9,709,159</u>	<u>9,812,362</u>
<i>Non-operating activities</i>		
Interest received	134,568	152,508
Donations and bequests	474,666	241,952
Investment income	20,211	49,988
Fair value gain (loss) on financial assets	(221,965)	33,839
Lease income (AASB 16 Adjustment) ⁽²⁾	734,846	669,285
	<u>1,142,326</u>	<u>1,147,572</u>
Total Revenue ⁽³⁾	10,851,485	10,959,934

- (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. Loss for year

Loss from ordinary activities has been determined after:

	2022	2021
	\$	\$
<i>Expenses</i>		
Depreciation of buildings	204,280	203,094
Depreciation of furniture, fittings, plant, equipment & motor vehicles	137,368	144,833
<i>Remuneration of auditor</i>		
- Audit of financial statements	27,950	26,887
- Other non-audit services	-	-

Note 4. Cash and cash equivalents

	2022	2021
	\$	\$
Cash on hand	1,500	1,520
Cash at bank	6,475,173	6,119,516
Cash at bank – resident trust fund	83,731	128,790
Cash at bank – short term deposits ⁽¹⁾	7,000,000	7,000,000
	<u>13,560,404</u>	<u>13,249,826</u>

- (1) Short term deposits are with maturity of nine months or less with the purpose to meet short-term cash commitments.

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

Note 5. Trade and other receivables

	2022	2021
	\$	\$
Debtors – resident fees	2,757	69,979
	2,757	69,979
	2,757	69,979

Note 6. Financial assets

	2022	2021
	\$	\$
Managed investment portfolio	4,221,141	4,351,669
	4,221,141	4,351,669
	4,221,141	4,351,669

Financial assets are revalued at fair value through the profit and loss and are a managed investment portfolio that is managed by JB Ware under governance from the Investment Committee. The portfolio consists of cash and bond assets.

Note 7. Other current assets

	2022	2021
	\$	\$
Prepayments	306,479	240,955
Accrued Income	10,203	3,682
Amounts due from Australian Tax Office	29,652	27,600
	346,334	272,237
	346,334	272,237

Note 8. Investment property

	2022	2021
	\$	\$
130 Creswell Road, Dianella	12,800,000	12,800,000

The investment property held at fair value at 130 Creswell 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).

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

Note 9. Property, plant and equipment

	2022 \$	2021 \$
119 Cresswell Road, Dianella Land – at fair value	6,140,000	6,140,000
Buildings – at fair value	5,177,678	5,151,317
Less: accumulated depreciation	(1,487,861)	(1,283,581)
Total land and buildings	9,829,817	10,007,736
Furniture, fittings, plant and equipment – at cost	2,670,098	2,477,110
Less: accumulated depreciation	(2,359,108)	(2,234,064)
Total furniture, fittings, plant and equipment	310,990	243,046
Motor vehicles – at cost	158,831	158,831
Less: accumulated depreciation	(114,612)	(102,288)
Total motor vehicle	44,219	56,543
Total property, plant and equipment	10,185,026	10,307,325

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 1 July 2021	10,007,736	243,046	56,543	10,307,325
Additions	26,361	192,988	-	219,349
Depreciation expense	(204,280)	(125,044)	(12,324)	(341,648)
Balance at 30 June 2022	9,829,817	310,990	44,219	10,185,026

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

Note 10. Trade and other payables

	2022 \$	2021 \$
Resident funds in trusts	83,731	128,790
Trade creditors	395,283	387,748
Wages and superannuation	214,196	233,684
Audit fees	18,250	18,250
	711,460	768,472

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

Note 11. Provisions

	2022	2021
	\$	\$
Current		
Annual leave	498,310	572,001
Long service leave	209,573	227,196
	707,883	799,197
Non current		
Long service leave	131,323	196,891
Other reserves	74,251	64,255
	205,574	261,146

Note 12. Other liabilities

	2022	2021
	\$	\$
Resident's accommodation bonds	(19,589,352)	(18,175,427)
Resident interest free loans (units)	(4,320,136)	(4,865,170)
	(23,909,488)	(23,040,597)

Note 13. Members funds

	2022	2021
	\$	\$
Balance at the beginning of the financial year	11,022,032	10,905,915
Net (loss)/ surplus attributable to the Organisation	(715,978)	116,117
	10,306,054	11,022,032

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 two parents in permanent residence at the Home. All Residential Agreements are made at arm's length and on commercial terms.

MAURICE ZEFFERT HOME (Inc)

Financial Report for the Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

Note 16. Key management personnel compensation

	2022 \$	2021 \$
Collaborative leadership model short-term benefits	138,494	115,938
Collaborative leadership model long-term benefits	13,849	11,013
	<u>152,343</u>	<u>126,951</u>

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 – 5 years \$	After 5 years \$	Total \$
30 June 2021	23,880	37,810	-	61,690
30 June 2022	23,880	13,930	-	37,810

Lease expenses during the period represent the minimum lease payments. The lease commitments are non-cancellable and based on a lease term of 4 year 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.

Note 19. Capital Commitments

There are no capital commitments as at reporting date.

Note 20. Post Reporting Date Events

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 2022

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 2022 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 - Simplified Disclosure (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

14 October 2022



Jeremy Jacobs
President

14 October 2022

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 2022, and the statement of 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 financial report of Maurice Zeffert Home (Inc):

- a gives a true and fair view of the Registered Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the 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 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 2022, 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 and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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.

The Directors 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

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, 14 October 2022