

ANNUAL REPORT

2023



MAURICE ZEFFERT

Trusted Jewish Aged Care

National Approved
Providers System
(NAPS) ID: 664

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Dianella WA 6059
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ABN: 43 422 387 456



MAURICE ZEFFERT
l'Chaim

OUR PURPOSE

To be an outstanding Jewish aged care provider, enriching the lives of the Elders in our community

STRATEGIC OBJECTIVES

Service Quality

Excellence in holistic care that encompasses clinical and personal wellbeing

Initiatives:

- A partnership with clients to design services beyond their clinical need
- Offering community services that extends our support beyond Residential Care
- Staff, volunteers and a culture that embodies our purpose

Strong Future

Building on the foundation for success

Initiatives:

- A variety of contemporary accommodation offerings
- Robust and diverse funding streams
- Governance and structures that enable success
- Strong brand and community engagement

MAURICE ZEFFERT
l'Chaim



Passion

We think big with energy, motivation and joy

Kindness

We are a loving and compassionate team

Wellbeing

We promote choice, identity and health in response to the individuals wishes

Excellence

We believe great just isn't good enough

Integrity

We do the right thing even when no-one is watching

Belonging

We are a community for the community

Maurice Zeffert Home (Inc) Financial Report for the Year Ended 30 June 2023

President and CEO's Report

It is with great pleasure that we present this year's Annual Report.

We have had an immensely busy but productive year and are exceptionally pleased with our financial and customer satisfaction results at year end.

Yet again, Aged Care has been a turbulent space to navigate with COVID outbreaks, recent aged care reforms and a new funding model to implement and embrace. There was also the additional challenge of a newly appointed CEO who had to learn and understand the unique complexities of running a Jewish organisation and gain the trust of the Community.

Other Aged Care reforms that commenced this year were the star ratings system, code of conduct for staff, strengthened provider governance, six additional aged care quality indicators and a 15% increase to award wages for aged care workers. Maurice Zeffert is committed to achieving full compliance in all areas and to this end, subscribed to a new auditing tool and an online clinical manual.

Pleasingly this year the COVID impact has significantly declined although we continue to promote vaccinations and entry screening to protect our residents and staff.

It has been a year of reviewing all operations and making significant improvements in many areas, particularly Financial, Wellbeing and Clinical.

A major highlight was the recruitment of a Wellbeing Manager and launching the Wellbeing programme. This programme has undoubtedly improved the lives of our residents with an increase in volunteers, activities, excursions, and one on one interactions that are unique and important to the individual. This position is only available because of the continued support from generous donors for which we are incredibly grateful.

Another highlight was the refreshment of our Strategic Plan and the creation of new values which involved staff input. This will give the home a road map for the next three to five years, which is one of continual improvement and enhancement of the customer experience.

Following ongoing feedback from residents and families we made the decision to bring food services back in house. This will commence in September 2023, and we are confident the residents will experience a much-improved menu and dining experience.

We would like to thank our staff for their commitment and dedication to looking after our Residents. We have started a staff recognition programme called the 'Zeffert Experience Award' and each month a staff member who displays our values and goes above and beyond for our residents is awarded a certificate and voucher. At the end of the year there will be major prizes for the most outstanding staff members.

We would also like to thank the volunteer Board who give up their time to ensure the good governance of the home and all our dedicated volunteers who visit our residents. In addition, we would like to thank the Community for their ongoing support of the organisation.

This year we bid farewell to three outstanding Directors Lynette Chester OA, Miriam Sauley and Ian Schwartz. We were fortunate to welcome Linda Friedland onto the Board in December 2022. Linda brings an important Clinical component to the collective skills of the Board with her extensive medical experience.



Jeremy Jacobs
President
13 October 2023



Philippa Hinton
Chief Executive Officer
13 October 2023

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

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.



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.

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023



Jad Reuben
VICE PRESIDENT

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 and Property Management, Marketing, Warehousing and Distribution. Jad is a current member of the Young Presidents Organisation (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.



Karen Steinberg
SECRETARY

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.



Linda Friedland
BOARD MEMBER

Dr Linda Friedland is a physician with more than 25 years' experience in clinical medicine, and an international advisor to several Fortune and Forbes global companies. She consults to healthcare, biotech, corporate and financial institutions and as a speaker has delivered keynotes in more than 30 countries. An author of seven health books with a long career in television and media, she has developed public health and disease management programs in Asia, USA, Australia, Africa and the UK. A graduate of the Australian Institute of Company Directors (GAICD), Linda is a non-executive director (and clinical advisor) on several Healthcare and Biotech boards within Australia and abroad. Among her roles, Dr Friedland, is the head of Business Development at Firebrick Pharma Australia, senior consultant to TargImmune Therapeutics (Basel, Switzerland) and cofounder and director of FFD Capital LLC USA. Both of Linda's parents resided in MZH, her dad in high care for 4 years and mum in low care for 2 years both until their passing in 2020 and 2022.

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

Executive Management is represented by:



Philippa Hinton
CHIEF EXECUTIVE
OFFICER

Philippa is a registered Nurse with an extensive Residential Aged Care management background. Her previous role was Chief Operations Officer for Rosewood Care Group and prior to that National Clinical Governance Manager for St Ives and Operations Leader for Brightwater. She holds post graduate qualifications in Business and Leadership and is passionate about leadership, culture and insisting on exceptional care for the residents.

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

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:

- Maximise occupancy in the Home and the Village.
- Implement and adhere to all Government reforms including mandatory care minutes and 24/7 Registered Nurses.

The Home's long-term objectives are outlined in the Strategic Plan 2023-2028. The Strategy going forward will focus on excellence in holistic care, extending services to the community, ensuring robust and diverse income streams and undertaking Master Planning for the future.

Meetings

The number of meetings held from 01 July 2022 to 30 June 2023, and the number of meetings attended by each member of the Board Management are:

	Number of Meetings available to attend	Number of meetings attended
Graham Walters	9	9
Jad Reuben	9	7
Jeremy Jacobs	9	8
Ian Schwartz	4	3
Karen Steinberg	9	9
Linda Friedland	5	5
Lynette Chester	4	2
Mervyn Kitay	9	9
Miriam Sauley	4	3

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 2023

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 9 of this financial report and forms part of this Report.



Graham Walters
Treasurer
13 October 2023



Jeremy Jacobs
President
13 October 2023

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 2023, 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, 13 October 2023

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

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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 13 October 2023.

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

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

	Note	2023 \$	2022 \$
Revenue	2	12,597,549	10,851,485
Employee benefits expense		(8,095,709)	(7,858,759)
Depreciation and amortization		(339,180)	(341,646)
Repairs and maintenance		(818,617)	(869,846)
Other expenses		(28,857)	(27,950)
Operating costs		(1,692,707)	(1,542,712)
Insurance		(192,378)	(191,704)
Lease expenditure (AASB 16 Adjustment)		(1,296,912)	(734,846)
Total Operating Expense		(12,464,360)	(11,567,463)
Net changes in fair value of investment property	2/8	2,035,000	-
Total Expenses		(10,429,360)	(11,567,463)
Surplus/(loss) before income tax expense		2,168,189	(715,978)
Income tax expense	1(a)	-	-
Surplus/(loss) for the year		2,168,189	(715,978)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		-	-
Net changes in fair value of land and buildings	9	544,461	-
Other comprehensive loss for the year		-	-
Total comprehensive income/(loss) for the year		2,712,650	(715,978)

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	4	14,721,895	13,560,404
Receivables, net	5	129,714	2,757
Financial assets	6	4,402,321	4,221,141
Other current assets	7	426,577	346,334
Total current assets		19,680,507	18,130,636
Non-current assets			
Investment Property	8	14,835,000	12,800,000
Property, plant and equipment	9	10,433,113	10,185,026
Total Non-current assets		25,268,113	22,985,026
Total assets		44,948,620	41,115,662
Current liabilities			
Accounts Payable	10	840,631	711,460
Deferred/(Unearned) Revenue – Current		117,040	115,611
Provisions	12	761,395	707,883
Other liabilities - Current		24,969,438	23,909,488
Total current liabilities		26,688,504	25,444,442
Non-current liabilities			
Provisions - Noncurrent	12	81,820	205,574
Total non-current liabilities		81,820	205,574
Total liabilities		26,770,324	25,650,016
Net assets		18,178,296	15,465,646
Equity			
Member funds		12,474,243	10,306,054
Asset Revaluation Reserve		5,704,053	5,159,592
Total Stockholders' Equity		18,178,296	15,465,646

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 2023

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	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	(715,978)	-	(715,978)
Balance at 30 June 2022	10,306,054	5,159,592	15,465,646

	Members Funds \$	Asset Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2022	10,306,054	5,159,592	15,465,646
Surplus for the year	2,168,189	-	2,168,189
Other comprehensive income for the year	-	544,461	544,461
Total comprehensive income for the year	2,168,189	544,461	2,712,650
Balance at 30 June 2023	12,474,243	5,704,053	18,178,296

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Operating Activities			
Receipts from residents and Government Departments		10,258,690	9,538,320
Payments to suppliers, employees and others		(10,758,292)	(10,135,517)
Charitable, fundraising and other activities		225,526	429,526
Net cash flows (used in)/provided by operating activities		(274,076)	(167,671)
Investing Activities			
Interest received		418,010	45,337
Proceeds from financial asset investments		-	109,442
Payments for investment property improvements		(70,000)	(380,957)
Payments for property, plant and equipment		(42,804)	(219,348)
Net cash flows used in investing activities		305,206	(445,526)
Financing Activities			
Proceeds from interest free loans		423,000	8,277
Repayment of interest free loan		(1,143,471)	(528,592)
Interest paid on accommodation payments		(1,168)	(1,815)
Proceeds from accommodation payments		4,014,000	10,767,000
Repayment of accommodation payments		(2,162,000)	(9,321,095)
Net cash flows provided by financing activities		1,130,361	923,775
Net increase in cash and cash equivalents		1,161,491	310,578
Cash and cash equivalents at the beginning of the financial year		13,560,404	13,249,826
Cash and cash equivalents at the end of the financial year	4	14,721,895	13,560,404

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 2023

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 13 October 2023 by the Board of Management.

Note 1. Significant accounting policies (continued)

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.

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.

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

Note 1. Significant accounting policies (continued)

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.

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. For the year ended 30 June 2023 an external valuation undertaken.

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.

Note 1. Significant accounting policies (continued)

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 and any Deferred Management Fee associated with occupancy of independent living units are deducted from interest free loans and the accrued income is deferred and amortised on a straight line basis over the life of the lease. 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 and deferred management fees) 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.

Note 1. Significant accounting policies (continued)

j. Revenue (continued)

(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 Australian National Aged Care Classification (AN-ACC) 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.

Note 1. Significant accounting policies (continued)

(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 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.

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. AASB 9 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.

Note 1. Significant accounting policies (continued)

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.

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.

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

Note 1. Significant accounting policies (continued)

u. Significant management judgements in apply accounting policies

(v) 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.

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 2023.

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>In March 2020, the AASB issued AASB 2020-1 which 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 non-current.</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 including requirements for liabilities that can be settled using an entity’s own instruments. 	<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>	<p>When these amendments are first adopted for the year ending 30 June 2024 there will be no material impact on the financial statements.</p>
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: AASB 7 Financial Instruments: Disclosures (August 2015);</p> <ul style="list-style-type: none"> • 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>	<p>1 January 2023</p>	<p>When these amendments are first adopted for the year ending 30 June 2024 there will be no material impact on the financial statements.</p>

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

Reference	Nature of Change	Effective Date	Likely Impact on Initial Application
	<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). 		
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.
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	AASB 2022-7 makes editorial corrections to six Standards and to Practice Statement 2 Making Materiality Judgements. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard.	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 2022-10 Amendments to Australian Accounting Standards – Fair Value Non-Financia Measurement of Assets of Not-for-Profit on-Financials Assets of Not-for-Profit Public Sector Entities	AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.	1 January 2024	When these amendments are first adopted for the year ending 30 June 2025 there will be no material impact on the financial statements.

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

Note 2. Revenue

	2023	2022
	\$	\$
<i>Operating Activities</i>		
Residents' fees	2,544,395	2,491,662
Accommodation Payment Revenue	233,895	214,800
Government Funding	6,919,065	6,502,117
Kosher Food Services	8,535	12,265
Other services provided to residents	749,908	488,315
	10,455,798	9,709,159
<i>Non-operating Activities</i>		
Interest received	578,481	134,568
Donations and bequests	225,526	474,666
Investment income	30,850	20,211
Fair value gain (loss) on financial assets	9,982	(221,965)
Fair value gain (loss) on Investment Property	2,035,000	-
Lease income (AASB 16 Adjustment)	1,296,912	734,846
	4,176,751	1,142,326
Total Revenue	14,632,549	10,851,485

Note 3. Surplus/(loss) for the year

	2023	2022
	\$	\$
Surplus/ (loss) from ordinary activities have been determined after:		
Expenses		
Depreciation of buildings	204,279	204,280
Depreciation of furniture, fittings, plant, equipment & motor vehicles	134,901	137,368
- Remuneration of auditor – audit of financial statements	28,857	27,950
	368,037	369,598

Note 4. Cash and cash equivalents

	2023	2022
	\$	\$
Cash on hand	1,138	1,500
Cash at bank	7,632,075	6,475,173
Cash at bank – resident trust fund	88,682	83,731
Cash at bank – short term deposits ⁽¹⁾	7,000,000	7,000,000
	14,721,895	13,560,404

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

Note 5. Trade and other receivables

	2023	2022
	\$	\$
Debtors – resident fees	129,714	2,757
	129,714	2,757

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

Note 6. Financial assets

	2023	2022
	\$	\$
Managed investment portfolio	4,402,321	4,221,141
	4,402,321	4,221,141

Financial assets are revalued at fair value through the profit and loss and are a managed investment portfolio that is managed by JBWere under governance from the Finance, Risk and Governance Committee. The portfolio consists of cash and bond assets.

Note 7. Other current assets

	2023	2022
	\$	\$
Prepayments	350,656	306,479
Accrued Income	40,201	10,203
Amounts due from Australian Tax Office	35,720	29,652
	426,577	346,334

Note 8. Investment property

	2023	2022
	\$	\$
130 Cresswell Road, Dianella	14,835,000	12,800,000
	14,835,000	12,800,000
Opening balance	12,800,000	12,800,000
Revaluation	2,035,000	-
Closing balance	14,835,000	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 determined using observable data on recent transactions and rental yields for similar properties.

The investment property was revalued at 30.6.23 in accordance with the accounting policy by Property Valuation & Advisory (WA) increased from \$12.8m to \$14.835m.

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

Note 9. Property, plant and equipment

	2023	2022
	\$	\$
Land – at carrying value	6,140,000	6,140,000
Land – revaluation	2,290,000	-
	8,430,000	6,140,000
Buildings – at carrying value	5,177,678	5,177,678
Revaluation	(1,745,539)	-
Less: Accumulated Depreciation	(1,692,139)	(1,487,867)
	1,740,000	3,689,817
Total land and buildings	10,170,000	9,829,817
Furniture, fittings, plant and equipment – at cost	2,712,903	2,670,098
Less: accumulated depreciation	(2,480,639)	(2,359,108)
	232,264	310,990
Motor vehicles – at cost	158,831	158,831
Less: accumulated depreciation	(127,983)	(114,612)
	30,848	44,219

Note 9a. Property, plant and equipment

	Land and Buildings	Furniture, Fittings, Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 1 July 2022	9,829,817	310,990	44,219	10,185,026
Revaluation	544,461	-	-	544,462
Additions	-	46,589	-	46,589
Disposals	-	(3,784)	-	(3,784)
Depreciation expense	(204,278)	(121,531)	(13,371)	(339,180)
Balance at 30 June 2023	10,170,000	232,264	30,848	10,433,113

The land were revalued from \$6.14m to \$8.43m, and buildings from carrying value \$3.485m decreased to \$1.74m in accordance with the accounting policy by Property Valuation & Advisory (WA).

Note 10. Trade and other payables

	2023	2022
	\$	\$
Resident funds in trusts	88,682	83,731
Trade creditors	529,422	395,283
Wages and superannuation	204,277	214,196
Audit fees	18,250	18,250
	840,631	711,460

Maurice Zeffert Home (Inc)
Financial Report for the Year Ended 30 June 2023

Note 11. Other liabilities

	2023	2022
	\$	\$
Resident's accommodation bonds	(21,380,863)	(19,589,352)
Resident interest free loans (units)	(3,588,575)	(4,320,136)
	(24,969,438)	(23,909,488)

Note 12. Provisions

	2023	2022
	\$	\$
<i>Current</i>		
Annual leave	475,318	498,310
Long service leave	286,077	209,573
	761,395	707,883
<i>Non current</i>		
Long service leave	-	131,323
Other reserves	81,820	74,251
	81,820	205,574
	843,215	913,457

Note 13. Members funds

	2023	2022
	\$	\$
Balance at the beginning of the financial year	10,306,054	11,022,032
Net surplus/(loss) attributable to the Organisation	2,168,189	(715,978)
Balance at the end of the financial year	12,474,243	10,306,054

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 2023

Note 16. Key management personnel compensation

	2023	2022
	\$	\$
Collaborative leadership model short-term benefits	23,333	138,494
Collaborative leadership model long-term benefits	-	13,849
	23,333	152,343

Effective 29 August 2022 EMT no longer existed and was duly dissolved by the Board of Management following the resignations of both the Director of Corporate Services in May 2022 and the Director of Care Services in September 2022 respectively.

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 2022	23,880	13,930	-	37,810
30 June 2023	16,404	41,010	-	57,414

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 29 November 2022 which relates to lease over office printers.

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 2023

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 2023 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

13 October 2023



Jeremy Jacobs
President

13 October 2023

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 2023, 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) has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards *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 (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.

Other information Other than the Financial Report and Auditor's Report Thereon

The Directors are 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 2023, 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

The Directors of the Registered Entity are 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. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker

C A Becker
Partner – Audit & Assurance

Perth, 13 October 2023