



Barossa Village

people at our heart

ABN 22 960 687 815

Financial Report

For the Year Ended

30th June 2023

BAROSSA VILLAGE INCORPORATED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	<i>Notes</i>	2023	2022
		\$	\$
ASSETS			
Cash & Cash Equivalents	4	7,297,750	8,920,095
Trade & Other Receivables	5	441,176	660,816
Other Assets expected to be settled within 12 months.	6	64,477	33,646
Refundable loans expected to be received within 12 months.	7	2,801,000	2,161,000
Financial Assets expected to be settled after 12 months.	8	2,808,373	2,491,606
Property, Plant & Equipment.	9	80,352,293	66,739,955
TOTAL ASSETS		93,765,069	81,007,118
LIABILITIES			
Trade & Other payables	10	4,170,288	4,825,564
Employee benefits expected to be paid within 12 months.	11	669,649	598,411
Refundable loans expected to be paid within 12 months.	12	5,975,739	5,136,729
Borrowings expected to be paid within 12 months.	13	207,836	212,193
Employee benefits expected to be paid after 12 months.	14	1,015,658	1,084,583
Refundable loans expected to be paid after 12 months.	15	38,808,452	37,767,229
Borrowings expected to be paid after 12 months.	16	1,345,207	2,552,369
TOTAL LIABILITIES		52,192,829	52,177,078
NET ASSETS		41,572,240	28,830,040
EQUITY			
Retained earnings		4,611,277	4,518,782
Reserves	18	36,960,963	24,311,258
TOTAL EQUITY		41,572,240	28,830,040

The accompanying notes are to be read in conjunction with these financial statements.

BAROSSA VILLAGE INCORPORATED

**STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Notes</i>	2023 \$	2022 \$
Revenue	2	21,487,827	21,405,691
TOTAL REVENUE		21,487,827	21,405,691
Aged Care Facility		13,102,369	11,290,202
Cottages Costs		1,893,942	1,878,820
Home Care Packages		3,266,487	3,152,798
Community Home Support Program		503,442	644,993
The 'Lodge' Costs		503,374	469,571
Corporate Services		2,125,718	2,135,960
TOTAL EXPENSES	3	21,395,332	19,572,344
Surplus/(Deficit) for the year		92,495	1,833,347
 Other Comprehensive Income			
Items that will not be reclassified to surplus or deficit:			
Increase/(Decrease) in fair value of financial assets		218,042	(311,869)
Increase/(Decrease) in fair value of land and buildings		12,431,663	-
Other comprehensive income for the year		12,649,705	(311,869)
Total Comprehensive Income for the year		12,742,200	1,521,478

The accompanying notes are to be read in conjunction with these financial statements.

BAROSSA VILLAGE INCORPORATED

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

	Retained Earnings \$	Financial Assets Reserve \$	Asset Revaluation Reserve \$	Total \$
Balance at 1st July 2021	2,685,435	578,842	24,044,285	27,308,562
Surplus/(Deficit) for the year	1,833,347	-	-	1,833,347
<i>Other Comprehensive Income</i>				
Increase/(Decrease) in fair value of financial assets	-	(311,869)	-	(311,869)
Reclassification-net gain/(loss) on disposal of financial assets	-	-	-	-
Increase/(Decrease) in fair value of land and buildings	-	-	-	-
Total Comprehensive Income for the year	<u>1,833,347</u>	<u>(311,869)</u>	<u>-</u>	<u>1,521,478</u>
Balance at 30th June 2022	<u>4,518,782</u>	<u>266,973</u>	<u>24,044,285</u>	<u>28,830,040</u>
Surplus/(Deficit) for the year	92,495	-	-	92,495
<i>Other Comprehensive Income</i>				
Increase/(Decrease) in fair value of financial assets	-	218,042	-	218,042
Reclassification-net gain/(loss) on disposal of land and buildings	-	-	-	-
Increase/(Decrease) in fair value of land and buildings	-	-	12,431,663	12,431,663
Total Comprehensive Income for the year	<u>92,495</u>	<u>218,042</u>	<u>12,431,663</u>	<u>12,742,200</u>
Balance at 30th June 2023	<u>4,611,277</u>	<u>485,015</u>	<u>36,475,948</u>	<u>41,572,240</u>

The accompanying notes are to be read in conjunction with these financial statements.

BAROSSA VILLAGE INCORPORATED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Notes</i>	2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from residents, occupants & sundries		5,772,904	6,127,341
Receipts of Commonwealth Subsidies		13,583,146	12,070,119
Interest received		138,513	10,172
Payments for salaries, supplies & expenses		<u>(19,233,116)</u>	<u>(17,848,361)</u>
Net Cash Provided by Operating Activities		<u>261,447</u>	<u>359,271</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant & Equipment		(753,492)	(616,832)
Payments for Updating, Building of Units		(2,294,151)	(4,127,885)
Receipt from sale of asset		107,426	1,208,714
Net Cash Used in Investing Activities		<u>(2,940,217)</u>	<u>(3,536,003)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(1,211,519)	(211,225)
Interest Paid		(223,209)	(146,915)
Proceeds from RADs		6,233,314	7,196,305
Repayment of RADs		(7,524,119)	(4,925,692)
Proceeds from ILU License Fees		4,680,000	4,635,000
Repayment of ILU License Fees		<u>(898,042)</u>	<u>(1,248,500)</u>
Net Cash provided by Financing Activities		<u>1,056,425</u>	<u>5,298,973</u>
Net Increase/(Decrease) in Cash Held		(1,622,345)	2,122,241
Cash at The Beginning of The Financial Year		<u>8,920,095</u>	<u>6,797,854</u>
CASH & CASH EQUIVALENTS AT 30TH JUNE	4	<u><u>7,297,750</u></u>	<u><u>8,920,095</u></u>

The accompanying notes are to be read in conjunction with these financial statements.

BAROSSA VILLAGE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Barossa Village Incorporated (the 'Association') as an individual entity. Barossa Village is a not-for-profit association incorporated and domiciled in South Australia under the Incorporation Act (SA) 1985.

The financial statements are presented in Australian dollars, which is the Association's functional and presentation currency. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 10 October 2023 by the members of the Board.

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 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.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures for For-Profit and Not-for-Profits Tier 2 Entities, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act (SA) 1985 and the Australian Charities and Not-for-profits Commission Act 2012. The Association is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

BAROSSA VILLAGE INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Presentation of Statement of Financial position on a liquidity basis.

The Board have taken the view that in complying with the requirements of AASB's, the treatment of refundable loans (accommodation bonds and ingoing contributions) as current liabilities does not reflect the true liquidity of the entity as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, the Board has chosen to present its statement of financial position under the liquidity presentation method (AASB 101 *Presentation of Financial Statements*) on the basis that it presents a more reliable and relevant view.

(a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from contract with customers

Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

(i) Refundable Accommodation Deposits & Independent Living Unit Liabilities

Revenue from retention and deferred management fees is recognised over the expected length of tenure of a resident.

(ii) Rendering of Services

Revenue from the rendering of services is recognised when the service has been performed.

(iii) Dividends and Distributions on Investments

Dividends and distributions from investments are recognised as revenue when the association's right to receive the payment is established.

(iv) Interest

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

BAROSSA VILLAGE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) *Government grants*

The Association complies with Accounting Standard AASB 1058 which requires grants received or receivable to be recognised when the Association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

(b) **Impairment of Assets**

At the end of each reporting period, the Association assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount.

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

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

(c) **Property, Plant & Equipment**

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

Land and Buildings

Land and buildings are measured at fair value less accumulated depreciation. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated as the revalued amount of the asset. A revaluation surplus is credited to other comprehensive income (asset revaluation reserve) unless it reverses a revaluation decrease on the same class of asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss unless it directly offsets a previous revaluation surplus on the same class of asset in the asset revaluation surplus. On disposal, any revaluation surplus relating to sold assets is transferred to retained earnings.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. For buildings that are considered to be specialised where there is no directly comparable market evidence, current replacement cost has been used to determine the fair value. Independent valuations are performed regularly to ensure that the carrying amounts of land and buildings does not differ materially from that the fair value at the end of the reporting period.

Construction of buildings including improvements to independent living units are measured at cost and are recognised as capital work in progress until such time when the buildings are ready for occupation when they are re-allocated to buildings.

All repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

BAROSSA VILLAGE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant and Equipment

All other plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments.

Plant and equipment items below \$400 in value are expensed as Sundry Purchases, Replacements for Repairs and Maintenance expenditure.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis over the estimated useful lives to the Association commencing from the time the assets are held ready for use of the assets.

The depreciation rates used for each class of depreciable asset are as follows:

<u>Class of Asset</u>	<u>Depreciation Rate</u>
Buildings	2.5%
Plant & Equipment	5 - 33.3%
Motor Vehicles	10 - 33.3%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

(d) Property, Plant & Equipment (continued)

Gains and Losses on Disposal

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in profit or loss in the year that the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

BAROSSA VILLAGE INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

(f) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

(g) Investments and Other Financial Assets

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Association commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below:

Financial Assets at fair value through Other Comprehensive Income

Financial assets including listed equity securities that are not held for trading are classified at "fair value through other comprehensive income" when they are held for the long-term and designated as such by management on initial recognition.

They are subsequently measured at fair value with any remeasurements recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is not reclassified into profit or loss. Dividends and distributions received are recognised in profit or loss.

(h) Fair Value

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Association.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

BAROSSA VILLAGE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair values for financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. The quoted market price for financial assets is the current bid price and the quoted market price.

In measuring fair value, the Association uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

(i) Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Agreements which provide a resident with a right to occupy a room.

Arrangements that provide a resident with the right to occupy a room will generally be defined as a lease under AASB 16.

Where residents have opted to pay a Daily Accommodation Payment, AASB 16 does not have significant impact on the accounting treatment. However, for residents that have chosen to pay a Refundable Accommodation Deposit (RAD) or Bond, the RAD or Bond is considered to be non-cash charge for accommodation. The accounting treatment for the non-cash consideration component of this arrangement is expected to result in the recognition of an increase in revenue for accommodation and an increase in interest expense on the outstanding RAD liability, with no net impact on the result for the period.

BAROSSA VILLAGE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract has been discharged, cancelled or expires. The difference between the carrying amount of the borrowing derecognised and the consideration paid is recognised in surplus or deficit as other income or finance costs.

(k) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(l) Resident Loans

Resident loans fall into two major types, namely Independent Living Unit Liabilities, which are subject to the Retirement Village Act 2016 legislation and Accommodation Bonds & Refundable Accommodation Deposits Liabilities, which are subject to the Aged Care Act 1997 legislation.

Independent Living Unit Liabilities - Retirement Villages Act 2016

Interest free loans initially recorded at fair value and subsequently measured at amortised cost in the statement of financial position.

Contracts for Independent Living Units (Cottages) allow for retentions of up to 30% over a maximum period of three years, with no adjustment to market value.

Accommodation Bonds Liability & Refundable Accommodation Deposits (RAD's)- Aged Care Act 1997

Interest free loans initially recorded at fair value and subsequently measured at amortised cost in the statement of financial position. From December 2005 repayment to the resident is guaranteed by the Australian Government. Prior to the current legislation, which came into operation from 1/10/1997, accommodation bonds were only applicable to Hostel (Low Care) residents. Between 1/10/1997 and 30/06/2014, the Aged Care Act 1997 has provided for monthly retentions for a maximum of five years and has allowed, with resident's agreement, a rollover of the bond if the resident needed to transfer to a Nursing Home (High Care) facility. Since 1/07/2014 Refundable Accommodation Deposits attract no retentions and are fully refundable at the cessation of care.

Retentions are brought to account as revenue in surplus or deficit. Resident loans are recognised upon entry of the resident.

Interest is charged from date of entry until the loans are paid, at rates allowed by the Aged Care Act 1997.

BAROSSA VILLAGE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short term highly liquid financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(n) Income Tax

The Association is exempt under the Income Tax Assessment Act 1936 as amended and Income Tax Assessment Act 1997.

(o) Goods and Services Tax (GST)

Revenue, 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 are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

(p) Critical Accounting Estimates and Judgments

The Board evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key Judgments — Impairment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the entity that may lead to impairment of assets.

Land and Buildings held by the Association were independently valued at 30 June 2023 by Health Valuation and Advisory Services Pty Ltd, which resulted in a revaluation increment of \$12,431,663 credited directly to equity. The valuation was based on fair value being the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction. Fair Values were determined directly by reference to observable prices in an active market using recent sales data for similar properties on arm's length terms. For buildings that are considered specialised where there is no directly comparable market evidence, current replacement cost has been used to determine the fair value.

BAROSSA VILLAGE INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Notes</i>	2023	2022
		\$	\$
2 REVENUE			
(a) Operating Activities			
Resident Contributions		4,022,611	3,190,266
Rents Received		582,652	548,025
Maintenance Fees		1,145,680	1,065,719
Government Subsidies		13,583,146	12,070,119
Other Agencies/Service Contracts		1,173	24,368
Meals Money Received		57,830	83,028
Units Bond Retention		1,319,597	1,111,424
Accommodation charge		23,283	49,523
Government Grant Income		162,004	2,709,409
Sundry Income		156,934	166,328
Interest Received		138,513	10,172
Distributions on Investments		199,828	162,546
(b) Non-Operating Activities:			
Profit/(loss) on Disposal of Other Fixed Assets		(6,580)	146,187
Donations & Bequests		101,156	68,577
Total Revenue		21,487,827	21,405,691

Resident Contributions for the year ended 30 June 2023 includes \$441,441 rental income recognised on RAD balances in accordance with AASB 16 *Leases*.

3 EXPENSES

a Expenses:

Employee Benefits Expense	12,862,344	11,555,573
Direct Care Costs	3,458,327	3,226,096
Indirect Care Cost	227,521	271,906
Corporate Development Expenses	624,819	676,040
Finance Costs	223,209	146,915
Administration Costs	1,579,080	1,467,755
Maintenance	340,605	370,754
Energy Costs	336,199	273,172
Depreciation - plant	375,204	323,360
Depreciation - buildings	1,368,024	1,260,773
	21,395,332	19,572,344

Corporate Development Expenses for the year ended 30 June 2023 includes \$441,441 interest expense recognised on the outstanding RAD liability in accordance with AASB 16 *Leases*.

BAROSSA VILLAGE INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Notes</i>	2023	2022
		\$	\$
4 CASH & CASH EQUIVALENTS			
Cash on Hand		1,450	1,200
Cash at bank and deposits at call		7,296,300	8,918,895
		7,297,750	8,920,095
Reconciliation of Cash			
The above figures are reconciled to the cash at the end of the financial year as shown in the statement of cash flows as follows:			
Balances as above		7,297,750	8,920,095
Balances per statement of cash flows		7,297,750	8,920,095
5 TRADE & OTHER RECEIVABLES			
Trade Debtors		326,550	527,676
GST Claimable		62,721	125,391
Other Debtors		51,905	7,749
		441,176	660,816
6 OTHER ASSETS TO BE SETTLED WITHIN 12 MONTHS			
Prepaid Interest		64,477	33,646
		64,477	33,646
7 FINANCIAL ASSETS EXPECTED TO BE SETTLED WITHIN 12 MONTHS			
Refundable Accommodation Deposits Outstanding		2,117,500	1,307,500
ILU License Fee Premiums Outstanding		683,500	853,500
		2,801,000	2,161,000
8 FINANCIAL ASSETS EXPECTED TO BE SETTLED AFTER 12 MONTHS			
Financial Assets			
- Managed Investment Portfolio @ fair value through other comprehensive income		2,806,093	2,489,326
- Shares in Unlisted Entity @ cost		2,280	2,280
		2,808,373	2,491,606
Details of Managed Investment Portfolio are as follows:			
		<i>Fair Value</i>	<i>Fair Value</i>
Shares in Listed Securities		2,806,093	2,489,326
		2,806,093	2,489,326

BAROSSA VILLAGE INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Notes</i>	2023	2022
		\$	\$
9 PROPERTY, PLANT & EQUIPMENT			
(a) Land & Buildings:			
Land - at valuation		12,069,204	10,585,667
Buildings - at valuation		69,420,552	51,139,363
Less Accumulated Depreciation		(6,191,989)	(4,836,945)
Total Land & Buildings		75,297,767	56,888,085
 Plant & Equipment - at Cost		4,837,530	3,875,422
Less Accumulated Depreciation		(2,810,548)	(2,489,042)
		2,026,982	1,386,380
 Motor Vehicles - at Cost		530,912	595,105
Less Accumulated Depreciation		(430,494)	(433,265)
		100,418	161,840
Total Plant & Equipment		2,127,400	1,548,220
 Capital work in progress and vacant land - at Cost		2,927,126	8,303,650
Total Property, Plant & Equipment		80,352,293	66,739,955

(b) Valuation

Land and buildings were revalued based on the Board's assessment of fair value for the properties using an independent valuation performed by Health Valuation and Advisory Services Pty Ltd as at 30 June 2023.

(c) Movements In Carrying Amounts:

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year were as follows:

2023

	Land & Buildings @ valuation	Plant & Equipment @ cost	Motor Vehicles @ Cost	Capital Work In Progress @ Cost	Total
	\$	\$	\$	\$	\$
Balance at beginning of year	56,888,085	1,386,378	161,840	8,303,650	66,739,953
Additions	539,117	173,383	40,991	2,218,123	2,971,614
Disposals	-	(2,243)	(105,183)	-	(107,426)
Transfers	6,803,678	790,969	-	(7,594,647)	-
Revaluation	18,587,348	-	-	-	18,587,348
Revaluation Depreciation Write Back	(6,165,418)	-	-	-	(6,165,418)
Depreciation Expense	(1,355,043)	(321,505)	2,770	-	(1,673,778)
Carrying amount at end of year	75,297,767	2,026,982	100,418	2,927,126	80,352,293

BAROSSA VILLAGE INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	<i>Notes</i>	2023	2022
		\$	\$
10 TRADE AND OTHER PAYABLES			
Unsecured liabilities:			
Trade Creditors		487,005	750,931
ILU License Fee Deposits		720	720
ILU Deferred Revenue		2,899,829	2,967,342
Other Creditors & Accruals		782,734	1,106,571
		4,170,288	4,825,564
Deferred revenue includes bond retention fees and deferred management fees that are expected to be recognised as revenues over a period of 1 to 8 years. Decreases in these balances generally represent the recognition of revenues. Increases in the balance for deferred management fees generally represent deferred management fees contractually accruing. The decrease in deferred revenue for financial year 2023 reflects the adjustment to bond retention fees payable as required by AASB 15.			
11 EMPLOYEE BENEFITS EXPECTED TO BE PAID WITHIN 12 MONTHS			
Annual leave		627,197	550,994
Long Service Leave		42,452	47,417
		669,649	598,411
12 REFUNDABLE LOANS EXPECTED TO BE PAID WITHIN 12 MONTHS			
Resident Loans		5,079,968	3,582,679
ILU Premium refunds		895,771	1,554,050
		5,975,739	5,136,729
Accommodation Bond & RAD Liabilities expected to be paid within one year is calculated by the average refund value over the last 4 years multiplied by the average number of bond refunds over the last 4 years. Independent Living Unit Liabilities expected to be paid within one year is based on the average of the last two years ILU Premium Refunds.			
13 BORROWINGS EXPECTED TO BE PAID WITHIN 12 MONTHS			
Secured Liabilities			
Hire Purchase Liability - Motor Vehicles		10,086	14,443
Government Zero Real Interest Loan		197,750	197,750
		207,836	212,193
14 EMPLOYEE BENEFITS EXPECTED TO BE PAID AFTER 12 MONTHS			
Annual leave		209,066	183,664
Long Service Leave		806,592	900,919
		1,015,658	1,084,583

BAROSSA VILLAGE INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Notes</i>	2023	2022
		\$	\$
15 REFUNDABLE LOANS EXPECTED TO BE PAID AFTER 12 MONTHS			
Resident Loans		14,539,653	16,079,083
ILU Premium refunds		24,268,799	21,688,146
		38,808,452	37,767,229
16 BORROWINGS EXPECTED TO BE PAID AFTER 12 MONTHS			
Hire Purchase Liability - Motor Vehicles		5,166	14,578
Government Zero Real Interest Loan		1,340,041	2,537,791
		1,345,207	2,552,369
(a) Security			
Secured Liabilities			
Total secured liabilities are:			
Hire Purchase Liability - Motor Vehicles		15,252	29,021
Government Zero Real Interest Loan		1,537,791	2,735,541
		1,553,043	2,764,562
(b) The bank facilities are secured by first registered mortgages over Barossa Village Incorporated's land and buildings located at Lot 1014 Moppa Road Nuriootpa SA 5355 and Lot 101 and 102 Scholz Avenue Nuriootpa SA 5355, and a business mortgage over the Aged Care Facility. Hire Purchase Liabilities are secured over the financed motor vehicles.			
The Association has not entered into a new loan debt banking facility during the year.			
(c) Financing Arrangements			
Total Facilities			
- Business Card - Charge Card		18,000	12,000
- Motor Vehicle Hire Purchase Agreement		15,252	29,021
- Bank Overdraft		300,000	300,000
- Govt. Zero Real Interest Loan		1,537,791	2,735,541
		1,871,043	3,076,562
Used at the End of the Reporting Period			
- Motor Vehicle Hire Purchase Agreement		15,252	29,021
- Govt. Zero Real Interest Loan		1,537,791	2,735,541
		1,553,043	2,764,562

BAROSSA VILLAGE INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Notes</i>	2023 \$	2022 \$
17 BORROWINGS EXPECTED TO BE PAID AFTER 12 MONTHS (CONTINUED)			
(d) Residents loans (Residential Care and Independent Retirement Living) are controlled by individual contracts and government legislation, both of which require repayment of the loan balance within a short time of the resident leaving the residential facility and 3 months of leaving the Independent Living Unit. The Australian Government guarantees the repayment of the Residential Care Loan. To recognise this repayment requirement all resident loans are regarded as current liabilities. However it is not expected that all resident loans will be required to be repaid within the next year. During the year ended 30 June 2023, the repayments of resident loans was \$8,422,161 (2022: \$6,174,192).			
RAD's & Accommodation Bond Liabilities			
Expected to be paid within one year.		5,079,968	3,582,679
Expected to be paid after one year.		14,539,653	16,079,083
		19,619,621	19,661,762
Independent Living Unit Liabilities			
Expected to be paid within one year.		895,771	1,554,050
Expected to be paid after one year.		24,268,799	21,688,146
		25,164,570	23,242,196
18 RESERVES			
(a) ASSET REVALUATION RESERVE			
The asset revaluation reserve records revaluations of property, plant & equipment.			
Land & Buildings			
Balance at beginning of year	1(c)	24,044,285	24,044,285
Revaluation increment/(decrement)	1(c)	12,431,663	-
Balance at end of year		36,475,948	24,044,285
Total Asset Revaluation Reserve at end of year		36,475,948	24,044,285
(b) FINANCIAL ASSETS RESERVE			
The financial asset reserve records revaluations of financial assets at fair value through other comprehensive income.			
Managed Investment Portfolio			
Balance at beginning of year		266,973	578,842
Revaluation increment/(decrement)		218,042	(311,869)
Balance at end of year		485,015	266,973
Total Financial Assets Reserve at end of year		485,015	266,973

BAROSSA VILLAGE INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2023

2022

\$

\$

19 RELATED PARTY DISCLOSURES

The following were key management of Barossa Village Incorporated at any time during the reporting period, unless otherwise indicated held office for the entire period:

Non-executive Board Members

Ms Helen O'Brien (Chair)
Mr. J. Angas
Ms T Vaughan
Ms Barbara Storey
Mr Mark George
Ms Sally Colling
Mr Matt McCullough
Mr K Renshaw

Executive Staff

Mr. B Hall
Mr. M Kowald
Ms S Mason
Mr D Rundle

Chief Executive Officer
General Manager - Residential Care Services
General Manager - Corporate Services (appointed 18 July 2022)
General Manager - People and Culture (resigned 19 May 2023)

Transactions with key management personnel

The key management personnel compensation included in employee benefits includes salaries, salary packaging, superannuation and leave entitlements and is as follows:

Short term benefits - Salary	827,754	872,020
Post-employment benefits - Superannuation	91,601	26,501
	919,355	898,521

The non-executive Board Members have not received any remuneration during the year. All of the Board Members serve on a voluntary basis. The members of the Board may use Association's services under terms and conditions no more favourable than the terms and conditions available to other residents and clients.

20 COMMITMENTS

(a) Hire Purchase commitments

Non-cancellable hire purchases

Payable with in one year.	10,421	14,443
Payable later than one year but not later than 5 years.	5,211	15,632
Total future minimum lease payments.	15,632	30,075
Less future finance charges	(380)	(1,054)
	15,252	29,021

Hire Purchase liabilities are represented in the financial statements as follows;

Borrowings expected to be paid within 12 months (Note 13)	10,086	14,443
Borrowings expected to be paid after 12 months (Note 16)	5,166	14,578
	15,252	29,021

The entity leases various vehicles under non-cancellable hire purchase arrangements expiring within 3 years.

BAROSSA VILLAGE INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
21 REMUNERATION OF AUDITORS		
During the year, the following fees were paid or payable for services provided by BDO Audit Pty Ltd as the auditor of the Association		
Audit of the financial statements	<u>25,000</u>	<u>22,500</u>

22 SUBSEQUENT EVENTS

There have been no events after the end of the reporting period that would have a significant effect on the financial statements.

23 ASSOCIATION DETAILS

(a) Registered Office and Principal Place of Business

14 Scholz Ave
NURIOOTPA SA 5355

(b) Principal Activities

The association operates a charity for the provision of appropriate accommodation and residential or community care for persons eligible by reason of their age, ill-health or disability and requiring living support in the Barossa Region.

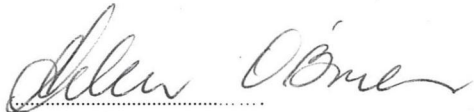
BAROSSA VILLAGE INCORPORATED

BOARD MEMBERS' DECLARATION

The board members of Barossa Village Incorporated declare that in the board members' opinion:

1. The financial statements, comprising the statement of surplus or deficit and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and accompanying notes, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards –Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2012 (ACNC Regulation 2022)*; and
 - b. give a true and fair view of the entity's financial position as at 30 June 2023 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the entity will be able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *ACNC Regulation 2022* on behalf of the board members by:

Signed by: 

Position held on Board: *Chairperson*

Signed by: 

Position held on Board: *Deputy Chairperson*

Dated this *10th* day of October 2023.

BAROSSA VILLAGE INCORPORATED

BOARD REPORT

In accordance with section 35(5) of the Associations Incorporation Act 1985, the Board of Barossa Village Incorporated hereby state that during the financial year ended 30 June 2023:

- (a) (i) No officer of the Association;
- (ii) No firm of which an officer is a member; and
- (iii) No body corporate in which an officer has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association.

- (b) No officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value except for those as disclosed in Note 19.
- (c) All Board Members of Barossa Village act in a voluntary capacity. No Board member of Barossa Village Inc. receive Directors' or other fees for services to the Board.

This report is made in accordance with a resolution of the Board and is signed by two members of the Board.

Dated this 10th day of October 2023.

Signed by: 
Chairperson

Signed by: 
Deputy Chairperson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAROSSA VILLAGE INC

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Barossa Village Inc (the registered entity), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Barossa Village Inc, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) 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
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's annual report, 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 on the other information obtained prior to the date of this auditor's report, 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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities 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, responsible entities 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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Pty Ltd

A handwritten signature in blue ink that appears to read 'Linh Dao'.

Linh Dao
Director

Adelaide, 11 October 2023