

Non for Profit - Financial Statements

Holloway Aged Care Services Incorporated
ABN 59 077 570 944
For the year ended 30 June 2023

Prepared by Hotchkin Hughes Pty Ltd

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Profit & Loss Statement

Holloway Aged Care Services Incorporated
For the year ended 30 June 2023

	NOTES	2023	2022
Other Income			
Government Subsidies		5,532,925	4,249,471
Capital Gains and Market Value Movement		298,280	(638,124)
Total Other Income		5,831,205	3,611,347
Donations & Bequests			
Donations & Grants		22,668	34,325
Government Grants		24,800	274,808
Total Donations & Bequests		47,468	309,132
Revenue Providing Goods & Services			
Residents Accom Fees and Sundry Charges		1,757,479	1,618,208
Total Revenue Providing Goods & Services		1,757,479	1,618,208
Revenue From Investments			
Bond and Bank Interest Income		245,428	15,646
Investment Income		159,049	214,184
Total Revenue From Investments		404,477	229,830
Other Revenue			
Other Revenue		218,141	76,673
Insurance Income		-	6,354
Accommodation Bond Retentions and Charges		388,901	333,563
Total Other Revenue		607,041	416,590
Total Income		8,647,671	6,185,107
Expenses			
Depreciation		299,551	258,689
Travel and Accommodation		49	-
Accounting & Auditing Fees		35,772	14,048
Asset - Loss on Sale/Disposal		6,114	2,678
Bad Debts Written Off		-	8,408
Bank Fees		1,168	1,126
Catering Services		302,479	260,914
Cleaning & rubbish removal		106,129	86,929
Computer Expenses		60,015	40,135
Consulting - Other		29,222	2,000
Donations		615	-
Freight & Delivery		862	1,579
Hire of Plant & Equipment		962	8,190
Insurance		42,883	39,770
Interest Expense		45,022	29,555
Laundry		87,894	71,220

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

	NOTES	2023	2022
Legal Expenses		821	467
License & Permits		5,697	6,614
Light & Power		83,156	106,692
Management Fees - JbWere		23,413	35,037
Medical Supplies		125,767	103,682
Postage		313	232
Printing & Stationery		20,036	17,159
Protective Clothing		329	-
Provision for Leaves		27,178	19,297
Rates		29,256	20,737
Repairs & Maintenance		148,245	116,452
Resident Activities & Programs		4,734	3,579
Staff Amenities		7,219	5,355
Staff Recruitment		11,853	5,758
Staff Training		17,585	12,032
Subcontractors		824,353	879,179
Subscriptions & Memberships		28,449	20,835
Superannuation		492,240	418,653
Supplies		42,820	46,724
Telephone		8,988	13,437
Volunteer hours Expended		25,182	3,053
Volunteer Police Checks		36	123
Wages & Salaries		4,859,993	4,418,397
Workcover Insurance		66,303	70,029
Total Expenses		7,872,702	7,148,761
Profit/(Loss) before Taxation		774,969	(963,654)
Net Profit After Tax		774,969	(963,654)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Balance Sheet

Holloway Aged Care Services Incorporated As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
Assets			
Current Assets			
Cash and Cash Equivalents	2	9,996,221	7,214,575
Receivables	3	2,136,884	3,533,368
Prepaid Expenses	4	106,116	47,431
Total Current Assets		12,239,221	10,795,374
Non-Current Assets			
Property, Plant and Equipment	5	11,402,428	11,467,391
Financial Assets	6	4,987,233	4,666,433
Total Non-Current Assets		16,389,661	16,133,824
Total Assets		28,628,882	26,929,198
Liabilities			
Current Liabilities			
Provisions	8	720,521	693,342
Payables	9	479,914	350,991
Financial Liabilities	10	17,111,696	16,343,082
Total Current Liabilities		18,312,130	17,387,415
Total Liabilities		18,312,130	17,387,415
Net Assets		10,316,752	9,541,783
Equity			
Retained Earnings		2,484,687	1,709,718
Reserves		7,832,064	7,832,064
Total Equity		10,316,752	9,541,783

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Changes In Equity

Holloway Aged Care Services Incorporated
For the year ended 30 June 2023

2022

	Equity as at 1 July 2021	Comprehensive Income	Changes in Asset Revaluation Reserves	Equity as at 30 June 2022
Reserves	7,832,064			7,832,064
Accumulated surplus/(deficit)	2,673,372	(963,654)		1,709,718
Total equity at end of financial year	10,505,436	(963,654)		9,541,782

2023

	Equity as at 1 July 2022	Comprehensive Income	Changes in Asset Revaluation Reserves	Equity as at 30 June 2023
Reserves	7,832,064			7,832,064
Accumulated surplus/(deficit)	1,709,718	774,969		2,484,687
Total equity at end of financial year	9,541,782	774,969		10,316,751

Statement of Cash Flows

Holloway Aged Care Services Incorporated
For the year ended 30 June 2023

	2023	2022	VARIANCE
Cash Flow From Operating Activities			
Receipts from Customers	(5,921,826)	(4,583,034)	(1,338,793) ↓
Payments to Suppliers and employees	6,792,983	6,266,412	526,571 ↑
Interest Received	(245,428)	(15,646)	(229,782) ↓
Interest And Other Costs of Finance	45,022	29,555	15,467 ↑
Total Cash Flow From Operating Activities	670,750	1,697,287	(1,026,537)
	2023	2022	VARIANCE
Cash Flow From Investing Activities			
Acquisitions of property plant and equipment	1,219,009	1,166,121	52,889 ↑
Investment in JBWere	4,987,233	4,666,433	320,800 ↑
Investment Income	(159,049)	(214,184)	55,135 ↑
Realised Capital Gain/(Loss)	(298,280)	638,124	(936,404) ↓
Total Cash Flow From Investing Activities	5,748,914	6,256,494	(507,580)
	2023	2022	VARIANCE
Cash Flow From Financing Activities			
Net received of Accommodation Bonds	(17,110,372)	(16,342,263)	(768,109) ↓
Net Decrease of Credit Card Balance	(1,324)	(819)	(504) ↓
Net Cash Provided by (used in) Financing Activities	(17,111,696)	(16,343,082)	(768,613)

Notes to the Financial Statements

Holloway Aged Care Services Incorporated For the year ended 30 June 2023

1. Statement of Significant Accounting Policies

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AAS's) (including Australian Accounting Interpretations), and the requirements of the Corporations Act 2001. Holloway Aged Care Services Incorporated. ("entity") is a not-for-profit entity and therefore applies the additional paragraphs applicable to "not-for-profit" entities under the AAS's.

The financial report covers Holloway Aged Care Services Incorporated as an individual entity. Holloway Aged Care Services Incorporated is an incorporated Association. The financial report of Holloway Aged Care Services Incorporated and individual entity complies with all Australian equivalents to international Financial Reporting Standards (AIFRS) in their entirety. The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated..

Basis of Preparation

The financial report has been prepared on an accruals basis in accordance with the historical cost convention, except for the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

In the application of AAS's management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

The accounting policies set out below have been applied in preparing the financial report for the year ended 30 June 2023, and the comparative information presented in these financial statements for the year ended 30 June 2022.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property

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

Property

Freehold land and buildings are measured on a fair value basis.

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 Members of the Committee to ensure it is not in excess of the recoverable amount from these 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 been discounted to present values in determining recoverable amounts.

These notes should be read in conjunction with the attached compilation report.

Plant and equipment that have been contributed at no cost or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Recognition of intangible assets (aged care bed licences)

Aged care bed licences are initially recognised in the accounts based on fair value and the recognition of new bed licences received in the statement of comprehensive income. The licences are deemed to have an indefinite useful life and are not subject to amortisation.

An annual review for impairment of the carrying value of the assets is undertaken and where the recoverable amount exceeds the carrying value, the asset will be written down to the recoverable amount.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements..

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

Class of Fixed Asset	Depreciation Rate	Depreciation basis
Buildings	2.5% to 5%	Straight line
Furniture & Fittings, Software	5% to 50%	Straight line

The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at each financial reporting date. The asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings..

(c) Financial instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through the statement of comprehensive Income

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or If so designated by management and within the requirements of AASB 139: Recognition and measurement of financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity Investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Financial liabilities

Not-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

These notes should be read in conjunction with the attached compilation report.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(d) Impairment of assets

At each reporting date, the entity 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 statement of comprehensive income.

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 entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

(e) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the financial reporting date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the entity to various employee superannuation funds and are charged as expenses when they are incurred.

(f) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefits will result and that outflow can be reliably measured.

(g) Unearned accommodation bonds

Amounts due to the entity in respect to outstanding accommodation bonds, deferred management fees, interest and other fees are recorded in the receivable balance. Amounts receivable will be deducted from amounts payable to residents should they leave the facility.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowing in current liabilities on the statement of financial position.

(i) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(j) Construction costs

Buildings included in non-current assets comprise all construction costs incurred by external contractors and consultant together with borrowing costs incurred on projects.

(k) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the residents.

These notes should be read in conjunction with the attached compilation report.

Grant income is recognised in the statement of comprehensive income when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services provided.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income in the statement of financial position.

Interest revenue and distribution income from investments is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.

Resident deferred management fees are recognised as revenue as they accrue to the entity.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Borrowing costs

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

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred. For the current and prior financial year no borrowing costs were incurred.

(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 Australian Taxation 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. The net amount of GST receivable from or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative figures

Where required by accounting standards comparative figures have been adjusted to conform with changes in the presentation for the current financial year.

(o) Unexpected grants

The entity received grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grant monies as unexpected grants in the statement of financial position where the entity is contractually obliged to provide the services in the subsequent financial period to when the grant is received or in the case of specific project grants where the project has been completed. For the current and the prior financial year no grant monies were received in advance.

(p) Contributions

The entity receives non-reciprocal contributions from the government and other parties for no or a nominal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up on the statement of financial position and revenue is in the statement of comprehensive income

(q) Economic dependence

These notes should be read in conjunction with the attached compilation report.

The entity is dependent on the Department of Health & Aged Care for the majority of its revenue used to operate the business. At the date of this report the Members of the Committee have no reason to believe the Department will not continue to support the entity.

(r) Critical accounting estimates and judgements

The Members of the Committee evaluate estimates and judgements incorporated into the financial report 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 entity.

Key estimates – important

The entity assessed impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. When the impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement costs calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(s) Going concern basis of accounting

The financial report has been prepared in accordance with generally accepted accounting principles which are based on the entity continuing as a going concern. The going concern basis has been reviewed by the Members of the Committee due to the working capital position.

The operating position of the entity has improved progressively over the last 12 months and the operating performance has been profitable and the cash flows generated from operations has increased.

The entity is dependent on the Department of Health & Aged Care for the majority of its revenue used to operate the business. At the date of this report the Members of the Committee have no reason to believe the Department will not continue to support the entity.

The ongoing ability of the entity to generate positive cashflows from operating activities, maintain debt requirements and continue as a going concern, is dependent on the realisation of forward projections, the management of other cashflows within the entity's funding facilities and the continuing support of The Department of Health & Aged Care.

The Members of the Committee believe that the entity will continue as a going concern and consequently will realise assets and settle liabilities and commitments in the ordinary course of business and at the amounts stated in the financial report.

(t) new accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting period. The Members of the Committee have reviewed these new accounting standards and interpretations which are not mandatory for the financial year ended 30 June 2023 and has not and does not intend to adopt those standards earlier.

	2023	2022
2. Cash and Cash Equivalents		
Bank Accounts		
Accomm Bond - BB TDep 6889	-	1,000,000
Accomm Bond - BB TDep 9639	-	1,000,000
Accomm Bond - WP TDep 6855	-	400,687
BB Cash Management 0474	13,556	105,197
NAB Term Deposit 3466	100,000	100,000
Staff Lve Prov- BB TDep 6913	100,000	600,000

These notes should be read in conjunction with the attached compilation report.

Trading account Direct 8382	1,332,827	1,268,626
WP CMA (Gift) 5390	-	35,192
WP Max Bonus-6308- D Carr	162,527	160,789
WP Notice Saver - 60 Days 2320	6,554	1,766,272
WP Notice Saver - 90 Days 2339	201	178,933
WP NS - 30 Day 2312 - Debt Red	516,410	7,639
WP OPERATING CHQ ACC 4208	54,677	10,061
WP T/D-3189- Security TDep	509,927	509,927
Accrued Interest on BTDS	114,547	20,365
Cash on Hand	2,675	1,383
J.B. Were Cash Account	75,097	49,018
Petty Cash	1,943	333
Undeposited Funds	-	154
WP T/D-9912	1,500,000	-
WP TDep - 2193	1,500,000	-
WP T/D-4446	505,281	-
WP T/D-4438	500,000	-
WP T/D-5319	500,000	-
WP T/D-9920	1,000,000	-
WP T/D-4411	500,000	-
WP T/D 4889	500,000	-
WP T/D 4870	500,000	-
Total Bank Accounts	9,996,221	7,214,575
Total Cash and Cash Equivalents	9,996,221	7,214,575
	2023	2022

3. Receivables

Current		
Accommodation Bonds Receivable	2,004,923	3,325,423
Investment Income Receivable	39,648	50,001
Residents Accounts Receivable	42,779	72,346
Franking Credits Receivable	8,203	30,872
GST	41,330	54,727
Total Current	2,136,884	3,533,368
Total Receivables	2,136,884	3,533,368
	2023	2022

4. Prepaid Expenses

Prepaid Expenses	106,116	47,431
Total Prepaid Expenses	106,116	47,431
	2023	2022

5. Property Plant and Equipment

These notes should be read in conjunction with the attached compilation report.

2023

2022

Land and Buildings at Fair Value

Land and Buildings		
Land at Cost	3,500,000	3,500,000
Buildings at Cost	10,979,166	10,926,098
Accumulated Depreciation of Buildings	(3,697,805)	(3,477,973)
Total Land and Buildings	10,781,360	10,948,125
Total Land and Buildings at Fair Value	10,781,360	10,948,125
Other Fixed Assets		
Capital Improvement Landscape	136,154	136,154
Capital Improvement Landscape - Less: Accumulated depreciation	(103,985)	(102,197)
Furniture & Fittings	1,219,009	1,166,121
Furniture & Fittings - Less: Accumulated depreciation	(936,242)	(885,155)
Assets - Donations	301,732	203,919
Inventory Asset Software System	79,571	75,115
Inventory Asset Software System - Less: Accumulated depreciation	(75,172)	(74,691)
Total Other Fixed Assets	621,068	519,266
Total Property Plant and Equipment	11,402,428	11,467,391

Note 5**a) Movements in carrying amounts**

Movements in carrying amounts between the beginning and end of the current financial year

2022	Freehold Land	Buildings	Inventory Assets software	Capital Improvements	Furniture & Fittings	Donated Items	Total
Bal at 1 Jul 2021	3,500,000	7,652,183	1,632	32,854	263,066	9,333	11,449,735
Additions					66,759	194,586	66,759
Disposals							
Depreciation		219,058	1,208	1,103	39,526		260,895
Bal at 30 Jun 2022	3,500,000	7,448,125	424	33,957	280,966	203,919	11,467,391

b) Movements in carrying amounts

Movements in carrying amounts between the beginning and end of the previous financial year

2023	Freehold Land	Buildings	Inventory Assets software	Capital Improvements	Furniture & Fittings	Donated Items	Total
Bal at 1 Jul 2022	3,500,000	7,448,125	424	33,957	280,966	203,919	11,467,391
Additions		53,067	4,456		79,251	97,813	234,587
Disposals							
Depreciation		219,832	481	1,788	77,450		299,551
Bal at 30 Jun 2023	3,500,000	7,281,360	4,399	32,169	282,768	301,732	11,402,428

These notes should be read in conjunction with the attached compilation report.

	2023	2022
6. Financial Assets		
Non Current		
Investment in JBWere	4,987,233	4,666,433
Total Non Current	4,987,233	4,666,433
Total Financial Assets	4,987,233	4,666,433
	2023	2022
7. Intangibles		
	2023	2022
8. Provisions		
Provision for Annual Leave	322,489	338,540
Provision for Long Service Leave	398,031	354,803
Total Provisions	720,521	693,342
	2023	2022
9. Payables		
Current		
Advance payments	10,000	20
Accounts Payable (Xero Ledger)	89,199	175,267
Creditors Accruals	327,436	129,809
PAYG Withholdings Payable	52,671	45,895
Superannuation Payable	608	-
Total Current	479,914	350,991
Total Payables	479,914	350,991
	2023	2022
10. Financial Liabilities		
Current		
Unsecured		
Accommodation Bonds Accounts	17,110,372	16,342,263
Credit Cards	1,324	819
Total Unsecured	17,111,696	16,343,082
Total Current	17,111,696	16,343,082
Total Financial Liabilities	17,111,696	16,343,082

These notes should be read in conjunction with the attached compilation report.

11. Related Parties

Members of the Committee

The names of persons who were Members of the Committee during the 30th June 2023 year were:

Brian Moloney, Brett Bedson, Ian Wright, Peter Tomlinson, Khaled Ebrahim, David Dippie, Robert Young, John Sipek, and Lauren Arnold – Executive Officer.

Transactions with Members of the Committee and Member related entities:

There were no transactions with related parties for the current or the prior year.

12. Segment Information

There is only the one business segment, namely the provision of residential aged care and therefore no further segment disclosure is considered warranted.

13. Financial Instruments

Financial risk management

The entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The entity does not have any derivative instruments at 30 June 2023

(a). Treasury risk management

The Committee of Management Members meet on a monthly basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The finance sub-committee also discuss the above matters at their meetings.

(a) Financial risks

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk

(b) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate Cash and Term Deposits. At 30 June 2023 approximately 90% of Cash and Term Deposits is fixed.

(c) Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

(d) Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised cash facilities are maintained.

(e) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

(f) Price risk

The entity is not exposed to any material commodity price risk.

Interest Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial asset and financial liabilities, is as follows:

These notes should be read in conjunction with the attached compilation report.

Credit risk

Exposure to credit risk and effective weighted average interest rate by ageing periods set out in the following table. Interest rate exposure and ageing analysis of financial assets as at 30/06/2023

		Interestrate exposure					Past due but not impaired					
2022	Weighted average effective interest rate	Carrying amount	Fixed interestrate	Variable Interest Rate	Non interest bearing	Not past due and not impaired	Less than 1 month	1-3 months	3months – 1 year	1-5 years	Over 5years	Impaired financial assets
	Rates(%)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets												
Cash & cash Equivalents	2%	7,214,575	7,214,575									
Receivables	N/A	3,533,368			3,533,368	3,533,368						
Prepaid Expenses	N/A	47,731										
Inventment In JBWere	N/A	4,666,433			4,666,433	4,666,433						
Total Finance Assets		15,461,807	7,262,006		8,199,801	8,199,801						

		Interestrate exposure					Past due but not impaired					
2023	Weighted average effective interest rate	Carrying amount	Fixed interestrate	Variable Interest Rate	Non interest bearing	Not past due and not impaired	Less than 1 month	1-3 months	3months – 1 year	1-5 years	Over 5years	Impaired financial assets
	Rates(%)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets												
Cash & cash Equivalents	2%	9,996,221	9,996,221									
Receivables	N/A	2,136,884			2,136,884	2,136,884						
Prepaid Expenses	N/A	106,116										
Inventment In JBWere	N/A	4,987,223			4,987,223	4,987,223						
Total Finance Assets		17,226,444			7,124,107	7,124,107						

Liquidity risk

The following table discloses the contractual maturity analysis of financial liabilities Interest rate exposure and maturity analysis of financial liabilities as at 30/06/2023

			Interest Rate Exposure				Maturity date				
2022	Weighted Average effective interest rate	Carrying amount	Fixed interest rate	Variable interest	Non interest bearing	Contractual cash flows	Less than 1 month	1-3 months	3months – 1 year	1-5 years	Over 5years
	Rates(%)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Trade creditors & accruals		350,971			350,971	350,971	350,971				
Interest bearing liabilities		819	819				819				
Other financial liabilities		16,342,263				16,342,263			16,342,263		
Total financial liabilities		16,694,053	819		350,971	16,693,234	351,790		16,342,263		

			Interest Rate Exposure				Maturity date				
2023	Weighted Average effective interest rate	Carrying amount	Fixed interest rate	Variable interest	Non interest bearing	Contractual cash flows	Less than 1 month	1-3 months	3months – 1 year	1-5 years	Over 5 years
	Rates (%)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Trade creditors & accruals		479,914			479,914	479,914	479,914				
Interest bearing liabilities		1,323	1,323				1,323				
Other financial liabilities		17,111,696				17,111,696			17,111,696		
Total financial liabilities		17,592,933	1,323		479,914	17,591,610	481,237		17,111,696		

Market Risk

Interest risk

Exposure to Interest rate risk might arise primarily through the entity's interest bearing assets and liabilities. Sensitivity disclosure analysis

Taking into account past performance, future expectations, and management's knowledge and experience of the financial markets, the entity believes the following movements are 'reasonably possible' over the next 12 months – a parallel shift of +1% or -1% in market interest rates(AUD) from year-end rates.

The following tables disclose the impact on net operating results and equity for each category of financial instrument held by the entity as presented to key management personnel, if changes in the relevant risk occur.

2022		Interest rate risk	Interest rate risk	Interest rate risk	Interest rate risk
		-1%	-1%	1%	1%
	Carrying amount	Profit	Equity	Profit	Equity
Financial assets					
Cash & cash equivalent	7,262,006	(72,620)	(72,620)	72,620	72,620
Receivables	3,533,368	(35,333)	(35,333)	35,333	35,333
Investment in JBWere	4,666,433	(46,664)	(46,664)	46,664	46,664
Financial Liabilities					
Trade creditors & accruals	350,971	3,509	3,509	(3,509)	(3,509)
Interest bearing liabilities	819	8	8	(8)	(8)
Other financial liabilities	16,343,102	163,431	163,431	(163,431)	(163,431)

2023		Interest rate risk	Interest rate risk	Interest rate risk	Interest rate risk
		-1%	-1%	1%	1%
	Carrying amount	Profit	Equity	Profit	Equity
Financial assets					
Cash & cash equivalent	10,102,337	(101,023)	(101,023)	101,023	101,023
Receivables	2,136,884	(21,368)	(21,368)	21,368	21,368
Investment in, JBWere	4,987,233	(49,872)	(49,872)	49,872	49,872
Financial Liabilities					
Trade creditors & accruals	479,914	4,799	4,799	(4,799)	(4,799)
Interest bearing liabilities	1,324	13	13	(13)	(13)
Other financial liabilities	17,111,696	171,117	171,117	(171,117)	(171,117)

These notes should be read in conjunction with the attached compilation report.

14. Cash flow information

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

15. Contingent liabilities and contingent assets

As required under Section 29 of the Retirement Village Act 1986, a charge has been created over land held by Keilor Hostel for the Aged Assoc, Inc. The charge has priority over all encumbrances created or arising in relation to the land. The amount of the charge is the amount of refundable contributions less any amount refunded to residents.

Statement by Members of the Committee

Holloway Aged Care Services Incorporated
For the year ended 30 June 2023

In the opinion of the Committee the financial report as set out on the following pages:

Presents a true and fair view of the financial position of Holloway Aged Care Services Incorporated as at 30 June 2023 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Standards Board.

At the date of this statement, there are reasonable grounds to believe that Holloway Aged Care Services Incorporated will be able to pay its debts as and when they fall due.

Working Capital Deficiency

Notwithstanding the Association's deficiency in working capital, this report is tabled on a going concern basis. This aspect is adopted as the Committee Members believe that, notwithstanding that accommodation bonds will require repayment in the coming twelve months.

A copy of the Independent Audit Report to the Members of Holloway Aged Care Services Incorporated from John Gerard Hughes a Registered Company Auditor is included in this report.

This statement is made in accordance with a resolution of the Committee and is signed for and behalf of the Committee by:

Signed by:
Brian Moloney
E8FB3695090AFA11

Brian Moloney

President

Sign Date: 04/09/2023

Signed by:
Peter Tomlinson
C3582C57E4301515

Peter Tomlinson

Treasurer:

Sign Date: 01/09/2023

Compilation Report

Holloway Aged Care Services Incorporated For the year ended 30 June 2023

Compilation report to Holloway Aged Care Services Incorporated

We have compiled the accompanying special purpose financial statements of Holloway Aged Care Services Incorporated, which comprise the balance sheet as at 30 June 2023, the income statement, the statement of cash flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors

The directors of Holloway Aged Care Services Incorporated are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility


On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Signed by:

1F15AA76376CAA63

James Hughes

Hotchkinn Hughes Pty Ltd

27 Norwood Crescent, Moonee Ponds, VIC 3039

Dated: 01/09/2023