

WOORAYL LODGE INC.

A 0025521Y

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

NAPS: 3009

ABN: 29 396 030 183

WOORAYL LODGE INC.

A0025521Y

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

	NOTE	2023	2022
Revenue	2	4,741,448	4,095,560
Employee benefits expense		(2,948,406)	(2,563,531)
Depreciation and amortisation expenses	3	(6,608)	(396,731)
Other expenses		(1,530,240)	(1,435,754)
Finance costs	3	(17,343)	(8,521)
<b>Operating surplus (deficit)</b>		<b>238,851</b>	<b>(308,977)</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) attributable to the members of the association</b>		<b>238,851</b>	<b>(308,977)</b>

The accompanying notes form part of these financial statements.

WOORAYL LODGE INC.

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**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	NOTE	2023	2022
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	2,643,375	1,238,208
Trade and other receivables	6	330,004	92,393
Other current assets	7	94,003	67,010
Financial assets	8	7,120,000	6,267,000
<b>TOTAL CURRENT ASSETS</b>		<b>10,187,382</b>	<b>7,664,611</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	9	1,864,693	1,810,043
Right-of-use asset	13	437	1,750
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,865,130</b>	<b>1,811,793</b>
<b>TOTAL ASSETS</b>		<b>12,052,512</b>	<b>9,476,404</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	278,925	332,955
Refundable deposits	11	7,887,598	5,484,675
Employee benefits	12	191,548	217,286
Lease liability	14	437	1,313
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,358,508</b>	<b>6,036,229</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	12	85,123	69,708
Lease liability	14	-	437
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>85,123</b>	<b>70,145</b>
<b>TOTAL LIABILITIES</b>		<b>8,443,631</b>	<b>6,106,374</b>
<b>NET ASSETS</b>		<b>3,608,881</b>	<b>3,370,030</b>
<b>EQUITY</b>			
Retained earnings		3,370,030	3,679,007
Current year surplus (deficit)		238,851	(308,977)
<b>TOTAL EQUITY</b>		<b>3,608,881</b>	<b>3,370,030</b>

The accompanying notes form part of these financial statements.

WOORAYL LODGE INC.

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

	<b>Accumulated Surplus</b>
Balance at 1 July 2021	3,679,007
Deficit attributable to members	(308,977)
<b>Balance at 30 June 2022</b>	<b>3,370,030</b>
Surplus attributable to members	238,851
<b>Balance at 30 June 2023</b>	<b>3,608,881</b>

The accompanying notes form part of these financial statements.

WOORAYL LODGE INC.

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

	NOTE	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating receipts		4,260,556	3,990,370
Payments to employees and suppliers		(4,542,999)	(3,996,703)
Interest received		216,288	25,862
Interest paid		(45,175)	(8,521)
<b>Net cash provided by / (used in) Operating Activities</b>	17	<b>(111,330)</b>	<b>11,008</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(61,258)	(24,694)
<b>Net cash provided by / (used in) Investing Activities</b>		<b>(61,258)</b>	<b>(24,694)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Additions to)/ withdrawals from term deposits		(853,000)	1,688,000
Hostel bonds received		5,113,000	1,890,754
Hostel bonds refunded		(2,682,245)	(2,886,988)
Loan repayments		-	(631)
<b>Net cash provided by / (used in) Financing Activities</b>		<b>1,577,755</b>	<b>691,135</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>1,405,167</b>	<b>677,449</b>
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>1,238,208</b>	<b>560,759</b>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	17	<b>2,643,375</b>	<b>1,238,208</b>

The accompanying notes form part of these financial statements.

# WOORAYL LODGE INC.

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

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### General Information

The financial statements cover Woorayl Lodge Inc. as an individual entity. Woorayl Lodge Inc. is an association incorporated in Victoria under the *Associations Incorporations Reform Act (Vic) 2012* and is also registered as a charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report was authorised for issue by the Board of Management on 27 October 2023.

#### Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Standards of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Regulations 2013* ("ACNC Regulation"). The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### a. Income Tax

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

#### b. Comparatives

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

#### c. Property, Plant & Equipment

Each class of property, plant and equipment are measured at cost, less where applicable accumulated depreciation and impairment losses.

#### Property

Freehold land and buildings are measured on the cost basis less depreciation and impairment losses. Land is not depreciated.

#### 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 committee of management 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 that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amount.

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the 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 assets are:

<b>Class of fixed asset</b>	<b>Depreciation Rate</b>
Buildings	2.5% - 14.8%
Plant and equipment	5.0% - 35.3%
Motor vehicles	6.67%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

As a result of the previous decision of the Board to proceed with the planning for the Boags Road site, effective from 1 July 2018, the Board resolved to increase the depreciation rate for all assets that will eventually be demolished at the current site to be written off on a straight-line basis over a four-year period.

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

d. **Impairment of assets**

At each reporting date, the committee reviews the carrying values of its tangible and intangible assets (if any) 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. Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e. **Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company commits itself to either the purchase or the sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**e. Financial Instruments (continued)**

**Classification and subsequent measurement**

*Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 : Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- it is part of a portfolio where there is an actual pattern of short-term profit taking; or
- it is a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

*Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss on the basis of the two primary criteria:
  - the contractual cash flow characteristics of the financial asset; and
  - the business model for managing the financial assets.



WOORAYL LODGE INC.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**e. Financial Instruments (continued)**

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The company initially designates a financial instrument as measured at fair value through profit and loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the company was documented appropriately, so as the performance of the financial liability that was part of the company's financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

*Equity instruments*

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the company made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the company's accounting policy.

**Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**e. Financial Instruments (continued)**

**Derecognition of financial liabilities**

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**Derecognition of financial assets**

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the company no longer controls the asset (ie no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Impairment**

The company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**e. Financial Instruments (continued)**

*Recognition of expected credit losses in financial statements*

At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial asset that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

**f. Refundable Accommodation Deposits**

The liability for refundable accommodation deposits is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees pursuant to the Aged Care Act 1997. These liabilities are considered to be current as the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. The obligation to settle could occur anytime.

**g. Leases**

The association assesses at contract inception whether the contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A single recognition and measurement approach is applied to all leases, except for short-term leases and leases of low-value assets. The association recognises liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The payment for leases not recognised as a right to use asset, are recorded as an expense when incurred.

**(i) Right-of-use assets**

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

**(ii) Lease Liabilities**

At the commencement date of the lease, the association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The carrying amount of lease liabilities is measured if there is a modification, a change in the lease term or a change in the lease payments.

**(iii) Short term leases and leases of low value assets**

The short-term lease recognition exemption is applied to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight -line basis over the lease term.

WOORAYL LODGE INC.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**h. Employee Benefits**

**Short-term employee benefits**

Provision is made for the association's obligation for short term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period to which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The association's obligations for short-term employee benefits are recognised as part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

Provision is made for the association's annual leave and long service leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields on government bonds that have maturity dates approximating the terms of the obligations. Any re-measurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The association's obligations for long term employee benefits are presented as non-current provisions in the statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

**i. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The association does not hold any overdraft facility.

**j. Revenue**

The association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Woorayl Lodge Inc. activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**k. Accounts receivable**

Accounts receivable and other debtors include amounts due to from residents and other parties for services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable as initially recognised at fair value and subsequently measured at the estimate recoverable amount taking into account any provision for impairment.

**l. Accounts payable**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**m. Goods and Services Tax**

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 the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

**n. Critical Accounting Estimates and Judgments**

Estimates and judgments incorporated into the financial report are 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 Estimates – Impairment**

The association assesses impairment at each reporting date by evaluating conditions specific to the association's that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**Key Judgments - Provision for impairment of receivables**

The collectability of receivables at 30 June 2023 has been assessed an appropriate provision for impairment of receivables has been calculated at 30 June 2023 as disclosed in Note 6 to the financial report.

**o. New, Revised or Amending Accounting Standard and Interpretations Adopted**

There has been no significant change in accounting policy during the financial year.

Any new, revised or amending Australian Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

<b>NOTE 2: REVENUE</b>	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Rendering of services	4,496,931	4,056,490
<b>Non-operating activities</b>		
Donations received	28,229	13,360
Interest income	216,288	25,710
<b>Total non-operating activities</b>	<b>244,517</b>	<b>39,070</b>
<b>TOTAL REVENUE</b>	<b>4,741,448</b>	<b>4,095,560</b>
<b>Interest from:</b>		
Other persons	216,288	25,710
<b>NOTE 3: SURPLUS FROM OPERATING ACTIVITIES</b>		
<b>Operating surplus from ordinary activities has been Determined after recording as an expense:</b>		
Significant expenses:		
Interest paid on refunded accommodation bonds	17,343	8,521
<i>Depreciation of non-current assets</i>		
Buildings	-	236,528
Plant & equipment	6,608	159,746
Motor Vehicles	-	457
<b>Total depreciation</b>	<b>6,608</b>	<b>396,731</b>
<i>Bad and doubtful debts:</i>		
Trade receivables	-	-
<i>Remuneration of the auditor for:</i>		
Auditing or reviewing the financial report	7,500	7,000
Other services	-	480
Remuneration for other services to related practices of the auditor	-	-

WOORAYL LODGE INC.

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

<b>NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION</b>	<b>2023</b>	<b>2022</b>
Short term benefits	417,310	398,690
Post-employment benefits	-	-
	<b>417,310</b>	<b>398,690</b>
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Petty cash	950	850
Bank accounts - at call	2,642,425	1,237,358
	<b>2,643,375</b>	<b>1,238,208</b>
<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Residents	70,204	41,426
Funding receivable	112,401	10,223
GST refundable	36,212	33,469
Other trade receivables	111,187	7,275
	<b>330,004</b>	<b>92,393</b>
<b>NOTE 7: OTHER ASSETS</b>		
Prepayments	<b>94,003</b>	<b>67,010</b>
<b>NOTE 8: FINANCIAL ASSETS</b>		
Term deposits	<b>7,120,000</b>	<b>6,267,000</b>
<b>NOTE 9: PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold Land at cost	1,790,027	1,790,027
Buildings at cost	3,435,396	3,435,396
Less accumulated depreciation	(3,435,396)	(3,435,396)
<b>Written down value</b>	<b>-</b>	<b>-</b>
Equipment and fittings at cost	776,264	715,006
Less accumulated depreciation	(701,598)	(694,990)
<b>Total Plant &amp; Equipment</b>	<b>74,666</b>	<b>20,016</b>

WOORAYL LODGE INC.

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

<b>NOTE 9: PROPERTY, PLANT AND EQUIPMENT (continued)</b>	<b>2023</b>	<b>2022</b>
Motor vehicles at cost	25,854	25,854
Less accumulated depreciation	(25,854)	(25,854)
<b>Total Furniture &amp; Fixtures</b>	-	-
<b>Total property, plant and equipment at written down value</b>	<b>1,864,693</b>	<b>1,810,043</b>

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	<b>Freehold Land</b>	<b>Buildings</b>	<b>Equipment &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Total</b>
Balance at start	<b>1,790,027</b>	-	<b>20,016</b>	-	<b>1,810,043</b>
Additions	-	-	61,258	-	61,258
Depreciation	-	-	(6,608)	-	(6,608)
Disposals	-	-	-	-	-
<b>Balance at end of year</b>	<b>1,790,027</b>	-	<b>74,666</b>	-	<b>1,864,693</b>

**NOTE 10: TRADE AND OTHER PAYABLES**

**CURRENT**

Unsecured liabilities:

Trade payables	189,021	145,902
Accrued payroll	39,134	28,375
PAYG withholding	29,030	22,074
Superannuation payable	21,740	-
Unexpended funds (Business Improvement Grant)	-	125,750
Fees received in advance	-	10,854
<b>Total</b>	<b>278,925</b>	<b>332,955</b>

**NOTE 11: REFUNDABLE DEPOSITS**

	<b>Flat Bonds</b>	<b>Accommodation Bonds</b>	<b>Total</b>
Balance at 1 July 2022	-	5,484,675	5,484,675
Received	-	5,113,000	5,113,000
Refunded	-	(2,698,743)	(2,698,743)
Interest paid	-	16,498	16,498
Drawdowns	-	(27,832)	(27,832)
<b>Balance at 30 June 2023</b>	-	<b>7,887,598</b>	<b>7,887,598</b>



WOORAYL LODGE INC.

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

<b>NOTE 12: EMPLOYEE BENEFITS</b>	<b>2023</b>	<b>2022</b>
<b>Analysis of total provisions</b>		
Current	191,548	217,286
Non-current	85,123	69,708
<b>Total</b>	<b>276,671</b>	<b>286,994</b>

Number of employees at year end (FTE)	51	55
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**NOTE 13: RIGHT-OF-USE ASSET**

Copier lease	437	1,750
Total Right-of-Use Asset	<b>437</b>	<b>1,750</b>

Movement in carrying amounts for each right-of-use asset between the beginning and the end of the current financial year:

	<b>Copier Lease</b>
Balance at the beginning	1,750
Initial recognition of new standard	-
Expensed	(1,313)
<b>Balance at the end of the year</b>	<b>437</b>

**NOTE 14: LEASE LIABILITIES**

<b>Current</b>		
Copier lease	437	1,313
<b>Non-current</b>		
Copier lease	-	437
<b>Total lease liabilities</b>	<b>437</b>	<b>1,750</b>

**NOTE 15: CAPITAL COMMITMENTS**

At the date of this report, the board has approved minor capital works for the creation of 2 additional funded residential beds. Works were completed on 1 room and the additional bed licence granted in October 2023. The renovations of the old "matrons flat" is still in progress and is expected to be completed in Q2 2023/24.

The initial planning permit for "Woorayl Village" at Boags Rd was approved by South Gippsland Shire Council in September 2023, however funding still needs to be secured for the project before works can begin.

WOORAYL LODGE INC.

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

**NOTE 16: INTANGIBLE AND CONTINGENT ASSETS**

AASB 1004 and AASB 138 indicate that bed licenses should be ascribed a fair value. The expected future economic benefits accruing to the association arise from the use of the bed licenses together with the association's other income generating assets. Because there is a single income stream, any value ascribed to the bed licenses as an intangible asset must reduce the value of the assets in other classes. The bed licenses will generate an identifiable income stream directly if they are sold separately. Such a sale is contingent on the association ceasing operations as an aged care facility. The committee has therefore elected to treat bed licenses as a contingent asset. The association holds 40 bed licenses.

**NOTE 17: CASH FLOW INFORMATION**

**2023**

**2022**

**a) Reconciliation of cash for purposes of cash flows.**

Cash on hand	950	850
Cash at bank	2,642,425	1,237,358
	<b>2,643,375</b>	<b>1,238,208</b>

**b) Reconciliation of net cash provided by operating activities to deficit from operations:**

Surplus (Deficit) from operations	238,851	(308,977)
<i>Non-Cash Flows in deficit from operations</i>		
Depreciation	6,608	396,731
Drawdown from refundable deposits	(27,832)	(38,206)
<i>Changes in Assets &amp; Liabilities</i>		
(Increase)/ Decrease in trade and other receivables	(237,611)	(36,029)
(Increase)/ Decrease in other assets	(26,993)	(27,429)
Increase / (Decrease) in trade and other payables	(54,030)	52,487
Increase/ (Decrease) in employee benefits	(10,323)	(27,569)

**NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES**

**(111,330)**

**11,008**

**c) The association has no credit standby or financing facilities in place.**

**d) There were no non-cash financing or investing activities during the year.**

# WOORAYL LODGE INC.

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

### **NOTE 18: ECONOMIC DEPENDENCE**

The association is substantially dependent on the receipt of continued funding from the Federal Government through the Department of Health. Federal funding requires recipient organisations to meet various quality assurance standards as specified from time to time.

### **NOTE 19: RELATED PARTY TRANSACTIONS**

Members of the Committee of Management act in an honorary capacity. No honorariums were paid. Members of the Board of Management do not receive any benefit other than those available to any member of the association and are transacted on normal terms and conditions.

### **NOTE 20: CONTINGENT LIABILITY**

Certain assets have been acquired with Specific Funding Grants and with Specified Donations. The funding agreements provide for the re-direction of certain assets by the Department of Health and Ageing on the termination of the funding agreements. Therefore, these assets may not realise their carrying value.

The association has been requested to provide information to the Department of Health and Ageing pursuant to the *Aged Care (Accommodation Payment Security) Act 2006*. The legislation states that should an aged care facility in Victoria be placed into liquidation with outstanding unpaid accommodation bond balances, the Department of Health and Ageing may impose a levy in respect of the refund obligations to recover any shortfall in funds paid out. The amount and timing of the imposition of any levy is unknown at the balance sheet date.

### **NOTE 21: CONTINGENCIES AND COMMITMENTS**

On the 18th September 2023, South Gippsland Shire Council advised that the Woorayl Village / Boags Road Planning Permit application has been approved. 12 permit conditions have been set in planning permit 2022/179 and are being worked through. The works and fees prescribed in the permit conditions are standard practice for developer works to be handed over to Council. These items are in accordance with Council's Infrastructure Design Manual, which is incorporated into the South Gippsland Planning Scheme. Funding plans remain challenging with a formal launch plans for support funds being prepared.

### **NOTE 22: FINANCIAL RISK MANAGEMENT**

The association's financial instruments consist mainly of deposits with banks, investments, accounts receivable and accounts payable.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

#### **Financial Risk Management Policies**

The association's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The treasurer monitors the association's financial transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring financial risk exposures are held on a regular basis and minuted by the Committee of Management.

#### **Financial Risk Exposures**

##### **(a) Interest Rate Risk**

The association'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 assets and financial liabilities is not material.

WOORAYL LODGE INC.

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

**NOTE 22: FINANCIAL RISK MANAGEMENT (continued)**

**(b) Credit Rate 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 of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The association does not have any material credit risk exposure to any single debtor or group of debtors.

**(c) Liquidity Risk**

Liquidity risk arises from the possibility that the association may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk by regularly reviewing available cash and future cash inflows and ensuring appropriate levels of cash are available to meet financial liabilities.

**Net Fair Values**

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

**NOTE 23: SUBSEQUENT EVENTS**

At the end of September 2023, the contract with CaterCare our catering contractor was terminated, we have now moved to a hybrid mix of obtaining meals from an external supplier, which are heated and served by Woorayl Lodge staff.

**NOTE 24: INCORPORATION**

Woorayl Lodge Inc. was incorporated under the *Associations Incorporation Reform Act (Vic) 2012* on 9 July 1992.

**NOTE 25: ASSOCIATION DETAILS**

The registered office and principal place of business of the association is:  
Woorayl Lodge Inc.  
73 McCartin Street  
Leongatha VIC 3953

WOORAYL LODGE INC.

A0025521Y

**STATEMENT BY MEMBERS OF THE COMMITTEE**

In the opinion of the Committee of Management of Woorayl Lodge Inc., the financial report as set out on pages 1 to 20:

- i) Presents a true and fair view of the financial position of Woorayl Lodge Inc. as at 30 June 2023 and its performance for the year ended on that date, in accordance with Australian Accounting Standards of the Australian Accounting Standards Board and the requirements of the *Associations Incorporation Reform Act (Vic) 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*.
- ii) At the date of this statement there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

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



Linda Fiddelaers

Chair

Date:

30/10/23



Robert Bruce

Finance Committee

30/10/23

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER ACNC ACT SECTION 60-40  
TO THE COMMITTEE MEMBERS OF WOORAYL LODGE INC.**

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Committee members of Woorayl Lodge Inc. As the lead audit partner for the audit of the financial report of Woorayl Lodge Inc. for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been no contraventions of:

- the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Dated this 31<sup>st</sup> day of October 2023



**AMW AUDIT**  
Chartered Accountants



**MARTIN SHONE**  
Principal

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOORAY LODGE INC.

### Opinion

We have audited the financial report of Wooray Lodge Inc. (the Association) 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 statements, including a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

In our opinion, the accompanying financial report of the Association 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 Association'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 to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the members of Wooray Lodge Inc., would be in the same terms if given to the members as at the time of this auditor's report.

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

### Responsibilities of the Members for the Financial Report

The members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members are responsible for assessing the Association'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 members either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

### 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 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 Association'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 Association 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 management 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.

We also provide the committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**AMW AUDIT**

Chartered Accountants

Address: Unit 8, 210 Joondalup, Western Australia



**MARTIN SHONE**

Principal & Registered Company Auditor

Registered Company Auditor Number - 314299

Dated at Perth, Western Australia this 31<sup>st</sup> day of October 2023