Baptist Village Baxter Limited
ABN 96 006 640 544

Annual report
for the year ended 30 June 2024

every person cared for, every person valued

Baptist Village Baxter Limited
ABN 96 006 640 544
Annual report - 30 June 2024

Contents

The directors present their report on Baptist Village Baxter Limited ("the Company") for the year ended 30 June 2024.

Directors

The following persons were directors of Baptist Village Baxter Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

R. Stuart Shaw
Bryan Quinn
Elizabeth Haworth
Margaret Williams
Eileen Prudden
Ronald Crosling (was a director from the beginning of the financial year until his resignation on 5 July 2023)

Principal activities and objectives

During the year the principal activities of the Company, which is limited by Guarantee, consisted of operating a resident funded Retirement Village comprising Independent Living Units at Frankston and Rosebud and Residential Aged Care Home. Through the operation of these services the Company was able to provide residential accommodation, assistance and related services that have relieved poverty, sickness, suffering, distress, misfortune, destitution, disability, disadvantage or helplessness among persons who have reached retirement age.

Additionally the Company provides Community Care Services to persons of all ages throughout the Southern Metropolitan region and an on-site Day Centre to support carers in the community.

Through the provision of these services, the Village provides direct employment for over 250 staff.

Dividends

No dividend was paid or any dividend proposed for the current year, in accordance with the Constitution of the Company.

Review of operations

The Company reported a total comprehensive income for the year of $1,177,094 in the current year compared to a total comprehensive income of $4,679,426 in 2023.

Interest totalling $417,529 (2023: $142,268) was earned on funds on deposit, while commissions and fees paid to financial institutions amounted to $96,170 (2023: $79,564) during the year.

Most Baxter Village units have been occupied at some time during the year, but 14 were vacant at June 2024 (2023: 13). There is a waiting list of 273 (2023: 286) potential residents. The vacant units have been set aside for refurbishment prior to resale.

At Rosebud, 4 units were vacant at June 2024 (2023: 4). The vacant units have been set aside for refurbishment prior to resale.

Significant changes in the state of affairs

Village Baxter continues to operate Retirement Villages and deliver Residential Aged and Community based care. In May 2024, the directors of Baptist Village Baxter Limited decided to sell the Rosebud Independent Living Units. There are several interested parties and the sale is expected to be completed before the end of December 2024.

There have been no other significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

The directors expect that the Company will continue to carry out its principal activities as detailed above. There are no other known or likely developments which the directors foresee which they wish to disclose at this time.

Environmental regulation

The Company recognises the importance of environmental issues and occupational health and safety and is committed to high quality performance. Directors are committed to complying with all relevant legislation, regularly reviewing and improving the impact of the Company's operations on the environment and, in co-operation with all employees, enhancing the safety of the Village as a working and living environment.

Limited liability

The liability of Members is limited to an amount not exceeding ten dollars in the event of the Company being wound up whilst being a Member.

Insurance of officers

During the financial year, Baptist Village Baxter Limited paid a premium of $50,903 (2023: $48,163) to insure the directors during the whole of the financial year and up to the date of this report: R. Crosling, E. Haworth, B. Quinn, M. Williams, E. Prudden, R.S Shaw and the secretary, K. Jackson. Other officers covered by the policy include the Chief Executive Officer, Business Manager, Director of Clinical Services, Maintenance Manager, Buildings Manager, IT Manager, Sales Manager, Community Care Manager, Rosebud Manager, and Village Manager.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Information on directors

R. Stuart Shaw *Chairperson*
Experience and expertise
Retired General Manager. Director since 27 April 2021.

Bryan Quinn
Experience and expertise
Retired Human Resource and Community Care Manager. Director since 28 June 2016.

Ronald Crosling
Experience and expertise
General management experience and Company owner. Director since 27 January 2009 and resigned on 5 July 2023.

Elizabeth Haworth
Experience and expertise
Retired Director of Nursing/Care Manager. Director since 28 August 2012.

Margaret Williams
Experience and expertise
Retired Chaplain. Director since 22 November 2021.

Information on directors (continued)

Eileen Prudden
Experience and expertise
Retired Aged Care CEO. Director since 22 November 2021.

Company secretary

The Company secretary is Kim Jackson. Kim Jackson was appointed to the position of Company secretary on 26 April 2022.

Chief Executive Officer

The Chief Executive Officer is Kim Jackson. Kim was appointed to the position on 1 June 2020.

Meetings of directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2024, and the numbers of meetings attended by each director were:

	Full meetings of directors	
	A	B
R. Stuart Shaw	6	6
Bryan Quinn	5	6
Ronald Crosling	2	2
Elizabeth Haworth	6	6
Margaret Williams	6	6
Eileen Prudden	6	6

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 4.

This report is made in accordance with a resolution of the directors.

R. Stuart Shaw
Director

Bryan Quinn
Director

Melbourne
27 August 2024

Auditor's Independence Declaration

As lead auditor for the audit of Baptist Village Baxter Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Anthony Vlavianos
Partner
PricewaterhouseCoopers

Melbourne
27 August 2024

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These financial statements cover Baptist Village Baxter Limited as an individual entity. The financial statements are presented in Australian dollars which is Baptist Village Baxter Limited's functional and presentation currency.

Baptist Village Baxter Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Baptist Village Baxter Limited
8 Robinsons Road
Frankston South VIC 3199

A description of the nature of the entity's operations and its principal activities is included in the directors' report on page 1, which is not part of these financial statements.

These financial statements were authorised for issue by the directors on 27 August 2024. The directors have the power to amend and reissue the financial statements.

	Notes	**2024 $**	2023 $
Revenue	4	**23,737,413**	23,035,922
Other gains - net	5	**618,260**	4,472,832
Employee benefits expense	3(b)	**(14,706,514)**	(13,060,982)
Depreciation expense		**(258,603)**	(498,749)
Food Supplies	3(b)	**(625,332)**	(402,519)
Domestic supplies	3(b)	**(378,479)**	(403,481)
Fuel and power	3(b)	**(446,360)**	(486,572)
Repairs and maintenance	3(b)	**(2,352,052)**	(2,651,272)
Homecare package client general expenses		**(1,393,478)**	(1,323,691)
Interest expense on leases under AASB 16	3(b)	**(590,968)**	(443,249)
Rates expense		**(447,676)**	(495,836)
Other expenses		**(1,882,947)**	(1,510,896)
Finance costs	3(b)	**(96,170)**	(79,564)
Operating profit		**1,177,094**	6,151,943
Profit before income tax		**1,177,094**	6,151,943
Income tax expense		**-**	-
Profit for the year		**1,177,094**	6,151,943
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Decrements on the revaluation of land and buildings		**-**	(1,472,517)
Other comprehensive loss for the year, net of tax		**-**	(1,472,517)
Total comprehensive income for the year		**1,177,094**	4,679,426

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

	Notes	**2024 $**	2023 $
ASSETS			
Current assets			
Cash and cash equivalents	7	**7,408,508**	6,510,075
Trade and other receivables	8	**321,307**	922,788
Financial assets at fair value through profit or loss	9	**12,625,215**	11,786,976
Financial assets at amortised costs	10	**6,075,847**	5,833,721
		26,430,877	25,053,560
Assets classified as held for sale	6	**30,477,740**	-
Total current assets		**56,908,617**	25,053,560
Non-current assets			
Property, plant and equipment	11	**9,084,154**	9,205,201
Investment properties	12	**78,281,164**	107,246,012
Total non-current assets		**87,365,318**	116,451,213
Total assets		**144,273,935**	141,504,773
LIABILITIES			
Current liabilities			
Trade and other payables	13	**1,207,519**	1,477,081
Employee benefit obligations	14	**1,630,290**	1,629,138
Other current liabilities	15	**86,775,283**	106,165,610
		89,613,092	109,271,829
Liabilities directly associated with assets classified as held for sale	6	**21,409,368**	-
Total current liabilities		**111,022,460**	109,271,829
Non-current liabilities			
Employee benefit obligations	14	**677,704**	483,848
Provision for major maintenance	16	**150,000**	502,419
Total non-current liabilities		**827,704**	986,267
Total liabilities		**111,850,164**	110,258,096
Net assets	3(b)	**32,423,771**	31,246,677
EQUITY			
Assets revaluation reserves	17	**391,318**	391,318
Retained earnings		**32,032,453**	30,855,359
Total equity		**32,423,771**	31,246,677

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

	Assets revaluation reserves $	Retained earnings $	Total equity $
Balance at 1 July 2022	1,863,835	24,703,416	26,567,251
Profit for the year	-	6,151,943	6,151,943
Other comprehensive (loss)	(1,472,517)	-	(1,472,517)
Total comprehensive (loss)/income for the year	**(1,472,517)**	**6,151,943**	**4,679,426**
Balance at 30 June 2023	**391,318**	**30,855,359**	**31,246,677**
Balance at 1 July 2023	391,318	30,855,359	31,246,677
Profit for the year	-	1,177,094	1,177,094
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**1,177,094**	**1,177,094**
Balance at 30 June 2024	**391,318**	**32,032,453**	**32,423,771**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Baptist Village Baxter Limited
Statement of cash flows
For the year ended 30 June 2024

	Notes	**2024** **$**	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**19,116,799**	16,965,545
Payments to suppliers and employees (inclusive of GST)		**(22,195,030)**	(16,992,139)
		(3,078,231)	(26,594)
Proceeds from ingoing contributions by residents		**15,868,347**	11,597,917
Repayment of liabilities - departed residents		**(10,627,070)**	(8,643,325)
Interest received		**417,529**	142,268
Dividends received	4	**381,338**	384,855
Trust distributions received	4	**151,314**	87,439
Interest paid		**(96,170)**	(79,564)
Net cash inflow from operating activities		**3,017,057**	3,462,996
Cash flows from investing activities			
Payments for amortised cost investments		**(242,126)**	(77,734)
Payments for property, plant and equipment	11	**(137,556)**	(101,828)
Payments for investment properties		**(1,512,892)**	(2,310,635)
Proceeds from sale of available-for-sale financial assets		**1,783,994**	-
Proceeds from sale of property, plant and equipment		**7,973**	3,827
Purchases of available-for-sale financial assets		**(2,018,017)**	(377,374)
Net cash outflow from investing activities		**(2,118,624)**	(2,863,744)
Net increase in cash and cash equivalents		**898,433**	599,252
Cash and cash equivalents at the beginning of the financial year		**6,510,075**	5,910,823
Cash and cash equivalents at the end of the financial year	7	**7,408,508**	6,510,075

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

Notes to the financial statements

1 Summary of material accounting policies

This note provides a list of all material accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Baptist Village Baxter Limited as an individual entity.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Australian Charities and Not-for-Profits Commission Act 2012*. Baptist Village Baxter Limited is a not for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Simplified Disclosure Requirements

The financial statements of the Company comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2023:

- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities (including listed equities), certain classes of property, plant and equipment and investment property measured at fair value.

(b) Accommodation bonds definition

Accommodation Bonds have been recognised in accordance with the following legislative requirements:

• Entry contributions received under the *Aged Care Act 1997* are determined based on an asset test in accordance with the legislation.

• Entry contributions received under the *Aged Care (Living Longer Living Better) Act 2013* are determined based on an asset and income test in accordance with the legislation. Based on the outcome of the test the resident has the following payment options:

- A Refundable Accommodation Deposit (RAD) or a Refundable Accommodation Charge (RAC), which is accounted for as an accommodation bond, or
- A Daily Accommodation Payment (DAP) or a Daily Accommodation Charge (DAC), which is accounted for as resident fee revenue, or
- A combination of both a RAD or RAC and DAP or DAC.

1 Summary of material accounting policies (continued)

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods or services supplied.

Revenue is recognised when performance obligations are satisfied by transferring control of goods or services to a customer, and exclude amounts collected on behalf of third parties. Revenue is recognised only to the extent that it is probable the economic benefits will accrue to the Company, the revenue can be measured reliably and the contract has commercial substance.

The revenue recorded is the amount of consideration specified in a contract with a customer that the Company expects to be entitled to in exchange for those goods or services.

Revenue is recognised in accordance with the five step model as stipulated in AASB 15 *Revenue from contracts with customers*:

1. Identify contracts with customers: A contract is an agreement which creates enforceable rights and obligations and sets out criteria that must be met.
2. Identify performance obligations within a contract: A performance obligation is a promise to deliver goods or services to a customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for delivering the promised goods or services to a customer.
4. Allocate the transaction price to the performance obligations.
5. Recognise revenue as and when the Company satisfies performance obligations.

Revenue is recognised for the major business activities as follows:

(i) Independent Living Units

Deferred management fees ("DMFs"), administrative fee, asset replenishment fees (ARF's) (refer to 1(d)) and service fees are earned in accordance with the conditions of the lease between the resident and the Village.

The DMF revenue is recognised over the average length of stay of a resident, estimated at 10 years.

Administrative fee revenue is recognised at the point in time when the resident moves into their Independent Living Unit.

(ii) Manor (RAC 4267) (Residential Aged Care Facilities)

Manor residents have signed residents' agreements or have been offered agreements which determines the accommodation bond amount based on the relevant legislation (see Note 1(b)). Retentions from bonds and interest on any unpaid bond balances are brought to account as income on a monthly basis.

The Daily Contribution fees charged to each resident are brought to account monthly, as are government subsidies received.

(iii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(iv) Interest income

Interest income from financial assets measured at fair value through profit or loss (FVPL) is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at fair value through other comprehensive income (FVOCI) calculated using the effective interest rate method is recognised in profit or loss as part of other income.

1 Summary of material accounting policies (continued)

(c) Revenue recognition (continued)

(v) Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

(d) Provision for major maintenance

AFR revenue relates to the purchase of major maintenance predominantly relating to capitalised investment properties. When this fee is received its included in the provision for in the non-current liability - major maintenance and is credited to investment properties when the maintenance is performed and capitalised.

(e) Income tax

The Deputy Commissioner of Taxation has confirmed that the Company is considered to be exempt from Income Tax under Subdivision 50-5 of the *Income Tax Assessment Act 1997.*

(f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets are reviewed for possible reversal of the impairment at the end of each reporting year.

The Company has two types of financial assets that are subject to the expected credit loss model.

- Trade receivables from the operation of services;
- Debt instruments carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9 *Financial Instruments*, there were no impairment losses recognised during the year.

The Company applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 or 1 July 2023 respectively and the corresponding historical credit losses experienced within this period. The historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors, affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented in net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

All of the Company's debt instruments at amortised cost are considered to have low credit risk and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management considers 'low credit risk' for listed securities to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

1 Summary of material accounting policies (continued)

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original 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.

(h) Trade receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

See note 1(f) for information on the Company's impairment policies.

Interest receivable on financing and investment activities is accrued in accordance with the terms and conditions of the underlying financial instrument.

The balances for residents who defer payment of their entry contribution or accommodation bond are recognised as debtors. All fees are recognised as amounts receivable immediately when they are due for payment.

If collection of the receivable is expected in one year or less, it is classified as current assets. If not, it is presented as non-current assets.

(i) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the income statement.

1 Summary of material accounting policies (continued)

(j) Investments and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:
● those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
● those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/(losses), and impairment expenses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income/(losses) in the period in which it arises.

1 Summary of material accounting policies (continued)

(j) Investments and other financial assets (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other income/(losses) in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by AASB 9 *Financial instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(k) Property, plant and equipment

Land and buildings (except for investment properties - refer to note 1(l)) are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Plant and equipment and motor vehicles are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the reserve in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings	2.5% - 10%
Plant, equipment, fixtures and fittings	10% - 50%
Motor vehicles	20% - 25%

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

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 (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

1 Summary of material accounting policies (continued)

(l) Investment properties

Investment properties, comprising of Independent Living Units, are held for long-term capital income yields and are not occupied by the Company. Investment properties are carried at fair value, representing open-market value determined by external valuers at least every 3 years. Annual assessments are made by the directors. Changes in fair values are recorded in profit or loss.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Where trade payables are settled via electronic cash transfer, they are derecognised when the Company has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic payment instruction and the risk of a settlement not occurring is insignificant. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Aged Care Refundable Accommodation Deposits and Contributions (RAD and RAC)

Aged Care Refundable Accommodation Deposits and Contributions (RAD and RAC) are recorded initially at face value, at an amount equal to the RAD andR RAC received by the Village. These RAD and RAC are adjusted for any retentions under the relevant legislation.

RADs and RACs are classified as a current liability due to the Village not having unconditional rights to defer settlement for RADs or RACs at least 12 months after the end of the reporting period.

(o) Independent Living Units - resident liabilities and deferred income

Resident liabilities are recorded initially at face value, at an amount equal to the entry contribution received by the Village. This liability is adjusted for the deferred income expected to be recognised over the average length of stay of a resident estimated at 10 years.

Resident liabilities are classified as a current liability due to the Village not having unconditional rights to defer settlement for at least 12 months after the end of the reporting period.

(p) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets.

(q) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1 Summary of material accounting policies (continued)

(r) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Other long term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company pays contributions to publicly or privately administered defined contribution superannuation plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

2 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Calculation of deferred management fees (DMFs)

The DMFs have been calculated using a 10 year average length of stay for Independent Living Units.

The DMF receivable is then calculated by reference to current tenure of each resident. DMF income is recognised on a progressive annual basis over the average length of stay. Differences in cash received and the DMF receivable when a resident exits a unit or apartment are taken to the statement of profit or loss and other comprehensive income.

(ii) Estimates of fair value of investment properties

As referred to in note 1(l) and note 12 independent valuations of properties are prepared at least tri-annually. At the end of each reporting period the directors update their assessment of the fair value of each investment property, taking into account the most recent independent valuations. The Company determines a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar investment properties. Where such information is not available the Company considers information from a variety of sources including:

- Current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- Discounted cash flow projections based on reliable estimates of future cash flows; and
- Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from analysis of market evidence.

At the end of the reporting period the key assumptions used by the Company in determining fair value of the Company's Independent Living Units properties were as follows:

Baxter:

- Discount rate of 13% (2023: 13%);
- Capital expenditure of $10,287 per turnover and $60,680 for a full refurbishment;
- Average rate of resales per year of 8.85% (2023: 8.85%); and
- Income growth rate of 3.37% (2023: 3.37%).

Rosebud:

- Discount rate of 14% (2023: 14.0%);
- Capital expenditure of $10,564 per turnover and $72,615 for a full refurbishment;
- Income growth rate of 3.43% (2023: 3.43%).

All the above key assumptions have been taken from the last independent valuation report for the assets in the portfolio. All resulting fair value estimates for properties are included in level 3 of the fair value hierarchy.

2 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (continued)

(iii) Positive statement on going concern

The statement of financial position of the Company reflects negative net current assets (equal to current assets less current liabilities) of $54,113,843 (2023: $84,218,269). The directors are satisfied that they will be able to pay debts as and when they fall due because:

- As noted in note 15 resident liabilities are classified as current liabilities. However, the expected demand for repayments will be spread over future years, and
- When a resident departs the Village and repayment of the resident liability is required, the Company retains the right to resell the Independent Living Unit first, before repaying the resident liability. The directors are confident that, in view of the waiting list of 273 potential residents and rising prices for the Independent Living Units, the resulting cash flows from incoming residents will exceed the obligations of the outgoing residents.

3 Segment information

(a) Description of segments

The Company operates predominantly in the retirement village industry. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make decisions. The Board of Directors considers the business from both an operational and a geographic perspective and has identified six reportable segments. The operating segments are Independent Living Units (Baxter), Independent Living Units (Rosebud), Home Care Packages, Manor, Day Centre, Homecare services and Administration.

3 Segment information (continued)

(b) Primary reporting format - business segments

2024	Baxter	Homecare	Manor RAC 4267	Day Centre	Home Care Packages	Admin/ Sales	Rosebud	Total 2024
	$	$	$	$	$	$	$	$
Segment revenue								
Residential fees	3,189,697	1,763,093	1,630,776	60,797	2,855,422	-	683,669	10,183,454
Grants and subsidies	-	-	6,549,946	362,648	17,895	-	-	6,930,489
Accommodation charges	-	-	497,405	-	-	-	-	497,405
Tenancy sales income	2,671,298	-	-	-	-	-	665,412	3,336,710
Other operating revenue	65,343	-	6,890	1,900	372,505	677,268	117,959	1,241,865
Interest income AASB16	-	-	590,968	-	-	-	-	590,968
	5,926,338	**1,763,093**	**9,275,985**	**425,345**	**3,245,822**	**677,268**	**1,467,040**	**22,780,891**
Expenditures								
Salaries	2,171,691	1,530,531	7,503,014	311,601	1,567,907	1,206,882	414,888	14,706,514
Food supplies	8,410	29,289	390,981	22,543	170,163	2,624	1,322	625,332
Domestic expenses	198,962	657	152,475	1,785	-	11,557	13,043	378,479
Fuel/power	45,887	-	58,070	408	-	257,880	84,115	446,360
Rates expense	282,701	-	21,955	-	-	-	143,020	447,676
Repairs/maintenance	410,484	3,559	129,555	3,479	-	49,018	24,513	620,608
Admin & general	1,021,143	178,257	699,213	123,486	1,393,478	(244,689)	105,537	3,276,425
Refurbishment costs	1,069,907	-	-	-	-	-	661,537	1,731,444
	5,209,185	**1,742,293**	**8,955,263**	**463,302**	**3,131,548**	**1,283,272**	**1,447,975**	**22,232,838**
Net operating profit/(loss)	717,153	20,800	320,722	(37,957)	114,274	(606,004)	19,065	548,053
Depreciation	(5,998)	-	(251,867)	(738)	-	-	-	(258,603)
Net profit/(loss)	**711,155**	**20,800**	**68,855**	**(38,695)**	**114,274**	**(606,004)**	**19,065**	**289,450**
Net gain on disposal of PPE	-	-	-	-	-	7,973	-	7,973
Interest income	-	-	-	-	-	417,529	-	417,529
Trust income	-	-	-	-	-	151,314	-	151,314
Dividend income	-	-	-	-	-	387,679	-	387,679
Interest paid	-	-	-	-	-	(96,147)	(23)	(96,170)
Interest expense AASB 16	-	-	(590,968)	-	-	-	-	(590,968)
Gain on financial assets	-	-	-	-	-	610,287	-	610,287
Profit/(loss) for the year	**711,155**	**20,800**	**(522,113)**	**(38,695)**	**114,274**	**872,631**	**19,042**	**1,177,094**
Segment assets								
Current assets	6,676,693	132,780	4,472,199	-	-	14,621,970	31,004,975	56,908,617
Non-current assets	78,281,164	3,768	7,234,429	9,640	-	1,836,317	-	87,365,318
Segment assets	**84,957,857**	**136,548**	**11,706,628**	**9,640**	**-**	**16,458,287**	**31,004,975**	**144,273,935**
Segment liabilities								
Current liabilities	680,418	-	390,084	18,446	250,470	666,519	21,425,643	23,431,580
Current LSL liabilities	189,212	-	198,578	58,156	194,198	175,453	-	815,597
Other current liabilities - Bonds / ILU / Homecare	76,915,920	-	9,859,363	-	-	-	-	86,775,283
Non-current liabilities	204,046	-	441,145	7,675	61,225	89,693	23,920	827,704
Segment liabilities	**77,989,596**	**-**	**10,889,170**	**84,277**	**505,893**	**931,665**	**21,449,563**	**111,850,164**
Net assets	**6,968,261**	**136,548**	**817,458**	**(74,637)**	**(505,893)**	**15,526,622**	**9,555,412**	**32,423,771**
Other segment information								
Acquisitions of non-current segment assets	1,512,892	-	94,226	3,768	-	39,563	-	1,650,449

3 Segment information (continued)

(b) Primary reporting format - business segments (continued)

2023	Baxter	Home Care Packages	Manor RAC 4267	Day Centre	Homecare	Admin/ Sales	Rosebud	Total 2023
	$	$	$	$	$	$	$	$
Segment revenue								
Residential fees	3,141,088	3,098,427	1,491,983	68,153	1,615,711	-	646,558	10,061,920
Grants and subsidies	-	3,700	5,438,313	345,937	-	2,362	-	5,790,312
Accommodation charges	-	-	305,251	-	-	-	-	305,251
Tenancy sales income	3,705,340	-	-	-	-	-	815,199	4,520,539
Other operating revenue	65,653	-	85,203	900	5,028	916,366	245,249	1,318,399
Interest income AASB16	-	-	443,249	-	-	-	-	443,249
	6,912,081	**3,102,127**	**7,763,999**	**414,990**	**1,620,739**	**918,728**	**1,707,006**	**22,439,670**
Expenditures								
Salaries	1,943,751	1,311,422	6,358,984	269,456	1,584,916	1,215,947	376,506	13,060,982
Food supplies	3,933	90	291,024	23,690	50,143	33,474	165	402,519
Domestic expenses	182,354	-	172,877	1,818	675	30,313	15,444	403,481
Fuel/power	48,579	-	57,543	401	-	291,215	88,834	486,572
Repairs/maintenance	520,473	-	111,642	15,676	5,874	60,462	47,885	762,012
Admin & general	1,108,064	1,323,601	757,055	110,341	163,696	(387,871)	255,537	3,330,423
Refurbishment costs	943,452	-	44,990	-	-	3,292	897,526	1,889,260
	4,750,606	**2,635,113**	**7,794,115**	**421,382**	**1,805,304**	**1,246,832**	**1,681,897**	**20,335,249**
Net operating profit/(loss)	2,161,475	467,014	(30,116)	(6,392)	(184,565)	(328,104)	25,109	2,104,421
Depreciation	(14,347)	-	(347,214)	(6,530)	(7,093)	(123,347)	(218)	(498,749)
Net profit/(loss)	**2,147,128**	**467,014**	**(377,330)**	**(12,922)**	**(191,658)**	**(451,451)**	**24,891**	**1,605,672**
Net gain on disposal of PPE	-	-	-	-	-	3,827	-	3,827
Interest income	-	-	-	-	-	140,880	1,388	142,268
Trust income	-	-	-	-	-	87,439	-	87,439
Dividend income	-	-	-	-	-	366,545	-	366,545
Interest expense AASB 16	-	-	(443,249)	-	-	-	-	(443,249)
Interest paid	-	-	(421)	-	-	(79,083)	(60)	(79,564)
Loss on financial assets	-	-	-	-	-	450,206	-	450,206
Fair value adjustment	799,851	-	-	-	-	-	3,218,948	4,018,799
Profit/(loss) for the year	**2,946,979**	**467,014**	**(821,000)**	**(12,922)**	**(191,658)**	**518,363**	**3,245,167**	**6,151,943**
Segment assets								
Current assets	6,886,717	-	4,430,349	-	414,933	12,859,631	461,930	25,053,560
Non-current assets	76,768,272	-	7,440,530	9,761	22,576	1,732,334	30,477,740	116,451,213
Segment assets	**83,654,989**	**-**	**11,870,879**	**9,761**	**437,509**	**14,591,965**	**30,939,670**	**141,504,773**
Segment liabilities								
Current liabilities	687,353	-	382,252	18,350	111,551	1,087,265	(38,422)	2,248,349
Current LSL liabilities	248,746	-	239,167	7,271	194,740	167,946	-	857,870
Other current liabilities - Bonds / ILU / Homecare	76,018,340	(4,275)	8,944,397	-	-	-	21,207,148	106,165,610
Non-current liabilities	224,744	-	273,410	24,404	86,912	13,729	363,068	986,267
Segment liabilities	**77,179,183**	**(4,275)**	**9,839,226**	**50,025**	**393,203**	**1,268,940**	**21,531,794**	**110,258,096**
Net assets	**6,475,806**	**4,275**	**2,031,653**	**(40,264)**	**44,306**	**13,323,025**	**9,407,876**	**31,246,677**
Other segment information								
Acquisitions of non-current segment assets	2,295,850	-	3,191	-	-	98,637	14,785	2,412,463

4 Revenue

	2024 $	2023 $
Revenue from contracts with customers		
Resident fees - at a point in time	**10,183,454**	10,061,920
Government grants & subsidies - at a point in time	**6,930,489**	5,790,312
Independent Living Unit Income/Tenancy sales income - over time	**3,336,710**	3,652,129
Independent Living Unit Income/Tenancy sales income - at a point in time	**-**	868,410
Other operating revenue - at a point in time	**1,241,865**	1,318,399
Imputed revenue on RAD and Bond balances under AASB 16 - over time	**590,968**	443,249
	22,283,486	22,134,419
Other revenue		
Accommodation charges	**497,405**	305,251
Interest	**417,529**	142,268
Trust income	**151,314**	87,439
Dividend income	**387,679**	366,545
	1,453,927	901,503
	23,737,413	23,035,922

5 Other gains - net

	2024 $	2023 $
Net gain on disposal of fixed assets	**7,973**	3,827
Net unrealised gain on financial assets at fair value through profit and loss	**616,832**	381,745
Net (loss)/gains on financial assets at fair value through profit and loss	**(6,545)**	68,461
Fair value adjustment to investment property	**-**	4,018,799
	618,260	4,472,832

6 Discontinued operation

(a) Description

In May 2024, the directors of Baptist Village Baxter Limited decided to sell the Rosebud Independent Living Units. There are several interested parties and the sale is expected to be completed before the end of December 2024.

6 Discontinued operation (continued)

(b) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 30 June 2024:

	2024 $
Non-current assets held for sale	
Investment properties - Rosebud	**30,477,740**
Liabilities directly associated with assets classified as held for sale	
Rosebud Independent Living Unit - resident liabilities	**(17,224,004)**
Rosebud Independent Living Unit - deferred income	**(3,853,095)**
Provision for long term maintenance - Rosebud	**(332,269)**
	(21,409,368)

7 Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	**7,408,508**	6,510,075

The cash is bearing a floating interest rate between 0.01% pa and 0.20% pa (2023: 0.01% pa and 0.20% pa).

8 Trade and other receivables

	2024 $	2023 $
Homecare debtors	**132,780**	392,258
Accommodation bonds	**12,343**	16,451
Prepayments	**65,157**	93,959
Other receivables	**111,027**	420,120
	321,307	922,788

9 Financial assets at fair value through profit and loss

	2024 $	2023 $
Listed securities		
Equity securities	**5,452,161**	4,454,154
Debentures	**7,173,054**	7,332,822
	12,625,215	11,786,976

The fair value of the above investments are based on quoted market prices at the end of the reporting period (level 1 inputs).

10 Financial assets at amortised costs

	2024 **$**	2023 $
Term deposits	**6,075,847**	5,833,721

The term deposits bear fixed interest rates between 0.25% pa and 5.00% pa (2023: 0.25% pa and 4.30% pa).

11 Property, plant and equipment

	Freehold land **$**	**Buildings** **$**	**Plant and equipment** **$**	**Motor vehicles** **$**	**Total** **$**
At 30 June 2023					
Cost	3,482,133	4,973,705	686,376	294,676	9,436,890
Accumulated depreciation	-	-	-	(231,689)	(231,689)
Net book amount	3,482,133	4,973,705	686,376	62,987	9,205,201
Year ended 30 June 2024					
Opening net book amount	3,482,133	4,973,705	686,376	62,987	9,205,201
Additions	-	6,843	65,922	64,791	137,556
Depreciation charge	-	(125,269)	(110,419)	(22,915)	(258,603)
Closing net book amount	3,482,133	4,855,279	641,879	104,863	9,084,154
At 30 June 2024					
Cost	3,482,133	4,980,548	752,298	319,608	9,534,587
Accumulated depreciation	-	(125,269)	(110,419)	(214,745)	(450,433)
Net book amount	3,482,133	4,855,279	641,879	104,863	9,084,154

Valuations of land, buildings and plant and equipment

The basis of the valuation of freehold land and freehold buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. These valuations have been made by the directors. The directors have based their valuations on independent assessments. The last independent assessment was conducted by Integrity Property Consultants Pty Limited as at 30 June 2023. This valuation was for the entire Village (incorporating the Retirement Village and Aged Care facilities) and therefore included a market value for the Independent Living Units.

12 Investment properties

	2024 **$**	2023 $
At fair value - Baxter		
Opening balance at 1 July - Independent Living Units - Baxter	**76,768,272**	73,672,571
Additions	**1,512,892**	2,295,850
Net gain from fair value adjustment	**-**	799,851
Closing balance at 30 June - Independent Living Units - Baxter	**78,281,164**	76,768,272

12 Investment properties (continued)

	2024 $	2023 $
At fair value - Rosebud		
Opening balance at 1 July - Independent Living Units - Rosebud	**30,477,740**	27,244,007
Additions	**-**	14,785
Assets classified as held for sale	**(30,477,740)**	-
Net gain from fair value adjustment	**-**	3,218,948
Closing balance at 30 June - Independent Living Units - Rosebud	**-**	30,477,740
	78,281,164	107,246,012

Valuation basis

Investment properties, Independent Living Units, are carried at fair value. Changes in fair values are presented in profit or loss as part of other income. The directors have based their valuations on independent assessments. The Company engages external, independent and qualified valuers to determine the fair value of the Company's investment properties every 3 years. The fair value of Independent Living Units is determined using a discounted cash flow model based on the expected income from the resale of units. The last independent assessment was conducted by Integrity Property Consultants Pty Limited as at 30 June 2023. However, the present value of existing resident liabilities has been removed from this valuation as required under AIFRS.

13 Trade and other payables

	2024 $	2023 $
Trade payables	**311,295**	279,662
Waiting list deposits - potential residents	**541,000**	568,200
Other payables	**355,224**	629,219
	1,207,519	1,477,081

The following table shows the carrying amounts of trade and other payables between financial liabilities and non-financial liabilities:

	2024 $	2023 $
Financial liabilities measured at amortised cost	**880,955**	997,786
Non-financial liabilities	**326,564**	479,295
	1,207,519	1,477,081

14 Employee benefit obligations

		2024			2023	
	Current **$**	**Non-current** **$**	**Total** **$**	Current $	Non-current $	Total $
Leave obligations	**1,630,290**	**677,704**	**2,307,994**	1,629,138	483,848	2,112,986

14 Employee benefit obligations (continued)

(a) Leave obligations

The leave obligations cover the Company's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 1(r).

(b) Amounts recognised in profit and loss in relation to defined contribution plans

The Company has recognised expenses of $1,327,709 in the current period (2023: $1,125,219) in relation to defined contribution plans which are included in employee benefit expenses in the statement of profit or loss and other comprehensive income.

15 Other current liabilities

	2024 **$**	2023 $
Aged Care Refundable Accomodation Deposits and Contributions (RAD and RAC) (a)	**9,859,363**	8,944,397
Baxter Independent Living Unit - resident liabilities	**64,225,010**	64,767,470
Baxter Independent Living Unit - deferred income	**12,690,910**	11,250,870
Rosebud Independent Living Unit - resident liabilities	**-**	17,439,703
Rosebud Independent Living Unit - deferred income	**-**	3,767,445
Homecare CDC Liability	**-**	(4,275)
	86,775,283	106,165,610

(a) Aged Care Refundable Accomodation Deposits and Contributions (RAD and RAC)

(i) All residents' RAD and RAC balances required to be paid during the year were repaid in accordance with the *Aged Care Act.*

(ii) The Baptist Village Baxter has the capacity to repay all outstanding RAD and RAC balances that can be expected to fall within the next financial year, and

(iii) Throughout the year, insurance coverage of $1,000,000 (2023: $1,000,000) has been maintained to cover losses arising from fraud, loss of earnings, fire, flood, or other reasonably insurable events that may impact upon the Company's ability to refund RAD and RAC balances.

(b) Aged Care Refundable Accomodation Depostis and Contributions and Independent Living Unit resident liabilities

As per the accounting standards, RAD and RAC and Independent Living Unit resident liabilities have been classified as a current liability due to the Village not having unconditional rights to defer settlement for at least 12 months after the end of the reporting period. However, the directors have undertaken a review of past payment history patterns over the last 20 years of these liabilities. This review indicates that on average an amount less than $10 million is paid out during a financial year to the residents.

16 Provision for major maintenance

	2024 **$**	2023 $
Provision for major maintenance - Rosebud	**-**	352,419
Provision for major maintenance - Baxter	**150,000**	150,000
	150,000	502,419

16 Provision for major maintenance (continued)

Movements in provisions

Movements of the provision during the financial year are set out below:

2023	**Rosebud $**	**Baxter $**	**Total $**
Carrying amount at start of year	522,947	-	522,947
Contributions from residents	180,000	150,000	330,000
Amounts used for maintenance	(350,528)	-	(350,528)
Carrying amount at end of year	352,419	150,000	502,419

2024	**Rosebud $**	**Baxter $**	**Total $**
Carrying amount at start of year	352,419	150,000	502,419
Liabilities directly associated with assets classified as held for sale	(352,419)	-	(352,419)
Carrying amount at end of year	-	150,000	150,000

17 Assets revaluation reserves

	2024 $	2023 $
Assets revaluation reserves	**391,318**	391,318

Movements:

Asset revaluation reserve - land and buildings		
Balance 1 July	**391,318**	1,863,835
Decrements on the revaluation of land and buildings	**-**	(1,472,517)
Balance 30 June	**391,318**	391,318

Nature and purpose of other reserves

Asset revaluation reserve - land

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings (Note 1(k)).

18 Remuneration of auditors

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of Baptist Village Baxter Limited:

PwC Australia

	2024 $	2023 $
Audit and other assurance services		
Audit and review of financial statements	**57,700**	65,500
Other assurance services		
Audit of Independent Living Units' special purpose report and Prudential Compliance Statement	**6,900**	6,700
Total remuneration for audit and other assurance services	**64,600**	72,200
Other services		
Compilation of financial statements for Baptist Village Baxter Limited	**7,250**	7,140
	7,250	7,140
Total remuneration of PwC Australia	**71,850**	79,340

19 Commitments

The Company had no capital commitments at 30 June 2024 (2023: nil).

20 Contingent liabilities

The Company had no contingent liabilities at 30 June 2024 (2023: nil).

21 Related party transactions

(a) Directors

The names of persons who were directors of the Company at any time during the financial year are as follows:

R. Stuart Shaw
Bryan Quinn
Ronald Crosling
Elizabeth Haworth
Margaret Williams
Eileen Prudden

(b) Key management personnel compensation

	2024 $	2023 $
Total key management personnel compensation	**969,204**	912,864

The leave obligations disclosed in note 14 include $230,689 (2023: $217,542) of obligations payable to the key management personnel.

(c) Transactions with other related parties

During the 2024 and 2023 reporting periods, no transactions were entered into with related parties.

22 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

In the directors' opinion:

(a) the financial statements and notes set out on pages 5 to 30 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   (i) complying with Accounting Standards and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

R. Stuart Shaw
Director

Bryan Quinn
Director

Melbourne
27 August 2024

Independent auditor’s report

To the members of Baptist Village Baxter Limited

Our opinion

In our opinion:

The accompanying financial report of Baptist Village Baxter Limited (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended

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

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2024
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the directors’ declaration.

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

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, 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 through our opinion on the financial report.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999

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 that we 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 the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors 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 directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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 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 the 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 at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Anthony Vlavianos
Partner

Melbourne
27 August 2024