

Jewish Care (Victoria) Inc.

ARN: A00 407 05X

ABN: 78 345 431 247

Annual consolidated financial report for the year ended 30 June 2024

Contents

Committee's Report	3
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Consolidated Financial Statements	11
Declaration by Members of the Committee	42
Independent Auditor's Report	43
Lead Auditor's Independence Declaration	46

Committee's Report

for the year ended 30 June 2024

The Committee of Management (the Committee) members of Jewish Care (Victoria) Inc. present their report together with the consolidated financial statements of Jewish Care (Victoria) Inc. and its Controlled Entities (collectively, the "Organisation") for the financial year ended 30 June 2024 and the auditor's report thereon.

The members of the Committee at any time during or since the end of the financial year are:

		Appointed	Retired
Mr Mike Debinski OAM	Co-opted	29-Nov-22	28-Nov-23
Ms Sharon Gdanski		14-Nov-19	-
Professor Sharon Goldfeld AM		27-Sep-16	-
Ms Lisa Kennett OAM		19-Nov-14	-
Mr Steven Klein		18-Nov-20	-
Ms Susie Ivany OAM		13-Nov-12	-
Mr Adam Joel		22-Nov-17	-
Mr Michael Schoenfeld		30-Nov-04	-
Mr Andrew Schwartz		29-Nov-05	-
Mr David Slade		24-Nov-22	-
Ms Simone Szalmuk-Singer		22-Nov-16	-
Adjunct Professor John Zelcer		10-Nov-21	-
Mr Reuben Zelwer		16-Nov-18	2-Oct-24

Principal activities

The principal activities of the Organisation during the financial year ended 30 June 2024 were to promote and provide for the wellbeing of Jewish people in need of care in the State of Victoria and attend to their physical, mental, emotional and spiritual needs across the areas of residential aged care, home care, disability and social and family services.

Environmental regulation

The Organisation's operations are not subject to significant environmental regulations under both Commonwealth and State legislation.

Review of operations

The financial year ended 30 June 2024 was marked by significant operational activities and financial challenges, yet the Organisation continued to deliver essential services to the community.

For the financial year ended 30 June 2024, Jewish Care reported total revenues of \$110,354,126, an increase from \$92,803,909 in the previous year. This growth was driven by higher fees and charges, which amounted to \$41,108,782, and increased government subsidies totalling \$56,620,418. Other revenues, including donations and grants, contributed significantly. This increase was primarily fuelled by enhanced government funding aimed at supporting higher award wages and offsetting the rising costs associated with delivering quality care. Additionally, there was a notable surge in demand for both home care and residential aged care services, further contributing to our financial performance.

Despite the increase in revenue, the Organisation faced substantial expenses, leading to an operating loss of \$125,111, which was a notable improvement from the previous year's operating loss of \$8,555,547. Key expenses included employee benefits (\$67,321,366), depreciation and amortisation (\$7,492,892), and external services (\$18,153,186).

Committee's Report (cont)

for the year ended 30 June 2024

Review of operations (continued)

As of 30 June 2024, Jewish Care's total assets stood at \$292,979,542, slightly down from \$303,239,556 in the previous year. The Organisation's current liabilities exceeded current assets by \$64,191,722, primarily due to the classification of Refundable Accommodation Deposits (RADs) as current liabilities. The net assets were \$181,846,024, reflecting a modest decrease from \$184,799,417 in the previous year.

Key Developments:

- Revenue Growth: The Organisation saw a significant increase in revenue from fees, charges, and government subsidies.
- Expense Management: While expenses remained high, the Organisation managed to reduce its operating loss significantly.
- Asset Revaluation: A revaluation of land and buildings resulted in a revaluation increment of \$2,425,215, enhancing the Organisation's asset base.

Looking ahead, Jewish Care aims to strengthen its financial position by focusing on sustainable revenue growth and effective expense management, including a strategic change agenda to drive commercial strategies and operational efficiencies.

The Organisation plans to continue its vital services while exploring new opportunities for community support and funding.

Despite financial challenges, Jewish Care (Victoria) Inc. has demonstrated resilience and commitment to its mission. The Organisation's ability to adapt and manage its resources effectively will be crucial in ensuring continued support for the Jewish community in Victoria.

Net assets - Movement in net assets is made up of:

	2024	2023
	\$	Restated*
	\$	\$
Opening balance	184,799,417	200,436,954
Add / (Deduct): Profit/(Loss) after tax	(5,378,608)	(12,648,648)
Add / (Deduct): Revaluation increment/(reduction) in land and buildings	2,425,215	(2,988,889)
Closing balance	181,846,024	184,799,417

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Organisation during the financial year.

Future developments

Disclosure of information regarding likely developments in the operations of the Organisation in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Organisation. Accordingly, this information has not been disclosed in this report.

Committee's Report (cont)

for the year ended 30 June 2024

Indemnification and insurance of Committee members and officers

The Organisation has not, during or since the financial year, in respect of any person who is or has been a Committee member or officer of the Organisation:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as a Committee member or officer, including costs or expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as a Committee member or officer for the costs or expenses to defend legal proceedings, with the exception of the following:

A policy has been contracted with the Victorian Managed Insurance Authority to indemnify Committee members and officers against loss for which they may not be legally indemnified by the Organisation arising out of any claim, by reason of any wrongful act committed by them, in their capacity as a Committee Member or officer, first made against them jointly or severally during the period of insurance and notified to the insurer during the indemnity period.

Further details of the policy, the level of cover and the premium paid cannot be disclosed under the terms and conditions of the arrangement with the Victorian Managed Insurance Authority.

Indemnification of auditors

Since the end of the previous financial year, the Organisation has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an auditor of the Organisation

Committee meetings

The following table sets out the number of Committee meetings held during the financial year and the number of meetings attended by each Committee Member (while they were a Committee member). During the financial year 11 Committee meetings were held.

Committee Members		Committee Meetings	
		Eligible to attend	Attended
Mr Mike Debinski OAM	Co-opted member	4	4
Ms Sharon Gdanski	Treasurer	11	9
Professor Sharon Goldfeld AM		11	9
Ms Lisa Kennett OAM	President	11	11
Mr Steven Klein		11	7
Ms Susie Ivany OAM		11	10
Mr Adam Joel	Company Secretary & Co-Vice President	11	10
Mr Michael Schoenfeld		11	11
Mr Andrew Schwartz		11	7
Mr David Slade		11	10
Ms Simone Szalmuk-Singer	Co-Vice President	11	10
Adjunct Professor John Zelcer		11	9
Mr. Reuben Zelwer	Assistant Treasurer	11	9

Committee's Report (con't)

for the year ended 30 June 2024

Proceedings on behalf of the Organisation

No person has applied for leave of Court to bring proceedings on behalf of the Organisation or intervene in any proceedings to which the Organisation is party for the purpose of taking responsibility on behalf of the Organisation for all or any part of those proceedings. The Organisation was not a party to any such proceedings during the year.

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 46 and form part of the committee's report for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Committee.

On behalf of the Committee



Sharon Gdanski
Committee Member
Melbourne
31 October 2024



Lisa Kennett OAM
Committee Member
Melbourne
31 October 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	2024	2023
Note	\$	\$
Fees and charges	3(d) 41,108,782	34,021,857
Government subsidies	3(e) 56,620,418	48,163,935
Other revenues	4 12,624,926	10,618,117
Total revenues	110,354,126	92,803,909
Employee benefits expense	5 (67,321,366)	(57,261,867)
Depreciation and amortisation expenses	6 (7,492,892)	(7,959,625)
Community development expenses	(511,407)	(643,301)
External services expenses	(18,153,186)	(19,472,830)
Food expenses	(2,533,932)	(3,831,710)
Repairs and maintenance expenses	(4,266,787)	(3,850,385)
Medical and other supplies	(1,125,875)	(1,265,891)
Consulting expenses	(1,182,780)	(829,452)
Energy expenses	(1,067,140)	(822,078)
Administration expenses	(4,532,870)	(2,967,314)
Laundry expenses	(573,091)	(512,627)
Impairment Expense	-	(261,077)
Other expenses	7 (1,717,911)	(1,681,299)
Total operating expenses	(110,479,237)	(101,359,456)
Operating profit (loss)	(125,111)	(8,555,547)
Finance income	8(a) 657,025	742,887
Finance costs	8(b) (5,910,522)	(4,835,988)
Net finance costs	(5,253,497)	(4,093,101)
Profit (loss) before tax	(5,378,608)	(12,648,648)
Income tax expense	9 -	-
Profit (loss) from continuing operations	(5,378,608)	(12,648,648)
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Revaluation of land and buildings	13 2,425,215	(2,988,889)
Other comprehensive income for the year	2,425,215	(2,988,889)
Total comprehensive (loss)/income for the year	(2,953,393)	(15,637,537)

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

Consolidated Statement of Financial Position

for the year ended 30 June 2024

	2024	2023
Note	\$	Restated* \$
Current assets		
Cash and cash equivalents	23 4,832,678	8,440,927
Trade and other receivables	10 6,346,656	6,506,584
Financial assets	11 5,649,534	7,455,498
Other assets	12 862,570	879,819
Total current assets	17,691,438	23,282,828
Non-current assets		
Trade and other receivables	10 989,653	659,109
Other assets	12 588,930	654,072
Property, plant and equipment	13 273,379,105	278,419,477
Intangible assets	14 330,416	224,070
Total non-current assets	275,288,104	279,956,728
Total assets	292,979,542	303,239,556
Current liabilities		
Trade and other payables	15 4,462,649	5,818,828
Contract Liabilities (Deferred Income)	16 5,511,969	7,384,722
Provisions	17 6,760,733	6,321,206
Interest bearing loans and borrowings	18 2,034,898	19,433,694
Refundable accommodation deposits	19 63,112,911	59,546,643
Total current liabilities	81,883,160	98,505,093
Non-current liabilities		
Trade and other payables	15 890,023	890,023
Provisions	17 1,813,766	1,689,814
Interest bearing loans and borrowings	18 26,546,569	17,355,209
Total non-current liabilities	29,250,358	19,935,046
Total liabilities	111,133,518	118,440,139
Net assets	181,846,024	184,799,417
Equity		
Reserves	21 105,267,194	103,138,861
Accumulated funds	76,578,830	81,660,556
Total equity	181,846,024	184,799,417

*Please refer to Note 30 Restatement.

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	Asset revaluation reserve	General reserve	Other reserves	Accumulated funds	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2022, as previously reported	101,683,408	1,369,550	3,074,792	95,199,227	201,326,977
Impact of restatement *	-	-	-	(890,023)	(890,023)
Restated balance at 1 July 2022 *	101,683,408	1,369,550	3,074,792	94,309,204	200,436,954
Deficit for the year	-	-	-	(12,648,648)	(12,648,648)
Transfer to accumulated funds on disposal of previously revalued asset	(2,988,889)	-	-	-	(2,988,889)
Total comprehensive income / (loss) for the year	(2,988,889)	-	-	(12,648,648)	(15,637,537)
Restated balance at 30 June 2023*	98,694,519	1,369,550	3,074,792	81,660,556	184,799,417
Deficit for the year	-	-	-	(5,378,608)	(5,378,608)
Transfer to accumulated funds on disposal of previously revalued asset	2,128,333	-	-	296,882	2,425,215
Total comprehensive income / (loss) for the year	2,128,333	-	-	(5,081,726)	(2,953,393)
Balance at 30 June 2024	100,822,852	1,369,550	3,074,792	76,578,830	181,846,024

Amounts are stated net of tax

*Please refer to Note 30 Restatement.

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	2024	2023
Note	\$	\$
Cash flows from operating activities		
Receipts from fees and charges and government subsidies	114,089,619	92,840,304
Payments to suppliers and employees	(113,254,645)	(94,328,384)
Cash generated from operating activities	834,974	(1,488,080)
Interest received	8(a) 426,981	303,138
Interest on lease liabilities	8(b) (9,851)	(10,232)
Net cash from operating activities before proceeds and repayments of refundable accommodation deposits	1,252,104	(1,195,174)
Proceeds from refundable accommodation deposits	20,219,828	22,582,113
Repayments of refundable accommodation deposits	(16,653,560)	(14,641,970)
Net cash flows from operating activities	4,818,372	6,744,969
Cash flows from investing activities		
Proceeds from disposal of financial assets	2,036,008	6,496,141
Proceeds from disposal of property, plant and equipment	615,383	-
Payments for property, plant and equipment	13 (868,884)	(3,400,679)
Purchase of intangible assets	14 (85,228)	(91,475)
Net cash flows from investing activities	1,697,279	3,003,987
Cash flows used in financing activities		
Repayment of interest bearing loans	(8,062,571)	(8,107,200)
Payment for principal on lease liabilities	(154,716)	(144,873)
Payment for interest expense on interest bearing loans and borrowings	8(b) (1,906,613)	(1,988,440)
Net cash flows used in financing activities	(10,123,900)	(10,240,513)
Net (decrease)/increase in cash and cash equivalents	(3,608,249)	(491,557)
Cash and cash equivalents at the beginning of the year	8,440,927	8,932,484
Cash and cash equivalents at the end of the year	23 4,832,678	8,440,927

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

1. Corporate information

The consolidated financial statements of Jewish Care (Victoria) Inc. and its controlled entities (collectively, the "Organisation") for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Committee members on 31 October 2024.

Jewish Care (Victoria) Inc. (the Parent) is a "not-for-profit" entity, incorporated in Australia under the *Australian Charities and Not-for-profits Commission Regulations 2022* (and its associated regulations). The Organisation's principal place of business is:

619 St Kilda Road
Melbourne Victoria Australia 3004

The nature of the operations and principal activities of the Organisation are described in the Committee's Report.

2. Basis of preparation

2.1. Statement of compliance

These consolidated financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the *Australian Charities and Not-for-profits Commission Regulations 2022 and its associated regulations*. They have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Regulations 2022 (and its associated regulations)*.

The financial report has also been prepared on a historical cost basis, except for land and buildings and investment financial assets which have been measured at revalued amounts.

The financial report is presented in Australian dollars and all values are rounded to the nearest \$, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

2.2. Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Financial Performance

For the 30 June 2024 financial year, the Organisation incurred an Operating loss of \$125,111 (2023: Operating loss \$8,555,547). Operating loss for the year includes amortisation and depreciation expenses of \$7,492,892.

Financial Position

At 30 June 2024, the Organisation's current liabilities exceeded current assets by \$64,191,722 (2023: \$75,222,265) and the Organisation had net assets as of 30 June 2024 of \$ 181,846,024 (2023: \$ 184,799,417* (restated)). The Financial statements have been prepared on the going concern basis as the deficiency arises due to reasons outlined below.

The net current liability position includes resident liabilities, amounting to \$63,113,321 at 30 June 2024, (2023: \$59,546,643), interest bearing loans and borrowings of \$2,034,898 (2023: \$19,433,694) and contract liabilities amounting to \$5,511,969 (2023: \$7,384,722).

Resident liabilities are classified as current liabilities on the basis they are repayable to residents when they leave the residential aged care facility, which can be at any time. Based on prior years' experience, the organisation does not expect the resident liabilities balance to reduce significantly on an annual basis as the liabilities are related to residents who depart the aged care facility and are generally replaced by resident accommodation deposits/liabilities received from new residents. The resident liabilities are therefore considered to form a part of the long-term funding of the aged care facility (refer to Note 19 for further details).

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

2. Basis of preparation (continued)

2.2. Going concern (continued)

Contract Liabilities are classified as current liabilities however the Organisation is not expecting to be required to make any cash repayment of the amounts over the next twelve months.

Financing facilities

As at 30 June 2024, the Organisation has financing facilities with the ANZ bank which include a requirement to comply with financial covenants. The Organisation is reliant on the banking facilities with the ANZ in order to provide access to its bond liquidity facility as required.

The Organisation has two loan facilities totalling \$28,479,852 with the ANZ Bank. The loans are secured by a first registered mortgage over the consolidated land and buildings for Windsor and Carnegie Residential Aged Care facilities. The Windsor loan facility amounting to \$16,457,580 at 30 June 2024 with a termination date of 30 June 2026. The Carnegie facility amounted to \$12,022,272 at 30 June 2024 with a termination date of 30 June 2026.

Loan agreements specify the following repayment terms:

- (i) \$2,000,000 to be repaid by 31 July 2024;
- (ii) effective from 1 October 2024, the Organisation must use 75% of net RAD inflow to settle the loan;
- (iii) The Organisation must use net proceeds from fixed assets disposal as loan repayment.

The repayment term for both facilities is based on 75% of Net Refundable Accommodation Deposits. Furthermore, set out in both agreement facilities are the requirement to pay an amount of \$2,000,000 in total no later than 30 July 2024, which as at date of this report has been repaid. Both facilities are subject to financial covenants as of 30 June 2024, specifically Loan to Value Ratio (LVR), EBITDA to Budget, RAD liquidity. At 30 June 2024 the Organisation was in compliance with all financial covenants.

The Organisation has completed a detailed profitability and cash flow forecast for the period of at least 12 months following the approval of this financial report. Forecast cash flows indicates that the Organisation has sufficient cash, short-term liquid financial assets, and access to unused banking facilities available to meet its loan repayment requirements and is expected to comply with financial covenants for a period of 12 months from the date of the approval of this financial report.

2.3. Use of judgements and estimates

The preparation of the Organisation's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of the Organisations' accounting policies and the reported amounts of revenues, expenses, assets and liabilities and the Organisation's disclosure of contingent liabilities.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about critical judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ended 30 June 2024 are included in the following notes:

- Note 2.2 – Going concern
- Note 11 – Financial assets
- Note 13 – Property, plant and equipment (including fair value measurement)

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies

3.1. Changes in material accounting policy

Material accounting policy information

The Organisation also adopted Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

A number of other new accounting standards are also effective from 1 January 2023 but they do not have a material effect on the Company's financial statements.

3.2. Summary of material accounting policy information

Apart from items described above in Note 3.1, the Organisation has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

A. Basis of consolidation

A controlled entity is any entity controlled by Jewish Care (Victoria) Inc. The consolidated financial statements comprise the financial statements of the Organisation and its subsidiary as at 30 June 2024. Control is achieved when the Organisation is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Organisation controls an investee only if the Organisation has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Details of the controlled entities are contained in Note 22.

All inter-organisation balances and transactions between entities in the Organisation, including any unrealised profits or losses, have been eliminated on consolidation. Where a controlled entity has entered or left the Organisation during the year its operating results have been included from the date control was obtained or until the date control ceased.

B. Current versus non-current classification

The Organisation presents assets and liabilities in the consolidated statement of financial position based on a current or non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

B. Current versus non-current classification (continued)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

C. Fair value measurement

The Organisation measures financial instruments and certain non-financial assets at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Organisation. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Organisation uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within fair value, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Organisation has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of fair value, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Notes 10, 13, 21(b)
- Property, plant and equipment under revaluation model Notes 3(i), 13, 21(b)
- Financial instruments (including those carried at amortised cost) Notes 3(m), 3(n), 3(o)

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

D. Revenue recognition

AASB 15 *Revenue from Contracts with Customers* applies to all revenue arising from contracts with customers unless those contracts are in the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue recognised at an amount that reflects consideration to which an entity expects to be entitled in exchange for transferring good or services to a customer.

The Standard requires the Organisation to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contacts with their customers.

The transaction price is allocated to performance obligations based on the relative standalone selling process and recognised as revenue accordingly as those performance obligations are satisfied over time each day as the customer (or resident) simultaneously receives and consumes the benefits provided by the Organisation.

The provision of care to a resident is a single performance obligation. All performance obligations are considered to be met on a daily basis and therefore the organisation does not have any outstanding performance obligations that have not been met at reporting date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Organisation has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services

Revenue from the rendering of services is recognised upon the delivery of the service to the residents and clients.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Dividends

Revenue is recognised when the Organisation's right to receive the payment is established, which is generally when shareholders approve the dividends as declared.

Government subsidies

AASB 1058 applies when an NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. Government subsidies is recognised in the consolidated statement of profit or loss and other comprehensive income when the Organisation satisfies the performance obligation stated in the funding agreements. If conditions are attached to the subsidies which must be satisfied before the Group is eligible to retain the contribution, the subsidies will be recognised in the consolidated statement of financial position as a contract liability until those conditions are satisfied.

Other revenue

Total revenue also includes the provision of accommodation bonds that is accounted for under AASB 16 Leases. Following the adoption of AASB 16 on 1 July 2019, other revenue includes an imputed non-cash charge for accommodation in respect of residents who have chosen to pay a refundable accommodation deposit or bond. The Maximum Permissible Interest Rate (MPIR) is the interest rate used in the calculation in respect of the imputed non-cash accommodation charge. Refer to Note 20(B) for further details.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

D. Revenue recognition (continued)

Donations

Donation income is recognised as other income at the point in time where donations has been received.

E. Other grants

The Organisation initially recognises other grants related to assets as deferred income if there is reasonable assurance that they will be received and the Organisation will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Organisation for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses has been recognised. In this case, the grant is recognised when it becomes receivable. Until the conditions are met, the grants are recognised as contract liabilities (deferred income) at the balance date on the Consolidated Statement of Financial Position.

F. Income taxes

Jewish Care (Victoria) Inc. is a recognised Public Benevolent Institution and its controlled entities are exempt charitable trusts under the provisions of the *Income Tax Assessment Act 1997* (as amended) and are therefore not subject to income taxes at this time. Accordingly, no income tax has been provided for the Organisation in these financial statements.

G. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense; or for receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority, is classified within operating cash flows.

H. Foreign currencies

The Organisation's consolidated financial statements are presented in Australian dollars, which is also the parent entity's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Organisation at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

I. Property, plant and equipment

Construction in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Organisation depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of property, plant and equipment shall be measured initially at cost. Where an asset is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition.

For items of property, plant and equipment subsequently measured under the Revaluation model; if the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase shall be recognised in other comprehensive income and accumulated in equity under the heading of Asset Revaluation Reserve. However, the net revaluation increase shall be recognised in profit or loss to the extent that it reverses at net revaluation decrease of the same class of assets previously recognised in profit or loss. On the other hand, if the carrying amount of a class of assets decreased as a result of a revaluation, the net revaluation decrease shall be recognised in profit or loss. However, the net revaluation decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in any revaluation surplus in respect of that same class of assets. Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment shall be offset against one another within that class but shall not be offset in respect of assets in different classes.

Land and buildings

Land and buildings forming part of the entity's future direction are measured on the fair value basis, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the policy of the Organisation to have an independent valuation performed every three years, with annual appraisals reviewed and endorsed by the Committee, unless there is an identifiable significant change in market conditions.

The Organisation views the carrying amounts of land and buildings as one asset class as per AASB 116. In the situation if the market value is above its carrying amount, any net revaluation increment arising is credited to the asset revaluation reserve, except where a net revaluation decrement has previously been recognised as an expense for that particular class of assets, in which case the net revaluation increment is recognised as revenue, but only to the extent of the previous revaluation decrement.

Any net revaluation increment or decrement (impairment) arising is recognised as income or expense for the period, except where a credit balance exists in the asset revaluation reserve for that particular class of assets, in which case the net revaluation decrement is debited to the reserve, but only to the extent of the previous revaluation increment.

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.

Works in progress represent the accumulated cost of materials and any other costs incurred relating to the works. These costs, amongst others, include labour, import duties, installation, assembly and professional fees incurred to bring the asset to the location and condition needed for it to operate in the manner intended by management. When the works are completed and the assets are ready for its intended use, these costs are then transferred to the relevant accounts and subject to the fair value revaluations policy. Depreciation of these assets commence when they are available for use and is computed using the straight-line method.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

I. Property, plant and equipment (continued)

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount is reviewed by the Committee to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected cash flows which will be received from the assets employed and subsequent disposal.

Depreciation

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

The depreciation rates used for each class of depreciable assets for the year ended 30 June 2024 and 2023 are:

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings	4%	Straight Line
Furniture fixtures and fittings	10%	Straight Line
Computer equipment	33%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

J. Leases

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

Organisation as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Organisation is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Organisation will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Lease payments for operating leases, where substantially all risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

J. Leases (continued)

Organisation as a lessee

At commencement or on modification of a contract that contains a lease component, the Organisation allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Organisation has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Organisation recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Organisation by the end of the lease term or the cost of the right-of-use asset reflects that the Organisation will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Organisation's incremental borrowing rate. Generally, the Organisation uses its incremental borrowing rate as the discount rate.

The Organisation determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Organisation is reasonably certain to exercise, lease payments in an optional renewal period if the Organisation is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Organisation is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Organisation's estimate of the amount expected to be payable under a residual value guarantee, if the Organisation changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Organisation presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.3. Summary of material accounting policy information (continued)

J. Leases (continued)

Organisation as a lessor

At inception or on modification of a contract that contains a lease component, the Organisation allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Organisation acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Organisation makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Organisation considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Organisation is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Organisation applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Organisation applies AASB 15 Revenue from Contracts with Customers to allocate the consideration in the contract.

The Organisation applies the derecognition and impairment requirements in AASB 9 Financial Instruments to the net investment in the lease. The Organisation further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Where residents have chosen a Residential Accommodation Deposit (RAD) or Bond arrangement, the Organisation has determined AASB 16 defines these arrangements to be a lease for accounting purposes with the Organisation acting as a lessor. For residents that have adopted to pay Daily Accommodation Payments (DAP), the Organisation has determined AASB 16 will not have a material change to the existing accounting treatment.

Under a RAD or Bond arrangement, the Organisation has recognised a non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement. The accounting treatment required a non-cash increase on revenue for accommodation and a non-cash increase in financial cost on the outstanding RAD liability, with no net impact on the result for the year.

The imputed non-cash charge for the year ended 30 June 2024 for the provision of accommodation that is accounted in accordance with AASB 16 (refer note 4) was calculated based on applying the Maximum Permissible Interest Rate as at the date the resident was admitted for the period from when the RAD or Bond was received up to the date the balance was refunded. If the balance remained outstanding as at 30 June 2024 then the calculation was completed up to this date.

K. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

L. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Where an asset is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Software

The cost of computer software is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software is amortised on a straight-line basis over 3 years after it is commissioned.

M. Financial assets

Initial recognition and measurement

AASB 9 categorises financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). These supersede AASB 139's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL.

The Organisation measures at fair value or amortised cost, all financial assets previously held at fair value or amortised cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Organisation commits to purchase or sell the asset.

The Organisation has designated its investment portfolio at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance income for positive or finance costs for negative net changes in fair value in the statement of profit or loss.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

M. Financial assets (continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 10.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Organisation's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- The Organisation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the

Organisation has transferred substantially all the risks and rewards of the asset, or (b) the Organisation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Organisation has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Organisation continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Organisation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Organisation has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Organisation could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions (Note 3)
- Financial assets (Note 11, 24)
- Trade receivables (Note 10)

The Organisation assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

M. Financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Organisation first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Organisation determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not,

it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Organisation. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

N. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Organisation's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Organisation has not designated any financial liability as at fair value through profit or loss.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

N. Financial liabilities (continued)

Loans and borrowings

This is the category most relevant to the Organisation. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest bearing loans and borrowings. For more information refer to Note 18.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

O. Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions (Note 3)
- Property, plant and equipment (Note 13)
- Intangible assets (Note 14)

The Organisation assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Organisation estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Organisation bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Organisation's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

O. Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Organisation estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually as at 30 June at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

P. Cash and cash equivalents

Cash comprises cash on hand and cash equivalents comprises cash at bank.

Q. Provisions

General

Provisions are recognised when the Organisation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Organisation expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Salaries and wages

Liabilities for salaries and wages, including non-monetary benefits are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. The Organisation has re-evaluated employees' length of service and experience in accordance with the Enterprise Agreements and has recognised a liability for salaries and wages for pay point progression to be settled wholly within the next 12 months, for those employees qualifying under this provision.

Long service leave and annual leave

The Organisation does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The liability for long service leave and annual leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

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 reporting date on high quality Australian corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

3. Material accounting policies (continued)

3.2. Summary of material accounting policy information (continued)

R. Refundable accommodation deposits

Refundable Accommodation Deposits ("RADs") are accommodation bonds or deposits received from incoming residents which are held in trust for each individual resident and recognised as a current liability at the amount that would be payable upon discharge of the resident. This is the amount received on entry of the resident less deductions for fees/retentions from each RAD account according to the statutory requirements. These liabilities are considered to be current as the Organisation does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

S. Operating cash flow

Daily inflows and outflows of refundable accommodation deposits are considered by the Organisation to be a normal part of the operations of the business and are utilised at the discretion of the Organisation within the guidelines set out by the Prudential Compliance Standards and are therefore classified as an operating activity.

T. Comparatives

Where necessary, comparative figures have been reclassified and repositioned for consistency with current year disclosures.

U. Assets held for sale

The Organisation classifies non-current assets as held for sale if their carrying amount will be recovered principally through sale rather than through continuing use and a sale is considered highly probable in accordance with criteria specified in AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. Such non-current assets are held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

4. Other revenue

	2024	2023
	\$	\$
Annual Appeal donations	3,887,103	3,803,388
Bequests	1,938,614	893,529
Capital Appeal donations	996,200	1,096,200
General donations	1,002,241	614,201
Other grants	780,119	1,352,190
Imputed revenue on RAD and Bond balances	3,994,058	2,837,316
Other	26,591	21,293
Total other revenues	12,624,926	10,618,117

5. Employee benefit expense

	2024	2023
	\$	\$
Salaries, wages and related costs	(59,318,107)	(51,607,016)
Superannuation	(6,176,704)	(4,849,951)
Workcover expenses	(1,826,555)	(804,900)
Total employee benefits expense	(67,321,366)	(57,261,867)

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

6. Depreciation and amortisation expenses

	2024	2023
	\$	\$
Computer equipment	(479,409)	(738,952)
Buildings	(5,617,864)	(5,752,287)
Right-of-use assets	(140,457)	(142,452)
Software	(118,389)	(145,068)
Furniture, fixtures, fittings	(1,111,451)	(1,161,030)
Motor vehicles	(25,322)	(19,836)
Total depreciation and amortisation expenses	(7,492,892)	(7,959,625)

7. Other expenses

	2024	2023
	\$	\$
Travel and motor vehicle expenses	(806,615)	(744,711)
Rates and insurance	(800,134)	(808,979)
Rental expenses	(17,118)	(25,806)
Other expenses	(94,044)	(101,803)
	(1,717,911)	(1,681,299)

8. Net finance costs

	2024	2023
	\$	\$
8(a). Finance income		
Interest income	426,981	303,138
Changes in fair value on investments	230,044	439,749
Total finance income	657,025	742,887

	2024	2023
	\$	\$
8(b). Finance costs		
Interest expense on interest bearing loans	(1,906,613)	(1,988,440)
Interest expense on lease liabilities	(9,851)	(10,232)
Imputed finance cost on RAD and Bond balances	(3,994,058)	(2,837,316)
Total finance costs	(5,910,522)	(4,835,988)
Net finance costs	(5,253,497)	(4,093,101)

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

9. Income taxes

Jewish Care (Victoria) Inc. is a recognised Public Benevolent Institution and the controlled entities are exempt charitable trusts under the provisions of the Income Tax Assessment Act 1997 (as amended) and are therefore not subject to income taxes at this time. Accordingly, no income tax has been provided for the Organisation in these financial statements.

10. Trade and other receivables

	2024 \$	2023 \$
<u>Current</u>		
Trade debtors	3,494,305	3,530,411
Allowance for expected credit losses	(403,863)	(225,901)
	3,090,442	3,304,510
Net goods and services tax recoverable	215,468	310,297
Other debtors	1,605,921	850,548
Loan debtors	1,134,723	1,020,651
Accrued income	300,102	1,020,578
	3,256,214	3,202,074
Total current receivables	6,346,656	6,506,584
<u>Non-current</u>		
Loan debtors	1,061,284	730,740
Allowance for expected credit losses	(71,631)	(71,631)
Total non-current receivables	989,653	659,109

Impairment Losses.

Impairment losses on financial assets recognised in profit or loss were as follows.

	2024 \$	2023 \$
Impairment loss on trade receivables	165,424	103,528

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The expected loss rates applied as at 30 June 2024 are based on an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes also taking into account current conditions and forecasts of future economic outcomes. The ECL provision amount has considered a forward-looking adjustment taking into account any likelihood of a client's probability of default.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

11. Financial assets

	2024 \$	2023 \$
Financial assets measured at fair value through profit or loss		
Equity securities - refer to Note 24	3,046,997	225,524
Corporate debt securities - refer to Note 24	631	2,019,015
	3,047,628	2,244,539
Financial assets measured at amortised cost		
Held to maturity investments - refer to Note 24	2,601,906	5,210,959
	2,601,906	5,210,959
Total financial assets	5,649,534	7,455,498

12. Other Assets

	2024 \$	2023 \$
Current		
Prepayments and deposits	862,570	879,819
Total Other Assets	862,570	879,819
Non-current		
Prepayments and deposits	588,930	654,072
Total Other Assets	588,930	654,072

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

13. Property, plant and equipment

Reconciliation of carrying amount

	Land and buildings, at revalued amount	Works in progress, at cost	Motor Vehicles, at cost	Lease Right-of-Use Assets	Furniture and fittings, at cost	Computer equipment, at cost	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023							
Gross carrying amount	301,279,065	156,774	126,609	553,035	18,816,557	6,316,438	327,248,478
Accumulated depreciation	(30,853,800)	-	(36,404)	(316,508)	(12,290,927)	(5,331,362)	(48,829,001)
Net carrying amount at 1 July 2023	270,425,265	156,774	90,205	236,527	6,525,630	985,076	278,419,477
Additions	178,392	150,715	-	-	478,635	61,142	868,884
Disposal	(656,480)	-	-	-	(7,207)	-	(663,687)
Write off	-	(156,774)	-	-	-	-	(156,774)
Revaluation of land & buildings	2,425,215	-	-	-	-	-	2,425,215
Transfers*	-	-	-	-	-	(139,507)	(139,507)
Depreciation expense	(5,617,864)	-	(25,322)	(140,457)	(1,111,451)	(479,409)	(7,374,503)
Net carrying amount at 30 June 2024	266,754,528	150,715	64,883	96,070	5,885,607	427,302	273,379,105
Balance at 30 June 2024							
Gross carrying amount	303,226,192	150,715	126,609	553,035	19,287,985	6,238,073	329,582,609
Accumulated depreciation	(36,471,664)	-	(61,726)	(456,965)	(13,402,378)	(5,810,771)	(56,203,504)
Net carrying amount at 30 June 2024	266,754,528	150,715	64,883	96,070	5,885,607	427,302	273,379,105

*The transfer of \$139,507 is from computer equipment to intangible assets, software.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

13. Property, plant and equipment (continued)

Revaluation of land and buildings

As per the requirements of AASB 116 *Property, Plant & Equipment*, land and building are grouped as a separate asset class. Fair value is the amount that would be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction.

The Organisation obtains independent valuations for properties periodically. As at 30 June 2024, fair value is based on a combination of certain external valuations performed by Ernst and Young (accredited independent valuer) who have experience valuing land and buildings (including residential aged care facilities), in addition to appraisals performed by the Organisation that have been reviewed and assessed by the Committee.

External valuations use assumptions and judgements in relation to future matters and current assumptions (and in effect market movements in property values). Significant valuation uncertainty clauses included within the external valuations are consistent with the guidelines issued by the Australian property Institute and highlighting that while valuations can be relied upon at 30 June 2024, there is market uncertainty and limited comparable transactions to provide a guide.

Fair value measurement disclosures for the revalued land and buildings are provided in Note 24 and refer to Note 18 for assets pledged as security by the Organisation.

14. Intangible assets

	Software	Total
	\$	\$
Balance at 1 July 2023		
Gross carrying amount	3,180,442	3,180,442
Accumulated depreciation	(2,956,372)	(2,956,372)
Net carrying amount at 1 July 2023	224,070	224,070
		-
Additions	85,228	85,228
Transfers	139,507	139,507
Amortisation	(118,389)	(118,389)
Net carrying amount at 30 June 2024	330,416	330,416
Balance at 30 June 2024		
Gross carrying amount	3,405,177	3,405,177
Accumulated depreciation	(3,074,761)	(3,074,761)
Net carrying amount at 30 June 2024	330,416	330,416

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

15. Trade and other payable

	2024	2023
	\$	Restated*
	\$	\$
Current		
Trade payables	72,597	696,340
Other payables and accruals	4,390,052	5,122,488
	4,462,649	5,818,828
Non-current		
CHSP payable amounts	890,023	890,023

*Please refer to Note 30 Restatement

The average credit period on purchases of goods and services is 30 days. Specific suppliers may choose to charge interest if the payable is not paid within their credit timeframe. The continuous monitoring of cashflow ensures that payables are paid within the required credit timeframes.

16. Contract liabilities (deferred income)

	2024	2023
	\$	\$
Commonwealth funded home care package payables	710,720	1,015,295
Deferred income - Government and other funding	4,486,424	3,263,024
Deferred income - Claims Conference	314,825	3,106,403
	5,511,969	7,384,722

Commonwealth funded home care packages are funds received from the Commonwealth Government that have not yet been recognised as income under the Consumer Directed Care (CDC) model of home care. When services to a home care client cease any funds not recognised as income are repayable to the Commonwealth Government and client and as a result are recognised as contract liabilities at 30 June 2024.

17. Provisions

	2024	2023
	\$	\$
Current		
Employee benefits	6,760,733	6,321,206
Non-current		
Employee benefits	1,813,766	1,689,814

Provision is made for the Organisation's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits includes annual leave and long service entitlements. Benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

18. Interest bearing loans and borrowings

		2024 \$	2023 \$
Current			
Secured liabilities			
Lease liabilities	20	34,898	144,864
Bank loans		2,000,000	19,288,830
Total current interest bearing loans and borrowings		2,034,898	19,433,694
Non-current			
Secured liabilities			
Lease liabilities	20	66,717	101,616
Bank loans		26,479,852	17,253,593
Total non-current interest bearing loans and borrowings		26,546,569	17,355,209

The Organisation has two loan facilities with a total amount payable to the ANZ Bank of \$ 28,479,852 as at 30 June 2024. The loan facilities are secured by a first registered mortgage over Windsor and Carnegie properties of the Organisation. Both facilities has a termination date of 30 June 2026. The nominal interest paid during the year on this facility was 3.5% - 5.9%.

Loan agreements specify the following repayment terms:

- (i) \$2,000,000 to be repaid by 31 July 2024;
- (ii) effective from 1 October 2024, the Organisation must use 75% of net RAD inflow to settle the loan;
- (iii) The Organisation must use net proceeds from fixed assets disposal as loan repayment.

The Organisation has a bank overdraft facility with the ANZ Bank of up to \$2,000,000 at 30 June 2024. (2023: \$2,000,000). None of the facility was utilised at balance date.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

19. Refundable accommodation deposits

	2024	2023
	\$	\$
Refundable accommodation deposits	63,112,911	59,546,643
	63,112,911	59,546,643

Refundable accommodation deposits (RADs) are paid by residents upon their admission to facilities and are settled after a resident vacates the premises in accordance with the *Aged Care Act 1997*. Providers must pay a base interest rate on all refunds on RADs within legislated timeframes and must pay a penalty on refunds made outside legislated timeframes. RAD balances held prior to 1 July 2014 are reduced by annual retention fees charged in accordance with the *Aged Care Act 1997*.

RAD refunds are guaranteed by the Commonwealth Government under the prudential standards legislation. Providers are required to have sufficient liquidity to ensure that they can refund RAD balances as they fall due in the following twelve months. Providers are also required to implement and maintain a liquidity management strategy. This is updated by the Organisation on an annual basis.

While refundable accommodation deposits are classified as a current liability given the possible timeframe for repayment of an individual RAD, it is unlikely that the RAD liability will be significantly reduced over the next twelve months. However, as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, it is classified as a current liability in accordance with the accounting standard AASB 101 *Presentation of Financial Statements*.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

20. Leases

A. Leases as lessee

The Organisation has lease contracts for motor vehicles and other equipment with lease terms ranging between 2 to 5 years. Set out below are the carrying amounts of the right-of-use assets recognised and the movements during the period.

i. Right-of-use assets

	Motor Vehicles	Total
	\$	\$
Balance at 1 July 2023	236,527	236,527
Additions	-	-
Depreciation expense	(140,457)	(140,457)
Balance at 30 June 2024	96,070	96,070

ii. Amounts recognised in profit or loss

	2024	2023
	\$	\$
Expenses relating to short-term leases and leases of low-value assets that are not recognised as right-of-use assets	17,118	25,806

Future lease payments

	2024	2023
	\$	\$
Future lease payments		
Less than one year	34,898	144,865
One to five years	66,717	101,615
More than five years	-	-
	101,615	246,480

Extension options: The Organisation has included the impact of all extension options in the calculation of the lease liability and right of use assets recognised at 30 June 2024.

B. Leases as lessor

For residents that have chosen a Residential Accommodation Deposit (RAD) or Bond arrangement, the organisation has determined that the adoption of AASB 16 will define these arrangements to be a lease for accounting purposes with the Organisation acting as a lessor. This includes operating lease revenue which is recognised on a straight-line basis over the length of stay. In addition, revenue includes imputed revenue in relation to residents who have chosen to pay a RAD or Bond. This is a non-cash amount.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

20. Leases (continued)

B. Leases as lessor (continued)

The imputed non-cash charge for the year ended 30 June 2024 was calculated based on applying the Maximum Permissible Interest Rate as at the date the RAD or Bond balance was received up to the date the balance was refunded. If the balance remained outstanding as at 30 June 2024, then the calculation was completed up to this date.

	2024	2023
	\$	\$
Imputed revenue on RAD and Bond balances	3,994,058	2,837,316
Imputed finance cost on RAD and Bond balances	(3,994,058)	(2,837,316)

21. Reserves

		2024	2023
		\$	\$
General reserves	(a)	1,369,550	1,369,550
Asset revaluation reserve	(b)	100,822,852	98,694,519
Other reserves	(c)	3,074,792	3,074,792
		105,267,194	103,138,861

(a) General reserve

	2024	2023
	\$	\$
Balance at the beginning and end of the year	1,369,550	1,369,550

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

(b) Asset revaluation reserve

	2024	2023
	\$	\$
Balance at the beginning of the year	98,694,519	101,683,408
Revaluation of land & buildings	2,425,215	(2,988,889)
Transfer to accumulated funds on sale of a property	(296,882)	-
Balance at the end of the year	100,822,852	98,694,519

The asset revaluation reserve arises on the revaluation of land and buildings. Where revalued land or buildings are sold, that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to accumulated funds.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

21. Reserves (continued)

(c) Other reserves

	2024	2023
	\$	\$
Balance at the beginning and end of the year	3,074,792	3,074,792

Other reserves represent donations received from Montefiore Home for the Aged Foundation Inc. (The Foundation) for the Organisation with the following conditions attached.

Commitments - Montefiore Home for the Aged Foundation Inc. (The Foundation)

The merger of the former Montefiore Homes for the Aged Incorporated and Jewish Community Services Incorporated to create Jewish Care (Victoria) Inc. (JCV) led to the winding up of the former Foundation. It was recognised prior to the winding up that some donations were made to the Foundation for certain specific purposes and although it was not a requirement of the winding up of the Foundation that the monies be used for the specific purpose, the Foundation and JCV agreed that it would be appropriate to fulfil in spirit the conditions attached to the specific purpose donations by obliging JCV to dedicate funds to the specific purposes on an ongoing basis.

22. Controlled Entities

Name of entity	Country of Incorporation	Ownership interest	
		%	%
Subsidiary			
The Melbourne Jewish Aid Society Incorporated	Australia	100	100

Principal activities of The Melbourne Jewish Aid Society Incorporated include overseeing the provision of assistance to distressed, unemployed or needy Jewish persons in the State of Victoria with the grant of interest free loans by the parent entity.

23. Cash and cash equivalents

	2024	2023
	\$	\$
Cash on hand	82,182	5,900
Cash at bank	4,750,496	8,435,027
	4,832,678	8,440,927

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

24. Financial assets and financial liabilities

24.1. Financial assets – measured at amortised cost

	Note	2024 \$	2023 \$
Cash and cash equivalents	23	4,832,678	8,440,927
Trade and other receivables	10	7,336,309	7,165,693
Held to maturity investments	11	2,601,906	5,210,959
Total financial assets measured at amortised cost		14,770,893	20,817,579

24.2. Financial assets – measured at fair value through profit or loss

		2024 \$	2023 \$
Equity securities	11	3,046,997	225,524
Corporate debt securities	11	631	2,019,015
		3,047,628	2,244,539
Total financial assets measured at fair value through profit or loss		17,818,521	23,062,118

24.3. Financial liabilities – measured at amortised cost

		2024 \$	2023 \$
Trade and other payables	15	194,051	1,500,564
Interest bearing loans	18	28,479,852	36,542,423
Lease liabilities	18 & 20	101,615	246,480
Refundable accommodation deposits	19	63,112,911	59,546,643
Total financial liabilities measured at amortised cost		91,888,429	97,836,110

24.4. Financial risk management objectives and policies

Interest Rate Risk

The Organisation is exposed to interest rate risk as it invests at both fixed and variable interest rates. The risk is managed by adopting a conservative approach with regards to long and short-term investment strategies

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

25. Related party transactions

The parent entity of the Organisation is Jewish Care (Victoria) Inc. Note 22 provides information about the Organisation's structure, including details of the subsidiary. There were no transactions and outstanding balances that have been entered into with related parties for the relevant financial year.

A. Key management personnel compensation

The table below discloses the compensation recognised as an expense during the reporting period to key management personnel.

	2024 \$	2023 \$
Total key management personnel compensation	2,599,850	2,588,001

There were no Committee Members or other members of key management personnel that had control over the economic entities' operations.

There were no transactions with, or loans to and from, key management personnel.

B. Committee members

Lisa Kennett is a board member of Community Security Group (Vic) Limited which provides security advice to the Organisation. The total amounts paid for security advice was \$17,600 (2023: nil)

No salaries, compensations or other benefits were paid or are payable to the Members in their capacity as Board Members.

Committee of Management

Details of the Committee of Management are listed below. All members of the Committee of Management held office during the period in an honorary capacity.

		Appointed	Retired
Mr Mike Debinski OAM	Co-opted	29-Nov-22	28-Nov-23
Ms Sharon Gdanski		14-Nov-19	-
Professor Sharon Goldfeld AM		27-Sep-16	-
Ms Lisa Kennett OAM		19-Nov-14	-
Mr Steven Klein		18-Nov-20	-
Ms Susie Ivany OAM		13-Nov-12	-
Mr Adam Joel		22-Nov-17	-
Mr Michael Schoenfeld		30-Nov-04	-
Mr Andrew Schwartz		29-Nov-05	-
Mr David Slade		24-Nov-22	-
Ms Simone Szalmuk-Singer		22-Nov-16	-
Adjunct Professor John Zelcer		10-Nov-21	-
Mr Reuben Zelwer		16-Nov-18	2-Oct-24

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

26. Contingent Liabilities

Included in the Property, plant & equipment balances in Note 13 is land at 619 St. Kilda Road Melbourne. The land has been subject to an external valuation at 30 June 2024 and is recorded under the fair value principle of market participants considering an asset "highest and best use". The title to the land has an encumbrance that may be amended by the Minister for Finance in the State Government of Victoria. The encumbrance requires that if the land were to be sold or transferred to an external party under a mortgagee sale, it is likely an amount would be payable to the State Government of Victoria under the approval arrangements. No amounts have been recorded or provided as liabilities in relation to any amounts as the Organisation has no plans to dispose of the asset at 30 June 2024 and an obligation to make any payment does not exist.

27. Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Committee, to affect significantly the operations of the Organisation, the results of those operations, or the state of affairs of the Organisation, in future financial years.

28. Information relating to Jewish Care (Victoria) Inc. (the Parent)

	2024	2023
	\$	Restated* \$
Results of the parent		
Profit/(Loss) for the year	(5,378,633)	(12,648,648)
Other comprehensive income for the year	2,425,215	(2,988,889)
Total comprehensive (loss)/income for the year	(2,953,418)	(15,637,537)
Financial position of the parent entity at year end		
Current assets	17,691,413	23,282,828
Total assets	292,979,542	303,239,556
Current liabilities	81,883,160	98,505,148
Total liabilities	111,133,518	117,550,171
Total equity of the parent entity comprising:		
Reserves	105,267,169	103,138,861
Accumulated funds	76,578,830	82,550,579
Total equity	181,845,999	185,689,440

*Please refer to Note 30 Restatement.

At 30 June 2024, the Organisation has not committed to any capital commitments (2023: \$57,704)

The Organisation has pledged 619 St. Kilda Road Melbourne as collateral to the bank for the loan agreements.

Notes to the Consolidated Financial Statements (con't)

for the year ended 30 June 2024

29. Auditor's remuneration

	2024 \$	2023 \$
Auditors of the Group - KPMG		
- Audit and review of financial statements - Group	79,700	79,700
- Grant and compliance audit	13,000	13,000
- Other assurance services	21,500	10,000
Total auditor remuneration	114,200	102,700

30. Restatement of comparatives

During the year, the Organisation received information from the Department of Health and Aged Care ("DoH"), that there was a balance payable amounting to \$890,023 relating to Commonwealth funded home care package repayable to DoH related to financial year prior to 1 July 2022. As a result, trade and other payables and accumulated losses balances as of 1 July 2022 were understated by \$890,023.

The impact of the adjustments to the Consolidated Statement of Financial Position:

	Note	Balance as of 30 June 2023 as previously reported	Impact of restatement	Restated balance as of 30 June 2023
Non - current trade and other payables	15	-	(890,023)	(890,023)
Total non - current Liabilities		(19,045,023)	(890,023)	(19,935,046)
Total Liabilities		(117,550,116)	(890,023)	(118,440,139)
Accumulated funds		(82,550,579)	890,023	(81,660,556)
Total Equity		(185,689,440)	890,023	(184,799,417)

The impact on the Consolidated Statement of Change in Equity as at 1 July 2022 was a reduction in accumulated funds and total equity of \$890,023.

Declaration by Members of the Committee

In the opinion of the Committee of Management of Jewish Care (Victoria) Inc.:

(a) the Organisation is not publicly accountable;

(b) The consolidated financial statements and notes that are set out on pages 10 to 41 are in accordance with the *Australian Charities and Not-for-profits Commission Regulations 2022 (and its associated regulations)* including:

- (i) giving a true and fair view of the Organisation's consolidated financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- (ii) complying with *Australian Accounting Standards – Simplified Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Regulations 2022 (and its associated regulations)*; and

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

Signed in accordance with a resolution of the Committee:

Dated at Melbourne 31 October 2024



Sharon Gdanksi
Treasurer
Melbourne
31 October 2024



Lisa Kennett OAM
President
Melbourne
31 October 2024



Independent Auditor's Report

To the Committee of Management of Jewish Care (Victoria) Inc

Opinion

We have audited the **Financial Report**, of the Jewish Care (Victoria) Inc. (the Company).

In our opinion, the accompanying Financial Report of the Group:

- i. giving a true and fair view of the Group's financial position as at 30 June 2024, and of its financial performance and its cash flows for the year then ended; and
- ii. complying with *Australian Accounting Standards -Simplified Disclosures* and *Australian Charities and Not-for-profits Commission (ACNC) Act 2012 and Regulations 2022* and *Associations Incorporations Reform Act 2012*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 30 June 2024.
- ii. Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- iii. Notes, including material accounting policies.
- iv. Members of the Committee declaration.

The Group consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with the auditor independence requirements of the *ACNC Act 2012 and Regulations 2022* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



Other information

Other Information is financial and non-financial information in Jewish Care (Victoria) Inc.'s annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Company's committee members are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Committee's report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Company's committee members for the Financial Report

The Company's committee members are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC Act 2012 and Regulations 2022 and the Associations Incorporations Reform Act 2012
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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. They 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 *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.



Auditor's responsibilities for the audit of the Financial Report (continued)

We also:

- i. 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.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's committee members.
- iv. Conclude on the appropriateness of the Company's committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group to cease to continue as a going concern.
- v. 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 the Company's committee members of the registered Company 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.

KPMG

Antoni Cinanni

Partner

Melbourne

31 October 2024



Lead Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012 and Regulation 2022

To the Committee members of Jewish Care (Victoria) Inc.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2024 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 and Regulations 2022 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Antoni Cinanni

Partner

Melbourne

31 October 2024