

10.14. James Milson Village Annual Report 2022

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ATTACHMENTS:

1. JMV Annual Review 2022 Final [**10.14.1** - 52 pages]
2. North Sydney Retirement Trust- Financial Statements-30062022- Final Signed 2 [**10.14.2** - 30 pages]

PURPOSE:

To provide a report to Council on the James Milson Village Annual Report 2021/22 and audited financial statements.

EXECUTIVE SUMMARY:

James Milson Village (North Sydney Retirement Trust) is the sole community-based provider of aged care in North Sydney.

James Milson Village (JMV) has had a challenging few years, with the recurring spread of Covid and the emergence of new variants, which required frequent lockdowns to protect residents.

Another significant challenge that has impacted JMV are changes to the Aged Care Act Legislation and Regulations, in which the Aged Care Quality & Safety Commission requirements have become more stringent. JMV have had to prepare for re-accreditation by implementing or upgrading processes, practices, systems, capabilities, and training.

Other challenges have been staff shortages across Aged Care as well as industry reform, which necessitated a \$5.5 million write of JMV bed licences.

Despite all these challenges JMV was able to continue to provide high quality care as well as improve its clinical governance capability, and is now better placed for sustainable growth.

FINANCIAL IMPLICATIONS:

The Trust has been granted a lease over the site for two terms for a total of 99 years expiring in December 2088, at a nominal rental of \$1.00 per annum. The Trust ended the year with a deficit of \$10,859,853, with total equity of \$37,844,475.

The Trust maintained its subsidies for those in financial need, being \$1.36M for 2021/22. The Directors are non-executive (unpaid).

RECOMMENDATION:

1. THAT the James Milson Village Annual Report and Financial Statements for the year ended 30 June 2022 be received.

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

4. Our Social Vitality

4.1 North Sydney is connected, inclusive, healthy and safe

BACKGROUND

In 1967 North Sydney Council set up the North Sydney for the Aged Association, which later incorporated as the North Sydney Retirement Trust (NSRT) in 1975. Council remains part-owner of the land (one third) on which the Independent Living Tower and the Hostel are built.

The Trust has been granted a lease over the Council-owned site for two terms for a total of 99 years expiring in December 2088 at a nominal rental of \$1.00 per annum. The Village since its beginnings has given priority of access to North Sydney residents (though its catchment includes Mosman, Lane Cove and Willoughby LGAs). North Sydney applicants aren't refused accommodation solely on an inability to meet the costs.

In 2020 JMV purchased Woolwich Retirement Village and renamed it James Milson Village Woolwich.

Council is entitled to nominate two representatives to the Board.

Council nominee Suzanne Jones is currently Chair of JMV's Clinical Governance and Care Committee and is also a Member of the People, Culture and Remuneration Committee.

Jo-Anne Harrison is a Member of JMV's Audit & Risk Committee and Asset and Property Development Committee.

Both Ms Jones and Ms Harrison participated and contributed in JMV's two-day off-site Strategy Workshop, resulting in the finalisation of the NSRT / JMV Strategic Plan for FY 2023-FY 2025.

CONSULTATION REQUIREMENTS

Community engagement is not required.

DETAIL

Some Key Achievements 2021/22

- Provided \$1.36M in subsidised care and support to residents, including 43 residents who were provided with low-cost accommodation.

- Change of Clinical Management Systems
- Reviewed and expanded Aged Care Risk and Clinical Governance Framework
- New Model of Care rolled out
- Introduction of Roving Care Services Manager
- Successful management of all Covid-19 outbreaks
- Developed new Infection Prevention Controls (IPCs)
- Consumer engagement and preparation for star ratings
- Fostering and engaging with community services and partnerships
- Introduction of 'Eureka' resident meetings held monthly
- Introduction of fine dining experience
- Introduction of the monthly residential aged care newsletter
- Proposed memory support unity for Carabella House, North Sydney: work in progress

Key Focus for 2022/23

- Kitchen renovations across both sites
- Introduction of Care minutes
- Star rating focus on consumer engagement
- Proposed café-style living to be introduced
- Improvement in catering and food services
- Commissioning the new Memory Support Unity in Carabella House, North Sydney
- Introduction of enablement and exercise programs in alignment with AN-ACC.

Annual Review 2022



**JAMES
MILSON**



Village



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JAMES MILSON VILLAGE

Our Mission

James Milson Village provides a supporting and respectful community for ageing people; a community that places the person at the centre of all we do and enables independence and honours individuality and citizenship



Our Vision

To be, and be recognised as, the provider of choice of excellent services for the ageing in our area



Our Values

- Respect
- Excellence
- Forward thinking
- Integrity
- Performance

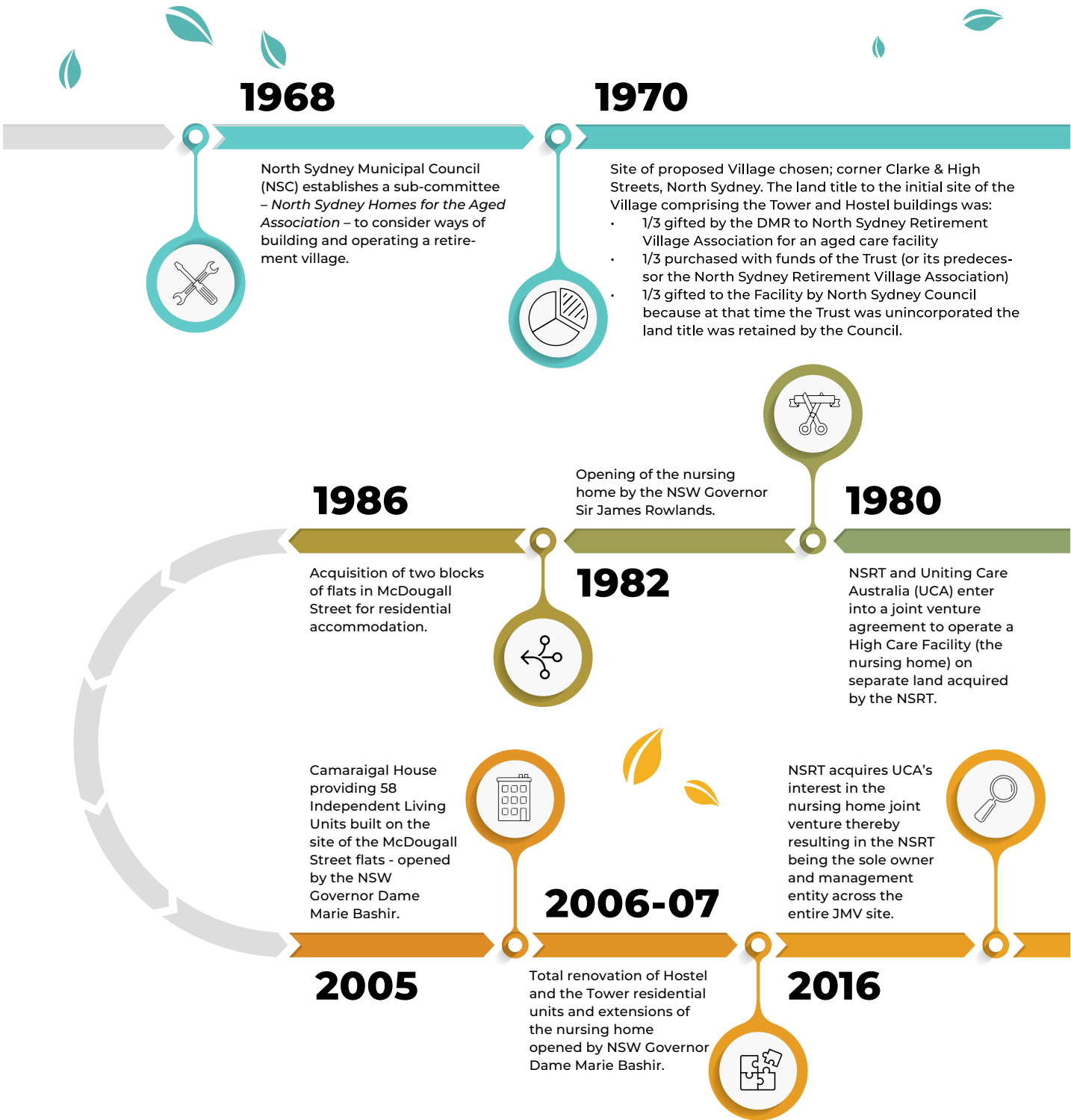


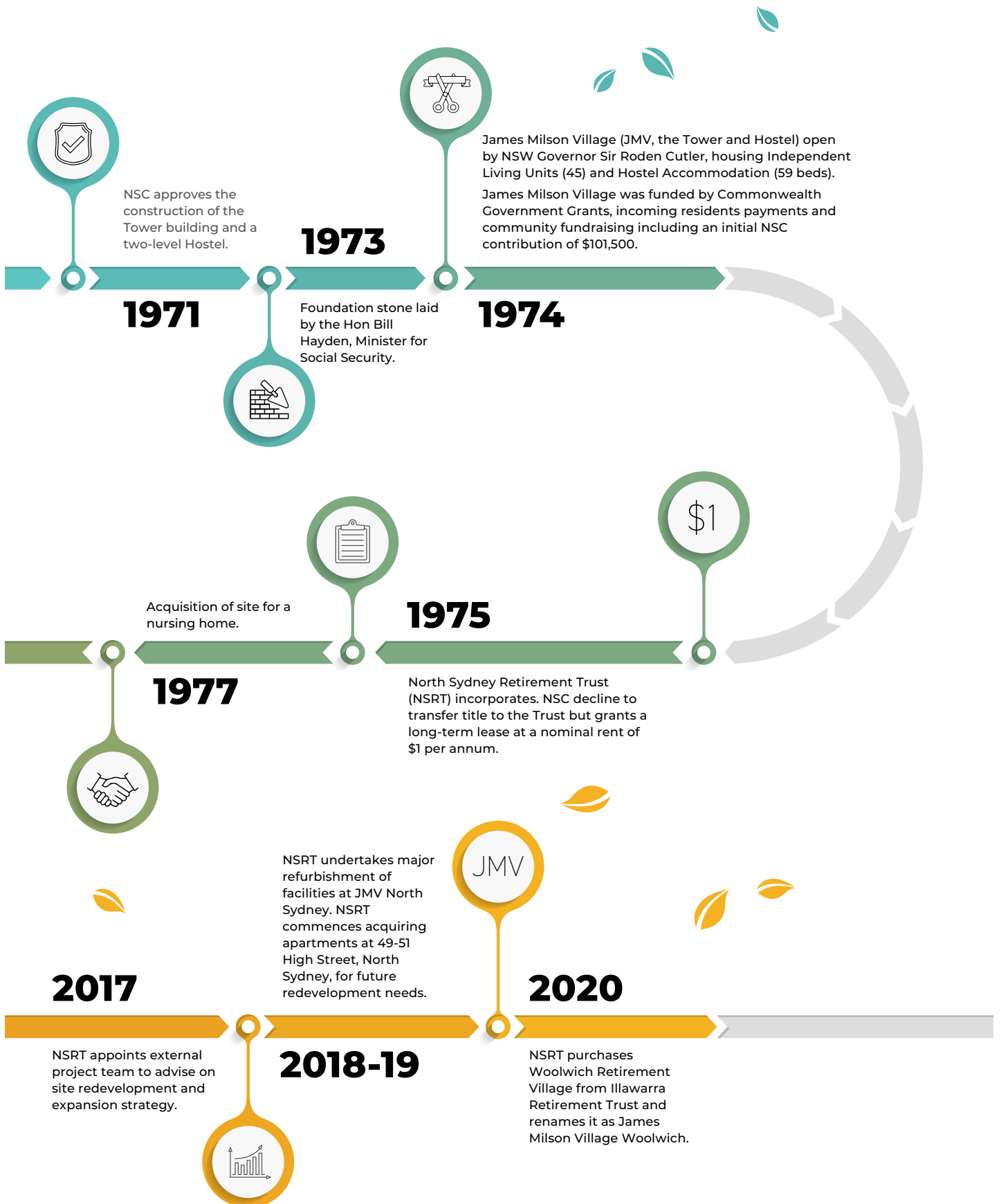


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James Milson Village provides a supportive and respectful community for ageing people; a community that places the person at the centre of all we do and enables independence and honours individuality and citizenship.

Our History





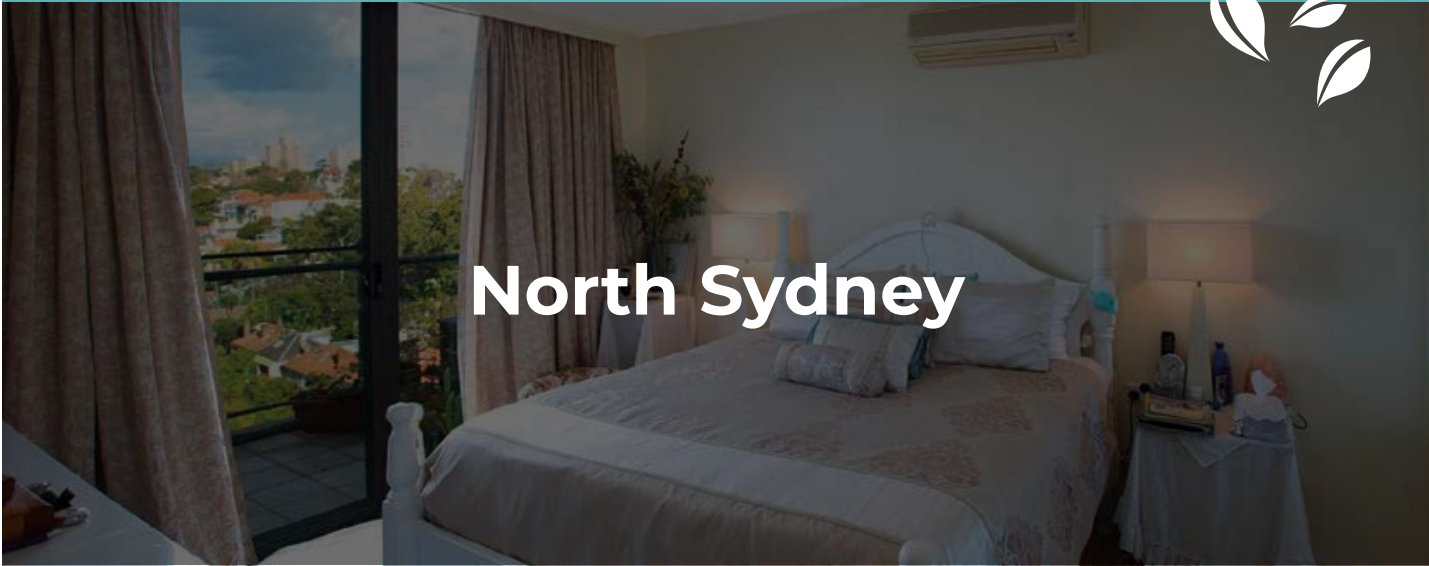
Our Villages

We are a family at James Milson Village. Our qualified and happy staff care about the happiness of our residents as well as that of their family and friends.

We take an interest in our residents' interests and encourage them to do as much, or as little, as brings them joy and purpose in life.







North Sydney

RESIDENTIAL LIVING APARTMENTS



99 Residential Living Apartments



Parking and storage facilities available, plus onsite security



Iconic Sydney Harbour and Bridge views

RESIDENT AGED CARE ROOMS



109 Resident Aged Care rooms



Chapel, courtyards, lounge, library, games area, dining and activity spaces



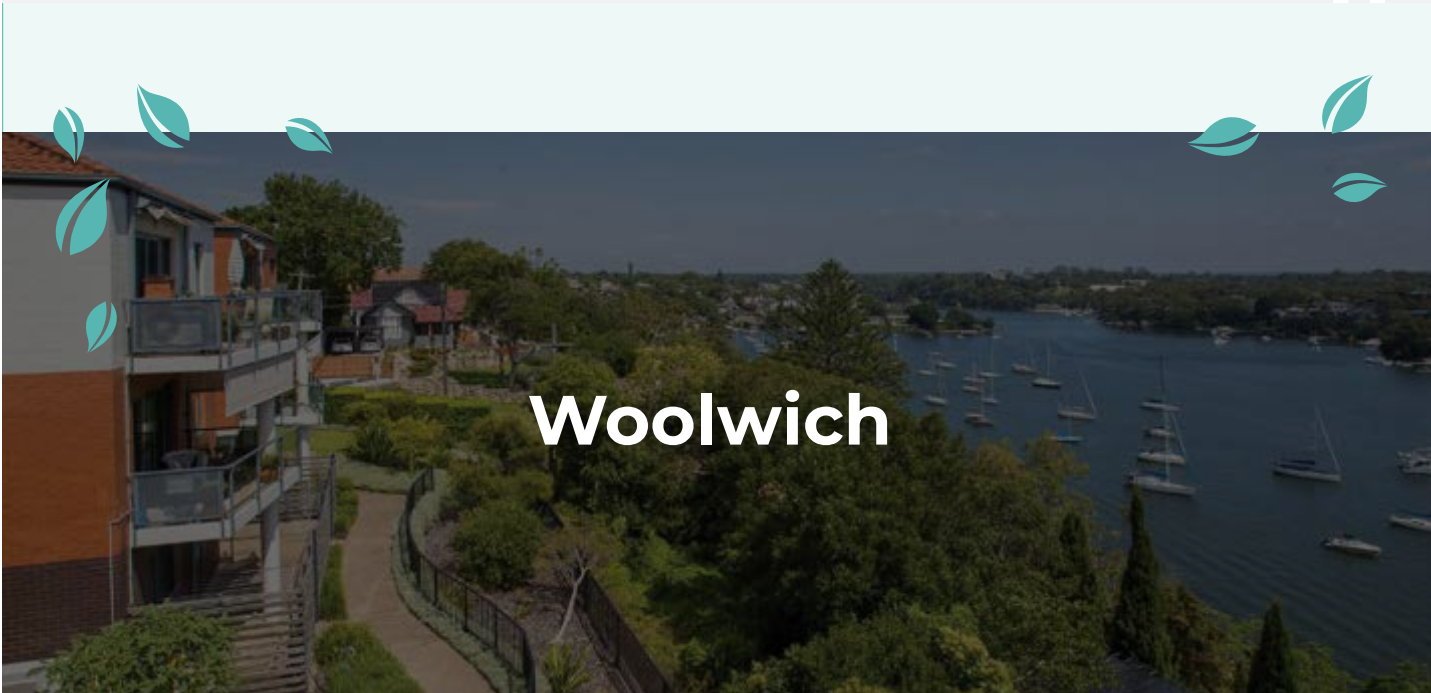
Onsite gymnasium, hairdresser and beautician



Rooftop garden terraces and landscaped gardens with BBQ facilities



Conveniently located near Milsons Point and North Sydney



Woolwich

RESIDENTIAL LIVING APARTMENTS

10 

10 Residential Living Apartments



Parking and onsite security



Stunning water views over the Lane Cove River

RESIDENT AGED CARE ROOMS

41 

41 Resident Aged Care Studio Suites



Communal terraces, lounge, library, dining and activity spaces



Landscaped central courtyard



Views across to the city and overlooking the Lane Cove River



Heritage-listed school house with lounge, multi-purpose event space and covered verandahs, overlooking landscaped gardens with BBQ facilities



*Paul McPherson
Chairman of the Board*

Chair's Message

Dear Friends and Stakeholders,

As always, our overall focus and objective from the Board is on the care, safety and wellbeing of our residents and staff.

This has been incredibly challenging throughout the past year, with the recurring spread of COVID-19 and emergence of new variants, necessitating frequent lockdowns and isolating residents from their families. There was pressure on everyone concerned.

Our wonderful staff have responded admirably, giving of themselves daily in very trying and difficult circumstances. They have responded without fear or self-concern, with the delivery of care to our residents and families being their primary focus. We cannot thank them enough.

Operationally, we faced significant challenges:

- Preparation for re-accreditation has required significant investment to meet the likely changes to the new Aged Care Act Legislation and Regulations and more stringent requirements from the Aged Care Quality & Safety Commission (ACQSC). This has been a major focus for the Board and SLT with the implementation/upgrading of new processes, practices, systems, capabilities and training.
- Industry reform, including the deregulation of the Residential Aged Care Licensing Regime (ACAR), has necessitated all providers write-off the value of their bed licenses from their balance sheets – in our case this has had an impact (non-cash) of \$5.5m, further impacting upon industry profitability and sustainability.



Our wonderful staff have responded without fear or self-concern, with the delivery of care to our residents and families being their primary focus. We cannot thank them enough.



- Staff shortages due to COVID-19 across the industry has been a daily challenge. This has necessitated use of agency staff, which is costly.

Fortunately, our balance sheet remains strong. We look forward to the measures being put forward by the new Federal Government to restore industry sustainability but note also the significant additional requirements. See separate article on Aged Care Reform, later in this Review.

On a positive note, we are confident we will emerge from the above challenges with an enhanced clinical governance capability, including a new quality management system and clinical governance framework, and establishing a new operating rhythm, putting us in good stead for re-accreditation and better placed for sustainable growth.

Your Board and the senior leadership team met off-site for two days to develop and affirm our Strategic Plan for the FY23 – FY25 period. A report on this Plan is detailed later.

Regrettably our CEO, Ben Van Lierop has recently tendered his resignation to join his family in Brisbane, where they re-located earlier this year. Ben joined JMV at a tumultuous period in our industry, but he has weathered this storm admirably and worked tirelessly to keep our ship open and afloat and in good shape to ensure a strong, viable and sustainable future. And, most importantly, to ready ourselves for our forthcoming accreditations.

Ben has built a strong new senior leadership team around him who have worked closely with him and the Board. We cannot thank Ben enough for his efforts and enthusiasm in such a difficult period. We wish Ben and his family the very best of success with their future endeavours in Brisbane.

On the other hand, we very much welcome Bradley (Brad) Williams as our new Chief Executive Officer, who commenced in September 2022. Brad is a passionate leader with vision and direction, who has a proven record in inspiring executives and management across a range of



health and aged care environments. Brad brings with him extensive experience in ensuring optimal care and financial results across a diverse range of services.

Brad is a proven expert in driving service development and executing strategic business initiatives and has a history demonstrating strong financial management across multimillion dollar projects and budgets to produce exceptional returns on investment in the ever changing and highly regulated health and aged care sectors.

Brad has both a Bachelor of Nursing and Master of Nursing and maintains his registration as a Registered Nurse (RN). Welcome Brad.

At Board level, Jo-Anne (Jo) Harrison has joined as a Non-Executive Director, having been nominated by North Sydney Council. Jo's appointment balances our skills and experience at Board level, particularly in the areas of property development/refurbishment, project management, not for profit, risk management and corporate governance. We welcome Jo to the JMV family.

During the year, we also welcomed Pastor Norma Lemmon to strengthen our provision of pastoral and spiritual care to our residents. Norma brings formal training in pastoral care, experience as a minister and has extensive knowledge surrounding religious matters. She supports all those with spiritual and emotional needs. Welcome Norma.

Looking forward, our focus remains on sustainable growth to ensure we meet market demand for the ageing in our community.

In closing, I would like to again thank our great workforce for their commitment, and to our management and fellow Board members for their dedication and passion to our James Milson Village community.

We are committed to delivering our vision of delivering a centre of excellence in services for the ageing.

Paul McPherson
Chair of the Board





*Ben Van Lierop
Chief Executive Officer*

CEO's Message

Dear All,

As we reflect on another year, it's time to celebrate our work, our role and achievements in a time of unprecedented change.

We have all faced another difficult year, confronting many new waves of the COVID-19 pandemic, while continuing to learn and confront fresh life challenges. To all of you who work or volunteer at James Milson Village, I want to extend my sincere appreciation and gratitude for your magnificent contribution and steadfast commitment to keeping our residents safe. I also wish to acknowledge and thank our engaged families and friends for their wonderful support in maintaining the proud ideals of James Milson Village.

On behalf of James Milson Village, I am pleased to present our FY2022 Annual Review. This report reinforces what an extraordinary year it has been for everyone at James Milson Village, being our staff, volunteers, residents, families, and friends. It has been a tough year and one

of positive transformation, as we moved ahead with introducing new governance tools, quality systems and processes that will help us meet our regulatory requirements and support our foundations for a sustainable and prosperous future.

Having been in the role of Chief Executive Officer for some 18 months now, I am very optimistic about the future and am confident in James Milson Villages' capabilities to continue to be a leader in aged care and to be recognised as a centre of excellence in services for the ageing.

The past year has been a durable test of our resilience and the James Milson Village family has come through this taxing period extremely well and I am enormously proud of our senior leadership team, managers, volunteers and our wonderful staff who

have given so much through this very challenging journey.



I am very optimistic about our future and am confident in James Milson Villages' capabilities to continue to be a leader in Aged Care.

COVID-19

Unwavering commitment was at its quintessential best during the COVID-19 pandemic, which impacted our residents, staff and community for the majority of the year. We confronted this virus at our Woolwich Village in October 2021 and at present day it is still a dangerous threat to the wellbeing of our loved ones. Our response to COVID-19 was extremely effective, a reflection of well-embedded infection control protocols and guidelines, strong clinical governance, exceptional leadership at all levels, resilient and professional staff and a culture of uncompromised quality and safety. Decisions to invest in stockpiling personal protective equipment, employment of additional care and agency staff, and investment in technology to support connectivity between residents, families and friends were all critical in helping James Milson Village negotiate this incredibly difficult stretch.

Navigating this very unstable environment and restrictions brought about by COVID-19, saw our people become courageous, passionate and collaborative in responding to the ongoing challenges, making sure that we continued to meet and exceed the needs of our residents, families and the community we serve. We worked hard to keep our residents' daily living routines close to as normal as possible. When COVID-19 cases were in our homes we acted with empathy and vigilance when case numbers increased. This included visitor restrictions to our Villages when required and I thank our residents and families for their support and patience during these arduous times.

ROYAL COMMISSION INTO AGED CARE QUALITY AND SAFETY

The government released the final report of the Royal Commission into Aged Care Quality and Safety on 1 March 2021. The Government's response stated that for operators there would be increased accountability through strengthened organisational governance and quality care legislative obligations, including measures to grow a skilled and professional aged care workforce.

Reinforced by the Aged Care Quality and Safety



Commission (ACQSC), the key focus areas encompassed improving the consumer experience, building workforce capability, strengthening clinical governance, and developing effective operational practices to ensure the delivery of quality care and services. Mandatory compliance was essential and to assure re-accreditation, operators would be required to demonstrate their practices and performance against the Aged Care Quality Standards.

In response to these legislative changes and to ensure James Milson Village respected and acted upon these key recommendations, our strategic plan focused on strengthening our Board governance and clinical practices and reinforced our quality, safety, systems, and processes. Other targeted initiatives included the continued commitment to 24/7 registered nurse coverage, investment in incident reporting, risk management, staff education and enhanced quality protocols to enable our villages and services to remain fully compliant.

AUSTRALIAN NATIONAL AGED CARE CLASSIFICATION

The aged care sector has faced widespread financial challenges over the past 12 months and James Milson Village has not been immune. As clearly articulated throughout the Royal Commission into Aged Care Quality and Safety, funding for aged care has not kept pace with cost increases across the sector. The funding shortfalls have been amplified by COVID-19, whereby costs have grown exponentially and revenue has taken a substantial hit through reduced occupancy of our aged care homes. As part of the Government commitments to support the provision of aged care, the Department of Health is planning to implement a reform initiative to replace the current Aged Care Funding Instrument (ACFI) with a new Australian National Aged Care Classification (AN-ACC) funding model scheduled for implementation on 1 October 2022.

Key Operational Changes

- ACFI is internally assessed and AN-ACC is externally assessed. At face value that sounds like less work but a greater personnel focus and investment in IT infrastructure will be required to optimise control of this primary revenue stream.
- The ACFI funding model is structured very differently to AN-ACC. ACFI is prescriptive, you do this and you get paid this, based on three key domains (64 points of pay) whereby AN-ACC is based on only 13 classifications.
- There is a direct link between care minutes and funding

that does not exist in ACFI, meaning changes to AN-ACC will change rosters.

- Mobility is the key activity/cost driver in AN-ACC.
- There is no direct funding for 4b pain management, which means the area of allied health support and funding will incorporate different care programs and services.

Department of Health Deliverables

The three key deliverables on the critical path for the Department of Health (DOH) to meet the 1 October deadline are:

1. Parliament passing the AN-ACC legislation
2. Completion of the industry wide shadow assessments
3. Preparation of the AN-ACC payments system by Services Australia

The DOH remains confident in completing all these items by the October launch date. The timelines for the key policy changes have been agreed. These include the introduction of the 24/7 registered nurse requirement by 1 July 2023 and increases to the minimum care minutes, 215 in total with 44 registered nurse minutes per resident per day by 1 October 2024.

Project Governance

James Milson Village has engaged Mirus Australia to provide support during the ACFI to AN-ACC transition. Mirus has been dedicated to the aged care industry for more than 11 years. Since May 2021, Mirus has been gathering information on AN-ACC, having hundreds of conversations with providers and developing key tools and insights to support providers in this transition. Mirus is currently project managing more than 40 providers (representing over 30,000 beds) to prepare operators

for the October 1 AN-ACC deadline.

Mirus is working with the AN-ACC James Milson Village Steering Committee to implement a transition plan across these five workstreams.

1. Finance
2. People
3. Process
4. Data
5. Systems

The priorities are all currently being addressed by the AN-ACC Steering Committee and working groups. Some priorities pose greater challenges than others, but the business is well positioned to transition to the 1 October deadline.

CONCLUSION

Despite these significant industry disruptions, James Milson Village has proven to be a resilient and agile organisation in the face of these enormous challenges. Our people, process and system transformation over the past 12 months has positioned James Milson Village to grow and become stronger. I am extremely grateful for the ongoing trust, support and feedback of our Board, residents, families and friends and for the remarkable dedication and commitment of our amazing staff and volunteers. Through our shared experiences, we will strive to shape a brighter future for older Australians as we continue to deliver quality care and services with compassion, choice and dignity.



Ben Van Lierop

Chief Executive Officer

Strategic Plan 2023-2025

Who we want to be

Provider of choice: through expansion of our offerings and services, and a considered approach to our model of care, we want to ensure that JMV remains the provider of choice, true to our mission and reputation, to the ageing in Sydney's Lower North Shore.





Our Strategic Pillars

- a.** Ensure JMV is a well-run, viable and sustainable organisation.
- b.** Ensure JMV delivers excellent and compliant Clinical Care, Lifestyle Choices, Governance and Risk Management.
- c.** Deliver market-driven, responsive, quality services for the ageing in our community.
- d.** Nurture an inclusive, collaborative, accountable and empowered culture within JMV.

Our Priority Strategies

- a.** Complete transformation project at North Sydney and Woolwich to ensure re-accreditation and compliance with Aged Care Standards and all relevant legislation.
- b.** Develop and implement an enhanced Clinical Governance Framework.
- c.** Develop and install a JMV Model of Care for all residents in our villages.
- d.** Build a comprehensive Risk Management Framework.
- e.** Ensure care revenue is optimised with new AN-ACC Funding model.
- f.** Offer, if viable, home care services and optional services programs for our RLA residents.
- g.** Determine optimum use of Carabella Tower.
- h.** Continue to offer assisted living and subsidised accommodation to those in need.
- i.** Develop improved food offerings for both North Sydney and Woolwich residents.



Financial Overview



REVENUE

—
\$19.6
million

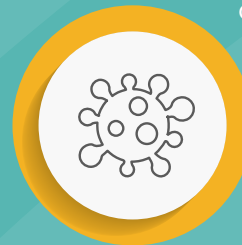
EBITDA* loss of \$2.4 million includes the following abnormal/one off costs:

RE-ACCREDITATION
PREPAREDNESS COSTS



—
\$1.0
million

COVID-19 RELATED
COSTS



—
\$0.4
million

NET ASSETS



—
\$37.8
million

NET OPERATING
CASH OUTFLOW

—
\$3.3
million

including net RAD outflows of \$2.0 million

FINANCIAL
ASSETS

—
\$20.8
million

CAPITAL
EXPENDITURE

—
\$2.7
million



NO
external
DEBT
financing



AVERAGE
ILU & RAC'S
OCCUPANCY

92%

*Earnings before interest, tax, depreciation and amortisation - includes impact of AASB 6 leases.

SERVICE AND SUPPORT

32%
\$436,142

LOW COST ACCOMMODATION
(43 RESIDENTS/CONSUMERS)

38%
\$525,648



Subsidised Care & Support

FINANCIAL YEAR 20222

\$1,368,448

COVID-19

18%
\$247,153

COVID-19 - represents expenses to support stakeholders during the pandemic.

SUBSIDISED CARE

12%
\$159,505

Services and Support - subsidises a number of other services crucial to providing dignity and choice for consumers from nutrition and fitness to personal grooming.



JMV Model of Care

My Voice, My Choice

The Mission, Vision and Values of James Milson Village are reflected in My Voice, My Choice.

Community is the heart of home life at James Milson Village. Our community is a vibrant place of safety that promotes wellbeing, lifestyle and care that is chosen by the consumer, where enablement and purposeful engagement promote happiness and contentment.

My Voice, My Choice is a platform for compassionate and dignified care based on consumer choice and decision making at all times.

My Voice, My Choice supports the consumer to be the best they can be and live their best life possible, holding staff to the highest standards of care and service delivery.

Aged Care Reform

Current Situation

FINANCIAL YEAR 2022 - Aged Care Financial Survey Sector Report March 2022, Stewart Brown

It seems a very reasonable proposition that residential aged care has now reached the fiscal cliff. The following graphs demonstrate the forecast result for the year ended June 2022 and the number of aged care providers making an operating and cash loss.

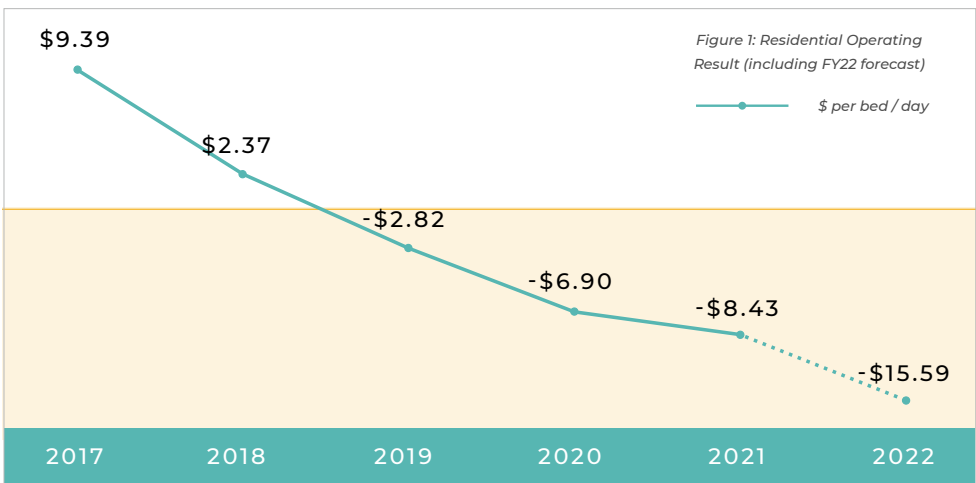
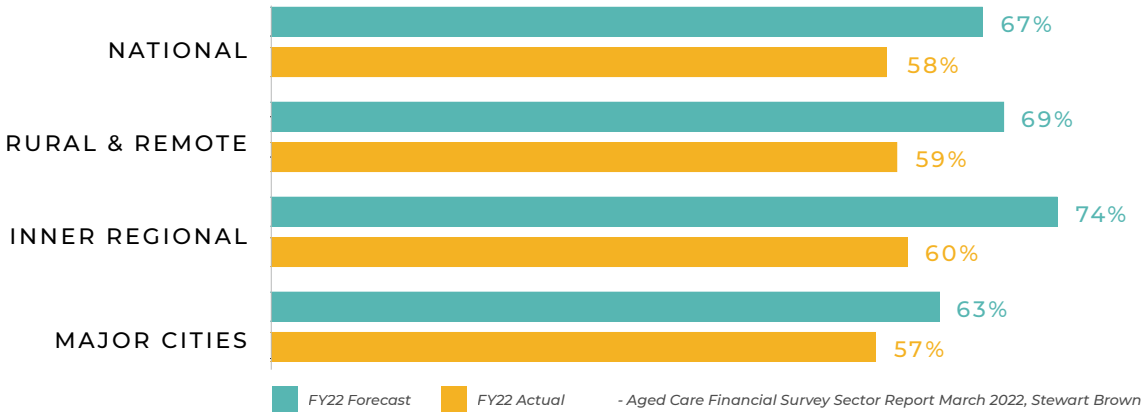


Figure 2: FY22 forecast percentage of homes making an operating loss



Occupancy for March 22 declined by 1.1% to 91.4% (Mar 21 92.5%)



Direct care costs represented 91.1% of direct care revenue. COPE increase not meeting direct care cost increases



Accommodation result (including property maintenance) was a deficit of \$11.70 pbd



Forecasting 67% of homes to make an operating loss for FY 2022.

Likely Key Reforms From New Legislation Post Royal Commission

	<i>Likely impact for JMV</i>
1. Move from ACFI to AN-ACC	
a. Potential for increased funding from October 1 2022	↑ ↑ ↑
b. Direct link between care minutes and funding	
2. Introduction of Star Rating System	
a. Effective for all homes from December 1 2022	↑ ↑
b. Likely positive for the better providers	
3. Mandated Minimum Care Minutes	
a. Mandated from 1 October 2023, but reportable from 1 July 2022	↓ ↓
b. Revenue dependent	
4. New Independent Health & Aged Care Pricing Authority (IHACPA)	
a. New funding model based on cost of care from July 1 2023	↑ ↑
b. Dependent upon government Budget for Aged Care	? ?
5. Bed License De-Regulation (Abolition of ACAR)	
a. "One-off" non-cash write of value of bed licenses	↓ ↓
b. Positive for greenfield development	↑ ↑
6. Uncertainties	
a. Devil is in the detail yet to be released	? ?
b. Response from Fair Work Commission	? ?
c. Response Federal Budgets 2022 & 2023	? ?

Care Report

Since my arrival in October of 2021, it has certainly been a journey. A few months into coming to James Milson Village to work as the Residential Services Manager of North Sydney, I was given the opportunity to take over and support Woolwich, which has been an incredible blessing. By graciously accepting this opportunity, we were able to successfully build a bridge and create a space to share and embrace the strengths, knowledge, and experience of key personnel across both sites. We have embraced the challenges before us with an attitude of gratitude and the theme of ministering with love was adopted sitewide. As both homes stabilised with the much-needed presence of senior management and middle management, we have been able to create a new platform to showcase the tremendous work and effort of all our teams in residential aged care.

We recognise and understand the impact that COVID-19 has had on our sector, especially to the emotional health and wellbeing of residents in our care. Hence our pledge to create a warm, safe, inviting, and all-embracing environment for all residents and their loved ones.

Thank you to all our wonderful residents, families, and staff for welcoming me initially and now for working alongside myself and the teams in creating a new way of life at James Milson Village.

This year has seen lots of movements in our operational space, as we have had to say goodbye to key personnel. But on the other hand, we have welcomed many talented team members who possess the energy and passion to want to make a difference in aged care.

What an incredibly busy year it has been. As we navigate through some of the toughest terrains in aged care, we can almost take a breath and feel like there is some light at the end of the tunnel. The good news is that we continue to grow in experience and with the lessons learnt from prior lockdowns, the outbreak management plan is now easily activated, maintained, reviewed, and evaluated. Our residents' emotional health and wellbeing will continue to be our number-one priority.

I would like to extend my thanks and gratitude to our amazing staff at JMV, for always turning up and bringing their cheerful dispositions to each day they have worked and for keeping our beloved residents, safe, happy and entertained. To those whom we have lost this year, may you rest in eternal peace and continue to shine your love and strength down on us.

Part of holding such a diverse and engaging portfolio involves community building and strengthening of partnerships. We are proud to

acknowledge the great collaboration that has been established with many key external stakeholders such as the Aged Care Quality and Safety Commission, Aged Care Rapid Response Team of Royal North Shore Hospital, Public Health Unit, Department of Health, The Commonwealth, Nursing Recruitment and agencies, contractors and suppliers in the industry.

At JMV, we recognise the importance of education, innovation, and advancement, hence we have partnered with nursing and allied health colleges to screen for new talent and be recognised as a 'Centre for Excellence'.

It is my privilege to drive the transformation and stabilisation of the two magnificent facilities and bring them into alignment with the new Quality Aged Care Standards, in accordance with legislation as we prepare for re-accreditation in the very near future for both of our care communities.

Looking forward to the support of our dear residents, families, friends, external stakeholders, and community as we move into the next stage of our journey.

Dee Sookaloo

Residential Services Manager



Key Achievements FY 2022

1. Change over to new Clinical Information System: E Case
2. Proposed memory support unit for Carabella House: work in progress
3. Introduction of the monthly residential aged care newsletter
4. Introduction of the fine dining experience
5. Introduction of 'Eureka' resident meetings held monthly
6. Fostering and engaging with community services and partnerships
7. Preparation for re-accreditation for both homes
8. Transition to AN-ACC
9. Consumer engagement and preparation for star ratings
10. Developed new Infection Prevention Controls (IPCs)
11. Wellness and beauty therapy services introduced to Woolwich
12. Gardening and maintenance improvements
13. Successful management of all COVID-19 outbreaks
14. Introduction of Roving Care Services Manager
15. Engagement with external consultants to align with Industry Standards
16. New Model of Care rolled out
17. Reviewed and expanded Aged Care Risk and Clinical Governance Framework
18. Change of Clinical Management Systems

Key Focus for FY 2023

1. Kitchen renovations across both sites
2. Introduction of Care minutes
3. Star rating focus on consumer engagement
4. Proposed café-style living to be introduced
5. Commissioning the new Memory Support Unit in Carabella House, North Sydney
6. Improvement in catering and food services
7. Introduction of enablement and exercise programs in alignment with AN-ACC



RESPECT

The way we treat all stakeholders



FORWARD THINKING

To challenge what we do every day; to look outwards and embrace continuous improvement.



PERFORMANCE

Plan to exceed expectations on a daily basis; be acknowledged as a leader.

Our People

Our Values



EXCELLENCE IN CARE & SERVICES

Our people are at the centre of all we do; choice, control and consultation drives all care and services.



INTEGRITY

The integrity of the organisation or individual is paramount and will not be compromised.



Our Strategic Priorities

Nurture an *inclusive, collaborative, accountable and empowered culture.*

JMV proudly employs some 200 team members across residential aged care and retirement living at North Sydney and Woolwich.



Talent Attraction and Retention



More than 10% of new employees joined us to support our surge workforce and assist with COVID-19 outbreaks when some team members were required to isolate



Hosted more than 60 students in individual support and lifestyle, building a talent pipeline

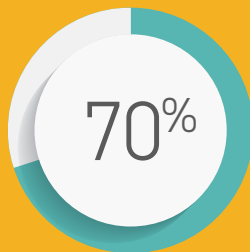


Established partnerships with seven RTOs and three universities

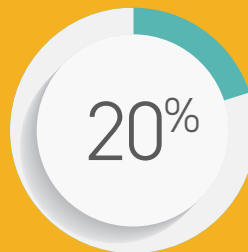


Performance review and development plan in place for all permanent team members

Our Learning & Development Framework is designed to deliver capability-based solutions that are flexible in delivery and cost. We would like to adopt the 70-20-10 model:



Learning on the job



Learning through others, mentoring, coaching



Formal learning interventions



All team members:
E-learning platform implemented with a wide variety of clinical and non-clinical courses in the library of JMV Centre of Learning and Excellence



2 x Coaching/mentoring opportunities for Registered Nurses to act as Care Services Manager



Team leaders and managers training webinar in coaching Skills in the Workplace and Constructive Conversations



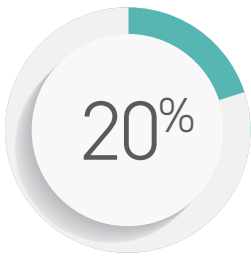
All team members:
First aid certificate training offered



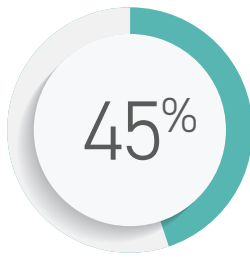
3 x Infection Prevention and Control Certificate for Registered Nurses

Diversity and Inclusion

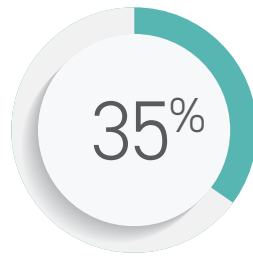
AGE DIVERSITY



Aged 50+



30-50 Years



Under 30 Years

Diverse culture background: team members come from more than 15 different cultural backgrounds with a wide range of interests and experiences, creating an inclusive work environment and opportunities for learning and growth.



Employee of the Year 2021

Nancy Cho

Congratulations



Nancy Cho



RUNNER UP
Dillon Broad

FINALISTS
Sujan Basnet
Max Takla
Goma Thapa
Hine Latu
Kreesma Poudel



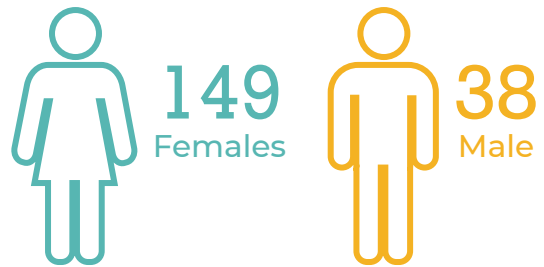
Our residents

RAC: 145

ILU: 106



Our staff



Our volunteers



Years of service

20 yrs: 3

10 yrs: 24

5 yrs: 17



*Nadeem Ahmed
IT Manager*

IT Report

IT Operations & Services

FINANCIAL YEAR 2022

WIFI | NETWORK UPGRADE | DATA CABLING – WOOLWICH

- Extensive installation of data cabling is completed
- Installation of approximately 75 new access points
- Improved resident satisfaction
- Future proof investment
- Efficiencies in business practices

CLINICAL MANAGEMENT SYSTEM – WOOLWICH

- New clinical management system been implemented
- Improved overall efficiency of daily workload of the staff
- Provides better management of client information, referrals, assessments and care plans

CCTV INSTALLATION

- CCTV Deployed at Woolwich
- Around 32 cameras been deployed covering both ILU and RAC
- Achieved various strategic outcomes including improved crime prevention (CCTV as a deterrent) and detection

MIGRATION OF G SUITE TO OFFICE 365

- Successfully migrated to Microsoft 365 and using Best Practice deployment
- Moved several thousand messages, nearly 1000GB of data
- Anticipated following benefits: End-user productivity, security and compliance, scalability and efficiency

WINDOWS 11 & DOMAIN CONTROLLER

- Road map to shift our infrastructure to the cloud
- User now logs in with Microsoft credentials and can access their Microsoft services including mails, teams, and SharePoint without having to login again
- Solution will provide us flexibility, security, and accessibility

WOOLWICH BOARDROOM

- Updated Woolwich boardroom (school house) with new screens / connectivity
- Cameras with 4K performance attached to a large-screen TV

INTRANET UPGRADE

- Our intranet provides and shares information within entire organisation
- System provides secure way to access the information

DESKTOP CENTRAL DEPLOYMENT

Single endpoint management solution that helps in managing devices from a single console is connected

OTHER MAJOR PROJECTS COMPLETED

- Medication Management at Woolwich
- E Case implementation at North Sydney
- Google Drive to Sharepoint

IN PIPELINE

FINANCIAL YEAR 2023

ACCESS CONTROL AT WOOLWICH

- Provides a secure environment for our residents while still having a functional easy-to-use facility
- Access control will secure your building and provide a log of who accessed what area and when
- Approx. 39 access controls will be installed covering 39 double and single doors
- Access fobs will be programmed and issued to all residents, family members and staff. Each door to be connected to fire relay

VISITOR MANAGEMENT SYSTEM

Key benefit is the ability to quickly access a full list of all staff, visitors and contractors on site for use in an emergency.

No more paper lists.

OTHER PROJECTS

- Nurse Call System at Woolwich
- Website Upgrade
- Intranet | Board Portal Upgrade
- End User Devices
- Electronic Medication Management

Property Report

Property highlights

There were ten major refurbishments completed, seven in Camaraigal and three in Carabella Tower, plus one of the units in Woolwich was refurbished.

Additionally, there have been periodic renovations to residents' rooms in Elamang and Carabella Tower to continue to maintain the quality environments.

The long delayed Tower Sprinkler project was finally commissioned in February, adding significantly to the life safety systems in Carabella Tower (see the new fire booster assembly located at the corner of High St and Clark Rd).

The streetscape of High St was greatly improved with repair to the retaining wall and fresh plantings.

The Asset Management Plans for both Woolwich and North Sydney were finalised and shared with all key stakeholders.

A new Maintenance Manager, Francis Hache commenced in March 2022 and has hit the ground running. One key initiative



of Francis has been the implementation of a computerised maintenance management system, Upkeep, to support prompt responses to maintenance requests and the tracking of expenditure.

In the 2022/2023 financial year it's expected that there will be further refurbishments of the Independent Living Units. There are initiatives to improve the environments in Carabella House and Elamang House and possible upgrading of the kitchen and dining areas.



Residents' Committee Report

At JMV North Sydney, it's certainly been a year of highs and lows. The virus has curtailed many social activities for ILUs and has left a rather unfortunate legacy. However, despite the isolation and difficulties, many good things have happened and our community is slowly re-establishing itself.



Happy Hour with drinks and nibbles continues to occur Thursday evenings.



The monthly BBQs by our management team have provided some much-needed contact time and a lovely convivial meal.



20 people joined us for a splendid harbour cruise during the VIVID lightshow.



Ensemble Theseus has put on a number of delightful live music evening concerts.



One diligent resident has arranged a few outings by bus to view art, enjoy ferry rides, and visit other places of interest - breaking the trip up with a lunch.



On a safety note, emphasis on fire procedures and training residents has also been conducted recently.



The Committee request for the High Street gardens to be restored was approved. With spring approaching, the native plants are now burgeoning, and the garden is looking beautiful.



Other maintenance work, due to the keen interest of a resident, and the employment of a contract gardener, is bringing the rest of the gardens to life and ensuring the ongoing enhancement of the al fresco environment at JMV.







Our Residents





Darrel Conybeare

Darrel Conybeare currently resides at James Milson Village North Sydney, where he has been for three years. Before he was roaming the halls of Carabella House with his cheeky smile, Darrel lived a highly accomplished life. We recently got to speak to his wife, Leith Conybeare, about Darrel.

“Darrel has always been an extremely dynamic man – he was really something when we first met. It was 1960 and I was 19. I still remember his first words to me. I was over from Perth attending a student conference at Sydney University, so I always reflect on how lucky we were to have even met. We married a couple of years later. Despite graduating with first class Honours and a University Medal, he was a very modest man,”

explained Leith.

In 1967, Darrel was given the opportunity to work in California alongside the most important American designers of the 20th Century, Ray and Charles Eames. As a young architect, the Eames experience had an enduring influence on every aspect of Darrel's professional life.

“We returned to Australia with our three children in 1970 and Darrel's first project was taking part in the preparation of the Strategic Plan for Sydney. He then started the planning and urban design firm, Planning Workshop. In 1980 Darrel co-founded Conybeare Morrison alongside Bill Morrison. The award-winning architecture firm was responsible for transforming many significant public spaces in Sydney, including Circular Quay in the leadup to the Australian Bicentenary as well as the 2000 Sydney Olympics, and reimagining Darling Harbour (1982), Luna Park (1987), Market Street (1997), Sydney University (1990-2000), plus an array of international projects,” continued Leith.

Last year the firm published a 40th anniversary book celebrating some of their most notable urban designs. Few designers have made such a mark on Sydney's urban spaces as Darrel Conybeare and his legacy will be lasting.

Christopher Blower

Currently a resident at Elamang House, we got a chance to sit down with Chris and chat a bit about his past and the community work he's been doing for the past 14 years throughout his retirement. Chris was born in Kent, England and emigrated to Australia at the age of 27 during the days of the Ten Pound Pom.

Once in Australia Chris's first job was as a postman in St Ives. Back then, posties blew their whistle when delivering the mail and were as important as the milkie or bread man.

"I remember it was the summer of 1968/69 as there were a lot of bushfires. One day the fires were quite bad, I recall turning around in this lane and a bunch of firefighters were running towards me. The next day I was in Sydney Morning Herald's 'Column Eight'. Someone must have written about the postman delivering the mail up in the middle of the burning flames.

"I eventually joined the public service in Brisbane before moving to Canberra, where I stayed for 30 years. It was there that I met my wife and raised our children," explained Chris.

Chris spent many years working as a public maritime lawyer and in the 1990s got the opportunity to umpire grade cricket, including an international match. In 2008, he retired to Sydney with his wife.

In Sydney, Chris began volunteering at the Fine Music 102.5FM radio station, which broadcasts classical, jazz and other fine music genres.

"It was founded by volunteers in 1974 and was the first FM station in Australia.

"During the recent lockdown, radio stations were all designated as essential services, but Fine FM came to the decision to restrict live shows to breakfast and drivetime programs. All other programs had to be broadcasted from computers. I decided to go through hours of old programs, editing out references to real-time so they could be aired at any moment. It worked a treat.

"I can login to our computer system from Elamang House to work. I am one of four volunteers from the station living at James Milson Village," concluded Chris.

Fine Music's contribution to the community is well regarded. The station was recognised in the North Sydney Community Awards in 2017, winning Community Group of the Year. Chris also won an individual award for his community service in 2018 (pictured below).



Mabel Borgman

1930 – 2022



JMV recently received this wonderful testimonial from the family of a Woolwich resident, Mabel. Sadly, Mabel passed recently and while she was only with us at JMV for a short period of time, she left a special mark on the team at Woolwich.

My beautiful mother, Mabel Borgman, was extremely fortunate to live the last seven months of her life at James Milson Village, Woolwich. As her daughter, I will be forever grateful for the excellent care, love and warmth that was given to Mabel during her time there.

It's no secret Mabel lived for her family and friends – she was generous, fun, a wonderful mother, and a much-loved grandmother. An accomplished lady and astute businesswoman who when widowed at 40, continued to run a successful business until her retirement in her late 70s.

Mabel lived totally independently until an opportunity became available for her to inspect JMV as a future respite care facility. As we were shown around the facility it became apparent that this was a special place. We were greeted with big smiles and happy hellos.

Room 314 was available for inspection. As we walked in it was full of sunshine, with a balcony looking out onto a garden showcasing a beautiful jacaranda tree. Mabel was instantly impressed. When told the room was available for permanent residency, Mabel looked at me and whispered, "We should take it."



I am the luckiest lady and so spoilt. I am cared for even better than the Queen of England

I was surprised as Mabel had made me promise I would never place her in a care facility. I often wondered what made her make such a quick decision. Was it the beautiful tree that became known as her 'lilac tree'? Maybe the compact kitchenette that she could utilise when visitors arrived? I do think the heated bathroom floor and wardrobe large enough to accommodate her clothes, shoes and bags all contributed to her deep sense of belonging at JMV.

Within days Mabel moved in. It did take her a little time to adjust, understandably, as it was busy, and Mabel was used to living alone. Everyone extended a very warm welcome and she slowly began to settle in. Everyone became a part of her extended family and she loved them.

Every day she would say to me, "I am the luckiest lady and so spoilt. I am cared for even better than the Queen of England". And I totally agree – she certainly was!

Mabel was proud of her home. She would boast about the level of care – always something to do should you wish to

participate. She enjoyed the amazing meals, telling me with a cheeky laugh "I can even have a glass of wine – anything I like".

Suddenly, Mabel became ill and was transported to Royal North Shore Hospital. All she requested was to be allowed to return home to JMV amongst her extended family under palliative care, in her room, her home.

July 13, surrounded with family, laughter and love, Mabel passed away. It was calm, peaceful, and beautiful. It was a privilege to have been by her side holding her hand. Mabel lived a wonderful, full and happy 92 years.

As her daughter and from Mabel's family, I wish to express our deepest gratitude to everyone at James Milson Village, Woolwich. Mabel loved with all her heart, and she was loved right back.

Thank you so very much for providing Mabel such an amazing level of personal care, delivered with happiness and love.

With all my love and thanks,
Janise Sammons
Daughter of Mabel Borgman

Our Staff



Kreesma Poudel

Kreesma Poudel has been working at James Milson Village's North Sydney facility for three years and was a finalist for the last Employee of the Year awards.

"Kreesma is a very loyal and supportive team member. She works overtime to ensure the residents' health, wellbeing and safety is maintained. A kind and gentle care staff, Kreesma is a valued addition to our team," said Residential Services Manager, Dee Sookaloo.

Originally from Kathmandu, Nepal, Kreesma arrived in Australia in 2019. Having spent 10 years as a primary school teacher, choosing a role where she could continue to help people was important to her.

While completing her Certificate III in Aged Care, she undertook her placement at JMV and worked hard in the hope she would land a job as an Assistant in Nursing once her studies were complete. She managed to secure the role and often goes above and beyond for her residents.

"I'm happy to have such a supportive and helpful management team here at JMV. They reward hard work and really care about the staff," said Kreesma.

In a few years, she is hoping to apply to study a Bachelor of Nursing.





Nadeem Ahmed

Born in Chandigarh, India, Nadeem Ahmed didn't take the conventional career path post university. He has cut hair for some of India's most famous Bollywood stars and cricketers, and even has a Guinness World Record.

Nadeem spent a lot of time in his uncle's salon while growing up, so when a friend of his asked Nadeem to cut his hair, he didn't hesitate.

"I cut my friend's hair and that's where it all started. At the time I ran an internet café and students would come in and let me practice on them. I also learnt through YouTube videos," explained Nadeem.

After a while Nadeem started experimenting by cutting hair with fire, glass, paper cutters or blindfolded. He started gaining a lot of media attention and doing shows across the country. It was 2003 when he was featured in the World Guinness Book of Records. In 2005 Nadeem moved to Australia with his wife, putting down his scissors and taking back up IT.

"I worked in IT for a finance company, but I much prefer the aged care industry. Personally, it gives me a sense of pride and contentment that I'm contributing back to the community. It has, over the six years I've been at JMV, become a passion."

Nadeem's team has transformed JMV's technology and they are now one of the top facilities when it comes to IT. With aged care residents becoming more and more tech savvy, it's important that what's available suits their current lifestyle.

"With the pandemic, everything was locked down. Our tablets and Zoom trolleys helped the residents stay connected to their families. They also have access to Smart TVs where they can access Netflix and YouTube, etc.

"We have achieved quite a lot. We also do staff education from time to time. As an aged care facility, it is very important our systems are secure, and that staff understand data security," continued Nadeem.

Nadeem works across both North Sydney and Woolwich facilities and is proud to share the residents' golden years with them.

"I'm in IT so I'm not involved with direct care, but as I walk through the hallways, I get to know the residents. And they get to know me. When they have functions, we're there – it brings me happiness to hear their stories and celebrate the important events with them. It's a perk you don't often get in other workplaces," concluded Nadeem.

Our Board



Paul McPherson

BCom, LLB, FAICD

Board Chair

Chair Asset & Property Development Committee

Member of the Audit & Risk Committee

Paul is an experienced company director and chairman, with previous roles spanning senior international management, marketing and sales in consumer goods. He specialises in strategic planning and implementation process improvement. Nominee from community. Board member since 2014.



Sharon Callister

MBA, BHA, GAICD, RN

Board Vice Chair

Chair People, Culture & Remuneration Committee

Member Clinical Governance & Care Committee

Sharon is the current CEO of Mission Australia and former CEO of Presbyterian Methodist Schools Association Qld and former member of The Salvation Army Queensland Advisory Board. She has extensive operational and governance experience in social services and aged care, particularly capital projects, clinical governance, strategy, people and culture. Nominee from community. Board member since 2018.



Phillip Rankin B.

Bus (Accy), CPA, JP

Board Director

Chair of Audit & Risk Committee

Member of Asset & Property Development Committee

Phillip has broad experience as CFO, Finance Director and Managing Director. He is the current director at The Mac Credit Union (& Audit Committee Chair), Camden Meals on Wheels and MyGateway. Nominee from community. Board member since 2019.



Dr Dorothy Leeder

MBBS, FRACGP

Board Director

Member of the Clinical Governance & Care Committee

A GP for 40 years, Dorothy fostered the early uptake of computing in her practice and throughout her career, with a special interest in the elderly and disabled. Dorothy has extensive experience working in aged care facilities. Nominee from Catholic Parish. Board member since 2019.



Dr Lois Towart

Assoc DipVal, BBus, FAPI

Board Director

Member of Audit & Risk Committee

Member of the Asset & Property Development Committee

Lois has extensive experience in valuations and analysis, specialising in retirement housing and residential aged care. Nominee from community. Board member since 2019.



Josephine Heesh

BArts, Masters Law

Board Director

Member of the Audit & Risk Committee

Member of the People, Culture & Remuneration Committee

Currently a partner in the law firm of Carroll & O’Dea Lawyers, Josephine has been a practicing solicitor for over 40 years. She has extensive experience on Boards in the not-for-profit sector. Nominee from Catholic Parish. Board member since 2019.



Jo-Anne Harrison

MMgm, FAICD, FGIA

Board Director

Member of Audit & Risk Committee

Member of Asset & Property Development Committee

An experienced executive and non-executive as both a director and Board chair, Jo-Anne has expertise in corporate and project governance, audit and risk committees, stakeholder engagement, development management, complex approval environments, projects and programme management. Nominee from North Sydney Council. Board member since 2021.



Suzanne Jones

BAppSc, PostGradDip IR/

Labour Law, GAICD

Board Director

Chair of Clinical Governance & Care Committee

Member of the People, Culture & Remuneration Committee

Suzanne has extensive experience as a physiotherapist, peer reviewer and clinical standards auditor. She’s been an independent advisor for three decades, providing consultancy services to government, financial services, commercial and for-purpose sectors in roles across health, employment and disability. Nominee from North Sydney Council. Board member since 2021.



Linda Watts

BArts, GAICD

Board Director

Member of Clinical Governance & Care Committee

Member of People Culture & Remuneration Committee

Linda brings eight years of experience on aged care Boards, focusing on care, governance and strategy, and providing excellent life choices for older people. She has been on the Board of Peninsula Villages on the Central Coast since 2015. Linda has had a solid corporate career background, specialising in business, marketing and innovation across several countries and regions. Nominee from North Sydney Council. Board member since 2021.

Our Leadership



Brad Williams
Chief Executive Officer



Ian Ritchens
Chief Financial
Operating Officer



Nadeem Ahmed
IT Manager



Dee Sookaloo
Residential Services
Manager



Zephyr Min
People & Culture
Manager



Karyn Warner
Executive Officer



Francis Hache
Property & Maintenance
Manager





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North Sydney Retirement Trust

ABN 88 001 259 294

Financial Report - 30 June 2022

**North Sydney Retirement Trust
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For the year ended 30 June 2022**

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Statement of cash flows	10
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Independent auditor's report to the members of North Sydney Retirement Trust	27

General information

The financial statements cover North Sydney Retirement Trust as an individual entity. The financial statements are presented in Australian dollars, which is North Sydney Retirement Trust's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 September 2022. The directors have the power to amend and reissue the financial statements.

**North Sydney Retirement Trust
Directors' report
For the year ended 30 June 2022**

The Directors of North Sydney Retirement Trust present their Report for the year ended 30 June 2022 and the Independent Audit Report thereon.

The Directors consider the reference to Responsible Persons and Responsible Entities in the Australian Charities and Not-For-Profits Commission Act 2012 has the same meaning as the role of Director as defined by the Corporations Act.

Directors

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

Paul McPherson	Board Chair Asset & Property Development Committee Chair Audit & Risk Committee Member
Sharon Callister	Board Deputy Chair People, Culture & Remuneration Committee Chair Clinical Governance & Care Committee Member
Phillip Rankin	Audit & Risk Committee Chair Asset & Property Development Committee Member
Dorothy Leeder	Clinical Governance & Care Committee Member
Jo-Anne Harrison (Joined December 2021)	Audit & Risk Committee Member Asset & Property Development Committee Member
Ally Murphy (Resigned August 2021)	People, Culture & Remuneration Committee Chair Asset & Property Development Committee Member
Peter Antaw (Retired October 2021)	Board Deputy Chairman Asset & Property Development Committee Chair Audit & Risk Committee Member
Suzanne Jones	Clinical Care & Governance Committee Chair People, Culture & Remuneration Committee Member
Lois Towart	Audit & Risk Committee Member Asset & Property Development Committee Member
Josephine Heesh	Audit & Risk Committee Member People, Culture & Remuneration Committee Member
Linda Watts (Joined October 2021)	Clinical Governance & Care Committee Member People, Culture & Remuneration Committee Member

Principal activities

During the year, the principal activity of North Sydney Retirement Trust (the "Company") was the operation of James Milson Village Aged Care Facilities and Retirement Villages in North Sydney and Woolwich.

**North Sydney Retirement Trust
Directors' report
For the year ended 30 June 2022**

History

1968 - North Sydney Municipal Council ("NSC") establishes a sub-committee – North Sydney Homes for the Aged Association (the "Association") – to consider ways of building and operating a retirement village.

1970 - Site of proposed village chosen; corner Clarke & High Streets. The land title to the initial site of the Village comprising the Tower and Hostel buildings was as to:

- 1/3 gifted by the DMR to North Sydney Retirement Village Association for an aged care Facility
- 1/3 purchased with funds of the Trust (or its predecessor the North Sydney Retirement Village Association).
- 1/3 gifted to the Facility by North Sydney Council because at that time the Trust was unincorporated the land title was retained by the Council.

1971 - NSC approves the construction of the Tower building and two level hostel.

1973 - Foundation stone laid by Bill Hayden, Minister for Social Security.

1974 – James Milson Village (the Tower and Hostel) open by Governor Sir Roden Cutler, housing Independent Living Units (45) and Hostel Accommodation (59 beds).

James Milson Village was funded by Commonwealth Government Grants, incoming residents payments and community fund raising including a NSC contribution of \$101,500.00.

1975 - North Sydney Retirement Trust ("NSRT") incorporates – NSC decline to transfer title to the Trust but grants a long-term lease at a nominal rent of \$1.00 per annum.

1977 - Acquisition of site for Nursing Home.

1980 - NSRT and Uniting Care ("UCA") enter into a Joint Venture Agreement to operate a High Care Facility (the Nursing Home) on separate land acquired by the NSRT.

1982 - Opening of Nursing Home by Governor Sir James Rowlands.

1986 - Acquisition of two blocks of flats in McDougall Street for residential accommodation.

2005 - Camaraigal House providing 58 Independent Living Units built on the site of the McDougall Street flats - opened by Governor Lady Marie Bashir.

2006/2007 - Total renovation of Hostel and the Tower residential units and extensions of Nursing Home opened by Governor Lady Marie Bashir.

2016 - NSRT acquires UCA's interest in the Nursing Home joint venture thereby resulting in the NSRT being the sole owner and management entity across the entire JMV site.

2017 - NSRT appoints external project team to advise on site redevelopment and expansion strategy.

2018/19 - NSRT undertakes major refurbishment of facilities at James Milson Village.

2018/19 - NRST commences acquiring Apartments at 49-51 High Street, North Sydney for future redevelopment needs.

2020 – NSRT purchases Woolwich Retirement Village from Illawarra Retirement Trust and renames it as James Milson Village Woolwich.

**North Sydney Retirement Trust
Directors' report
For the year ended 30 June 2022**

Long-term objectives

The Company's long-term objectives are to:

- Be, and be recognised as, a centre of excellence in services for the ageing.
- Play a significant role in the provision of residential aged care and retirement services to the growing number of ageing consumers in the community, particularly in the local government areas of North Sydney, Lane Cove, Mosman, Willoughby and Lower North Shore;
- Maintain a supported consumer ratio at or above Department of Health requirements.
- Seek out new opportunities to deliver aged care services into the community.
- Be sustainable and strive for continuous improvement in the rapidly changing legislative environment; and
- Explore options for future expansion.

Short-term objectives

The Company's short-term objectives are to:

- Deliver a high standard of care and wellbeing for the frail and ageing.
- Maintain a strong team culture and approach across the village to promote a positive environment for consumers and workforce.
- Attract and retain high quality Workforce, Senior Management Team and Board to ensure the needs of consumers are met.
- Comply with all relevant legislation, in particular, the new Aged Care Quality and Safety Standards.
- Maintain financial strength and viability in line with funding legislation.

Strategy for achieving short and long-term objectives

To achieve these objectives, the Company has adopted the following strategies:

- The care, safety and well-being of our consumers, residents and staff is our primary focus.
- In unprecedented times, the major focus for FY 2022 has been on preventing the impact of COVID-19 in our Villages and undergoing significant transformation to meet the new Aged Care Quality Standards and prepare for Accreditation - both these necessitated the investment of significant one-off expenditures;
- Continue to invest in significant upgrades, refurbishments & improvements across our facilities;
- Additional investment in new processes, practices, systems and capabilities;
- Continue to upskill our workforce, particularly with the new Aged Care Quality & Safety Standards and the tougher regulations;
- On-going liaison with North Sydney Council and Transport for NSW to progress planned redevelopment strategy.

Review of operations

Operationally, we and the broader Industry, faced significant challenges:

- Staff shortages due to COVID across the industry has been a daily challenge. This has necessitated use of Agency Staff, which is costly.
- Preparation for Re-Accreditation has required significant investment to meet the likely changes to the new Aged Care Act Legislation and Regulations and more stringent requirements from the Aged Care Quality & Safety Commission (ACQSC). This has been a major focus for the Board and SLT with the implementation / upgrading of new processes, practices, systems, capabilities and training.
- Industry Reform, including the deregulation of the Residential Aged Care Licensing Regime (ACAR), has necessitated Providers write-off the value of their Bed Licenses from their Balance Sheets – in our case this has had an impact (non-cash) of \$5.5m, further impacting upon industry profitability and sustainability.

Impact on finances

The financial impact of the above challenges resulted in:

- Non-cash impairment charges of \$5.734m – see Note 15
- COVID related costs of \$0.4m
- Re-Accreditation Preparedness costs of circa \$1m
- EBITDA* Loss of \$2.4m
- (*Earnings Before Interest, Tax, Depreciation & Amortisation)

**North Sydney Retirement Trust
Directors' report
For the year ended 30 June 2022**

Signed in accordance with a resolution of the Directors.



Paul McPherson
Chairman

21 September 2022



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Australia Square NSW 1215
p +61 2 9251 4600
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e info@nexiasydney.com.au
w nexia.com.au

To the Members of North Sydney Retirement Trust

Auditor's Independence Declaration

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of North Sydney Retirement Trust for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Nexia Sydney Audit Pty Ltd

A handwritten signature in blue ink that reads 'Vishal Modi'.

Vishal Modi
Director

Registered company auditor no. 486119

Dated at Sydney, this 21st day of September 2022

North Sydney Retirement Trust
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	19,613,571	18,699,627
Expenses			
Employee benefits expense	5	(12,777,307)	(10,785,282)
Depreciation and amortisation expense	6	(2,881,883)	(2,630,737)
Impairment expense	15	(5,734,290)	-
Accounting, audit & consultancy fee		(637,776)	(659,059)
Catering expenses		(2,110,676)	(1,974,321)
Cleaning & laundry expenses		(708,270)	(724,064)
Finance Costs	7	(2,411,509)	(2,107,409)
Physiotherapists- Contractors		(637,332)	(663,574)
Rental expense		(143,623)	(90,717)
Repairs and maintenance		(553,741)	(613,112)
Staff training		(13,892)	(41,929)
IT Communication		(259,844)	(264,951)
Insurance expenses		(184,892)	(158,548)
Utilities		(396,949)	(377,476)
Other expenses		(1,021,440)	(629,223)
Deficit before income tax expense		(10,859,853)	(3,020,775)
Income tax expense		-	-
Deficit after income tax expense for the year		(10,859,853)	(3,020,775)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(977,480)	-
Other comprehensive income for the year, net of tax		(977,480)	-
Total comprehensive income for the year		<u>(11,837,333)</u>	<u>(3,020,775)</u>

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

**North Sydney Retirement Trust
Statement of financial position
As at 30 June 2022**

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	8	3,717,829	2,155,421
Trade and other receivables	9	301,631	307,233
Inventories	10	-	7,401
Financial assets	11	17,140,758	27,558,485
Other assets	13	259,513	155,286
Total current assets		<u>21,419,731</u>	<u>30,183,826</u>
Non-current assets			
Property, plant and equipment	14	111,776,168	111,912,540
Right-of-use assets	12	46,430	81,253
Intangibles	15	-	5,734,290
Total non-current assets		<u>111,822,598</u>	<u>117,728,083</u>
Total assets		<u>133,242,329</u>	<u>147,911,909</u>
Liabilities			
Current liabilities			
Trade and other payables	16	1,329,951	2,249,218
Borrowings	17	92,663,579	94,493,602
Lease liabilities	18	35,595	34,254
Employee benefits	19	1,269,216	1,178,121
Total current liabilities		<u>95,298,341</u>	<u>97,955,195</u>
Non-current liabilities			
Lease liabilities	18	12,174	47,767
Employee benefits	19	87,339	227,139
Total non-current liabilities		<u>99,513</u>	<u>274,906</u>
Total liabilities		<u>95,397,854</u>	<u>98,230,101</u>
Net assets		<u>37,844,475</u>	<u>49,681,808</u>
Equity			
Reserves	20	30,479,513	31,810,368
Retained earnings		<u>7,364,962</u>	<u>17,871,440</u>
Total equity		<u>37,844,475</u>	<u>49,681,808</u>

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

**North Sydney Retirement Trust
Statement of changes in equity
For the year ended 30 June 2022**

	Reserve (Note 20) \$	Education reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2020	31,456,992	353,376	20,892,215	52,702,583
Deficit after income tax expense for the year	-	-	(3,020,775)	(3,020,775)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,020,775)	(3,020,775)
Balance at 30 June 2021	<u>31,456,992</u>	<u>353,376</u>	<u>17,871,440</u>	<u>49,681,808</u>
	Reserve (Note 20) \$	Education reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2021	31,456,992	353,376	17,871,440	49,681,808
Deficit after income tax expense for the year	-	-	(10,859,853)	(10,859,853)
Other comprehensive income for the year, net of tax	(977,480)	-	-	(977,480)
Total comprehensive income for the year	(977,480)	-	(10,859,853)	(11,837,333)
Transfer in / (out)	-	(353,376)	353,376	-
Balance at 30 June 2022	<u>30,479,512</u>	<u>-</u>	<u>7,364,963</u>	<u>37,844,475</u>

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

**North Sydney Retirement Trust
Statement of cash flows
For the year ended 30 June 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Resident fees, levies and other revenue		8,540,539	7,925,309
Government grants received		10,555,818	10,142,059
Payment to suppliers and employees		<u>(22,543,017)</u>	<u>(17,145,887)</u>
		(3,446,660)	921,481
Dividends and trust distributions received		50,391	-
Interest received		219,550	418,613
Interest and other finance costs paid		<u>(109,270)</u>	<u>(86,225)</u>
Net cash from/(used in) operating activities	21	<u>(3,285,989)</u>	<u>1,253,869</u>
Cash flows from investing activities			
Payments for property, plant and equipment	14	(2,727,575)	(2,882,099)
Payment for the acquisition of Woolwich		-	(8,783,089)
Proceeds from disposal of investments		9,440,247	11,052,578
Proceeds from disposal of property, plant and equipment		<u>-</u>	<u>1,000</u>
Net cash from/(used in) investing activities		<u>6,712,672</u>	<u>(611,610)</u>
Cash flows from financing activities			
Proceeds from borrowings		17,712,562	15,277,977
Repayment of borrowings		(19,542,585)	(14,144,706)
Repayment of lease liabilities		<u>(34,252)</u>	<u>(29,965)</u>
Net cash from/(used in) financing activities		<u>(1,864,275)</u>	<u>1,103,306</u>
Net increase in cash and cash equivalents		1,562,408	1,745,565
Cash and cash equivalents at the beginning of the financial year		<u>2,155,421</u>	<u>409,856</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>3,717,829</u></u>	<u><u>2,155,421</u></u>

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

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 1. Nature of operations

North Sydney Retirement Trust's (the Company) principal activity is to provide residential aged care and independent retirement living facilities.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

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

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 2. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Residents fees

Revenue is recognised on a monthly basis over the duration of the residents stay based on a schedule of fees prescribed by the regulatory authorities.

Donations and bequests

Revenue is recognised immediately upon receipt of donation.

Government subsidies and grants

Income arising from government grants to the entity is recognised when:

- the entity obtains control of the contribution or the right to receive the contribution; and
- it is probable that the economic benefits comprising the contribution will flow to the entity; and
- the amount of the contribution can be measured reliably.

Where full control, measurement and benefit are achieved on receipt of funds, these funds are separately identified in the entity's accounts.

The majority of government funding is under agreement that the entity does not obtain control of the grant until it has met conditions or provided services or facilities that make it eligible to receive the grant.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

DAP income

Daily Accommodation Payments are a daily fee charged to residents as an interest payment charged on the outstanding RAD (Refundable Accommodation Deposit). This Daily Accommodation Payment is calculated using government prescribed rates. Revenue is recognised on a monthly basis over the duration of the outstanding RAD principal.

Rent

Rent revenue is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Retention of accommodation bonds

For each accommodation bond received (residential aged care residents prior to 1 July 2014), the entity retains a percentage of the total bond which is then recognised as revenue on a monthly basis over a period of 5 years. This percentage is provided by the regulatory authorities and is reviewed and updated on a yearly basis.

Entry contribution Deferred Management Fees (DMF)

DMF revenue on retirement village investment property is earned while the resident occupies the independent living unit and is recognised as income over the resident's expected tenure. The expected tenure is calculated with reference to historical trends of rollovers. DMF revenue is not discounted to present value, as the income is received by offset against repayment of the existing resident loan.

Accommodation charges

Revenue is recognised on a monthly basis over the duration of the residents stay based on a schedule of charges prescribed by the regulatory authorities. Accommodation charges represent the residents contribution to the upkeep and maintenance of the facilities.

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 2. Significant accounting policies (continued)

Income tax

As the company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 2. Significant accounting policies (continued)

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	1.33% - 2.5%
Building improvements	5% - 20%
IT equipment	10% - 25%
Property, plant and equipment	5% - 20%
Furniture and Fittings	5% - 20%
Motor vehicle	10% - 20%

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 2. Significant accounting policies (continued)

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed. During the year the company has recognised an impairment loss on Goodwill in profit or loss of \$196,361 (2021: \$nil).

Bed licences

An 'available operational place' refers to a place that was allocated and has since become available for a person to receive residential aged care, being commonly referred to as "operating places" or "bed licences."

In previous periods, bed licences were assessed as having an indefinite useful life as they were issued for an unlimited period. However, in May 2021 the Australian Government announced in the 2021-22 Budget that there will be no further Aged Care Approval Rounds (ACAR). From 1 July 2024, residential aged care places will be assigned directly to senior Australians, giving consumers more control to choose an approved provider that best suits their residential aged care needs. In September 2021, the Department of Health and Aged Care (DHAC) released a discussion paper *Improving Choice in Residential Aged Care - ACAR Discontinuation* confirming the Australian Government's Budget decision to discontinue the ACAR. As a result, the Australian Government announced its decision to discontinue operational places/bed licences from 1 July 2024.

In accordance with Accounting Standards and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the Company's current understanding of the relevant legislation and transitional arrangements relating to the removal of bed licences, the company has derecognised the bed licences during the year and has recognised an impairment loss in the statement of profit and loss of \$5,537,929 (2021: \$nil) with no impact to the cash flows of the company.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 2. Significant accounting policies (continued)

Lease liabilities

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

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

Leases in which the entity is a lessor

Contracts with customers contain provisions for accommodation, use of common areas/facilities for provision of care and other services. The company has concluded that its contractual arrangements relating to the provision of residential aged care and retirement living accommodation are an operating lease pursuant to AASB 16, being the exclusive right to the use of a room/unit by a resident.

For residential aged care accommodation arrangements where the resident has elected to pay a RAD or accommodation bond, the company receives a financing benefit, being non-cash consideration, in the form of an interest free loan.

On adoption of AASB 16, the fair value of this non-cash consideration is required to be recognised as income (to reflect the interest free loan financing benefit received on RADs and accommodation bonds) and, correspondingly, interest expense (to record the financial liability associated with RADs and accommodation bonds at fair value) with no net impact on profit or loss.

The application of AASB 16 has been calculated based on:

- Monthly average RAD/accommodation bond balances; and
- Interest rate equal to the Maximum Permissible Interest Rate (MPIR), which is a Government set interest rate used to calculate the Daily Accommodation Payment (DAP) to applicable residents.

The company's Statement of Profit or Loss and Other Comprehensive Income presents income of \$2,302,240 (2021: \$2,021,184) and an additional finance cost (i.e. imputed interest charge on RADs and Bonds) of \$2,302,240 (2021: \$2,021,184), with \$nil (2021: \$nil) impact to net profit for the year.

The accounting treatment for residential aged care accommodation arrangements where residents have elected to pay a DAP has not changed upon adopting AASB 16.

Resident liabilities

Resident liabilities comprise of residential aged care bonds and deposits, and entry contributions for residents of independent living units.

Resident refundable accommodation bonds

The bonds are paid by residents upon their admission to homes and are refunded after a resident departs a home in accordance with the Aged Care Act. The bonds are classified as current liabilities because the company does not have an unconditional right to defer settlements for greater than 12 months.

The bond are not subject to retention and are payable in full upon the resident leaving the facility. Providers must pay a base interest rate on all refunds of bonds within legislated time frames and must pay a higher rate on refunds that are not made within legislated time frames.

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 2. Significant accounting policies (continued)

Entry contributions - independent living units

Resident loans are classified as financial liabilities at fair value with resulting fair value adjustments recognised in the statement of profit or loss. Fair value is the amount payable on demand and is measured at the principal amount plus the residents' share of any increases or decreases in market value to reporting date less deferred management fees contractually accruing to reporting date. Resident loans are non-interest bearing and are payable at the end of the resident contract.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 4. Revenue

	2022	2021
	\$	\$
<i>Revenue from contracts with customers</i>		
Daily accommodation payments	1,017,859	1,095,136
Government subsidies	10,447,399	9,795,746
Maintenance levies	914,184	811,773
Resident fees	3,552,823	3,470,614
Additional services	279,169	215,882
	<u>16,211,434</u>	<u>15,389,151</u>
<i>Other revenue</i>		
Donations & bequests	10,000	5,400
Grants - COVID 19	108,419	320,854
Imputed income on RADs and Bonds	2,302,240	2,021,184
Interest income	219,550	251,172
Investment income (net)	50,391	-
Rental income	346,346	402,588
Other revenue	365,191	309,278
	<u>3,402,137</u>	<u>3,310,476</u>
Revenue	<u>19,613,571</u>	<u>18,699,627</u>

Note 5. Employee benefits expense

	2022	2021
	\$	\$
Salaries and wages	11,337,391	9,589,966
Workers compensation insurance	202,770	253,364
Superannuation expense	937,746	747,789
Other employee related costs	299,400	194,163
	<u>12,777,307</u>	<u>10,785,282</u>

Note 6. Depreciation and amortisation expense

	2022	2021
	\$	\$
Depreciation of property, plant and equipment	2,847,060	2,600,656
Amortisation on right-of-use assets	34,823	30,081
	<u>2,881,883</u>	<u>2,630,737</u>

Note 7. Finance Costs

	2022	2021
	\$	\$
Interest on borrowings (RADs, Bonds, RAC)	102,499	83,628
Interest (lease liability)	6,770	2,597
Imputed interest charge on RADs and Bonds	2,302,240	2,021,184
	<u>2,411,509</u>	<u>2,107,409</u>

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 8. Cash and cash equivalents

	2022	2021
	\$	\$
<i>Current assets</i>		
Cash on hand	2,273	2,273
Cash at bank	3,715,556	2,153,148
	<u>3,717,829</u>	<u>2,155,421</u>

Note 9. Trade and other receivables

	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	146,397	170,184
Less: Allowance for expected credit losses	(6,168)	(6,168)
	<u>140,229</u>	<u>164,016</u>
Other receivables	85,655	64,224
GST receivable	75,747	78,993
	<u>301,631</u>	<u>307,233</u>

Note 10. Inventories

	2022	2021
	\$	\$
<i>Current assets</i>		
Finished goods - at cost	-	7,401
	<u>-</u>	<u>7,401</u>

Note 11. Financial assets

	2022	2021
	\$	\$
<i>Current assets</i>		
Term deposits	3,200,000	27,558,485
Financial assets	13,940,758	-
	<u>17,140,758</u>	<u>27,558,485</u>

Note 12. Right-of-use assets

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - right-of-use	104,468	104,468
Less: Accumulated depreciation	(58,038)	(23,215)
	<u>46,430</u>	<u>81,253</u>

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 13. Other assets

	2022 \$	2021 \$
<i>Current assets</i>		
Prepayments	<u>259,513</u>	<u>155,286</u>

Note 14. Property, plant and equipment

	2022 \$	2021 \$
<i>Non-current assets</i>		
Land and buildings - at cost	115,714,773	112,847,082
Less: Accumulated depreciation	<u>(10,669,428)</u>	<u>(9,000,491)</u>
	105,045,345	103,846,591
Plant and equipment - at cost	6,977,700	6,405,974
Less: Accumulated depreciation	<u>(2,910,108)</u>	<u>(2,187,409)</u>
	4,067,592	4,218,565
Fixtures and fittings - at cost	3,686,059	3,604,474
Less: Accumulated depreciation	<u>(1,827,081)</u>	<u>(1,387,579)</u>
	1,858,978	2,216,895
Motor vehicles - at cost	113,526	113,526
Less: Accumulated depreciation	<u>(43,620)</u>	<u>(28,287)</u>
	69,906	85,239
Work in progress - at cost	<u>734,347</u>	<u>1,545,250</u>
	<u>111,776,168</u>	<u>111,912,540</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Plant and equipment \$	Fixtures and fittings \$	Motor vehicles \$	Work in progress \$	Total \$
Balance at 1 July 2021	103,846,591	4,218,565	2,216,895	85,239	1,545,250	111,912,540
Additions	304,694	389,987	50,744	-	1,982,150	2,727,575
Disposals	-	-	-	-	(16,887)	(16,887)
Transfers in/(out)	2,562,996	181,787	31,383	-	(2,776,166)	-
Depreciation expense	<u>(1,668,936)</u>	<u>(722,747)</u>	<u>(440,044)</u>	<u>(15,333)</u>	<u>-</u>	<u>(2,847,060)</u>
Balance at 30 June 2022	<u>105,045,345</u>	<u>4,067,592</u>	<u>1,858,978</u>	<u>69,906</u>	<u>734,347</u>	<u>111,776,168</u>

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 15. Intangibles

	2022 \$	2021 \$
<i>Non-current assets</i>		
Goodwill - on acquisition	196,361	196,361
Less: Impairment	<u>(196,361)</u>	<u>-</u>
	-	196,361
Bed licences - at cost	5,537,929	5,537,929
Less: Impairment	<u>(5,537,929)</u>	<u>-</u>
	-	5,537,929
	<u>-</u>	<u>5,734,290</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Bed licences \$	Goodwill \$	Total \$
Balance at 1 July 2021	5,537,929	196,361	5,734,290
Impairment of assets	<u>(5,537,929)</u>	<u>(196,361)</u>	<u>(5,734,290)</u>
Balance at 30 June 2022	<u>-</u>	<u>-</u>	<u>-</u>

Note 16. Trade and other payables

	2022 \$	2021 \$
<i>Current liabilities</i>		
Trade payables	489,084	552,423
Other payables and accruals	<u>840,867</u>	<u>1,696,795</u>
	<u>1,329,951</u>	<u>2,249,218</u>

Note 17. Borrowings

	2022 \$	2021 \$
<i>Current liabilities</i>		
Borrowings	<u>92,663,579</u>	<u>94,493,602</u>

Refundable accommodation deposits, accommodation bonds, parking bonds and entry contributions are classified and disclosed as current liabilities as the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Even though classified as current, the amount of borrowings held not expected to be repaid in the next 12 months is \$74,182,323 (2021: \$81,170,004)

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 18. Lease liabilities

	2022 \$	2021 \$
<i>Current liabilities</i>		
Lease liability	<u>35,595</u>	<u>34,254</u>
<i>Non-current liabilities</i>		
Lease liability	<u>12,174</u>	<u>47,767</u>

Note 19. Employee benefits

	2022 \$	2021 \$
<i>Current liabilities</i>		
Annual leave	1,008,470	970,914
Long service leave	<u>260,746</u>	<u>207,207</u>
	<u>1,269,216</u>	<u>1,178,121</u>
<i>Non-current liabilities</i>		
Long service leave	<u>87,339</u>	<u>227,139</u>

Note 20. Reserves

	2022 \$	2021 \$
Assets revaluation reserve	31,456,992	31,810,368
Financial assets at fair value through other comprehensive income reserve	<u>(977,479)</u>	<u>-</u>
	<u>30,479,513</u>	<u>31,810,368</u>

Note 21. Reconciliation of deficit after income tax to net cash from/(used in) operating activities

	2022 \$	2021 \$
Deficit after income tax expense for the year	(10,859,853)	(3,020,775)
Adjustments for:		
Depreciation and amortisation	2,881,883	2,630,737
Impairment of intangibles	5,734,290	-
Net loss on disposal of property, plant and equipment	16,887	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	5,602	159,675
Decrease in inventories	7,401	-
Decrease/(increase) in prepayments	(104,227)	327,980
Increase/(decrease) in trade and other payables	(919,267)	905,162
Increase/(decrease) in employee benefits	<u>(48,705)</u>	<u>251,090</u>
Net cash from/(used in) operating activities	<u>(3,285,989)</u>	<u>1,253,869</u>

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2022 \$	2021 \$
Aggregate compensation	<u>330,960</u>	<u>275,474</u>

During the year, the company provided rental support of \$16,533 (2021: \$25,250) to a close family member of a key management personnel of the company.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd, the auditor of the company:

	2022 \$	2021 \$
<i>Audit services -</i> Audit and review of the financial statements	<u>37,260</u>	<u>36,000</u>
<i>Other services -</i> Other	<u>17,500</u>	<u>97,525</u>
	<u>54,760</u>	<u>133,525</u>

Note 24. Contingent assets and contingent liabilities

There were no new material legal claims brought against the company during the year other than one ongoing matter from prior years that cannot be disclosed because of legal privilege in the matter.

Note 25. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 26. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**North Sydney Retirement Trust
Notes to the financial statements
For the year ended 30 June 2022**

Note 27. Information and declaration to be furnished under the Charitable Fundraising (NSW) Act 1991

No fundraising appeals were conducted by the Company during the financial year.

Note 28. Member's guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum \$20 each towards meeting any outstanding obligations of the company. At 30 June 2022 the number of members was 23 (2021:21).

Note 29. Company details

The registered office of the company is:
North Sydney Retirement Trust
4 Clark Road, North Sydney NSW 2060

**North Sydney Retirement Trust
Directors' declaration
For the year ended 30 June 2022**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012, and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- the financial statements give a true and fair view of all income and expenditure of North Sydney Retirement Trust with respect to fundraising appeal activities for the year ended 30 June 2022;
- the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2022;
- the provisions of the Charitable Fundraising Act and the Regulations under that Act and the conditions attached to the authority have been complied with during the period from 1 July 2021 to 30 June 2022; and
- the internal controls exercised by North Sydney Retirement Trust are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

On behalf of the directors



Paul McPherson
Chairman

21 September 2022



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Independent Auditor's Report to the Members of North Sydney Retirement Trust

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of North Sydney Retirement Trust (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the information in North Sydney Retirement Trust's financial report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on the Requirements of the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulation 2015 (NSW)

We have audited the financial report as required by section 24(2) of the Charitable Fundraising Act 1991 (NSW). Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising Act 1991 and Charitable Fundraising Regulation 2015.

Because of any inherent limitations of any assurance engagement, it possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements prescribed in the above-mentioned Act and Regulation as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) The financial report gives a true and fair view of the financial results of fundraising appeal activities for the financial year ended 30 June 2022;
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the financial year ended 30 June 2022, in accordance with the Charitable Fundraising Act 1991 and Regulations;
- c) Money received as a result of fundraising appeal activities conducted during the financial year ended 30 June 2022 has, in all material respects, been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and Regulations; and
- d) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Nexia Sydney Audit Pty Ltd



Vishal Modi

Director

Registered company auditor no. 486119

Dated at Sydney, this 21st day of September 2022