



MERTON LIVING LIMITED
ABN 65 441 192 585

FINANCIAL REPORT - 30 JUNE 2025

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MERTON LIVING LIMITED
ABN 65 441 192 585

FINANCIAL REPORT - 30 JUNE 2025

DIRECTORS' REPORT

Merton Living Limited is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*. The Directors present the financial report on Merton Living Limited for the year ended 30 June 2025 and report as follows:

DIRECTORS

The names of the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE & OTHER INFORMATION
Mrs Wendy Hordern	Chairperson (<i>elected 17 November 2022</i>)
Experience and expertise:	Health Service Manager Muswellbrook Hospital; Registered Nurse; Retiree.
Ms Fiona Hordern	Director
Experience and expertise:	Partner in family operated beef cattle and cropping enterprise in the Denman region; Current volunteer roles for Transcare, Meals on Wheels, Glencore Mangoola Community Consultative Committee and Treasurer of the Denman & District Tennis Association; Past volunteer roles as Club Secretary and Treasurer.
Mrs Tracey Lawler	Director
Experience and expertise:	Chartered Accountant; Registered company auditor.
Mr Brett Leaver	Director
Experience and expertise:	Pharmacist; Business owner.
Ms Kathleen Oldman	Director (<i>Resigned August 2024</i>)
Experience and expertise:	Practising Solicitor; General legal experience and expertise; Principal of Denman Legal.
Mrs Julie Power	Director
Experience and expertise:	Member of local community committees; Student support assistant; Administration assistant of family business.
Mr Sam Nugent	Director
Experience and expertise:	Veterinarian; Board Director; Risk Committee Chair.
Mr Jay Shepherdson	Director
Experience and expertise:	Owner of JTS Realty 20 years - Real Estate Agent.

MERTON LIVING LIMITED**ABN 65 441 192 585****FINANCIAL REPORT - 30 JUNE 2025****DIRECTORS' REPORT**

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE & OTHER INFORMATION
Mr John Sunderland	Director
Experience and expertise:	Manager of Godolphin Denman - thoroughbred breeding stud; Board Member on a number of committees - industry and local community.

PRINCIPAL ACTIVITY

The principal activities of the company in the course of the financial year consisted of the operation of a Residential Aged Care facility within the Aged Care Industry and the provision of Home Care Services and Retirement Village with Independent Living Units. There were no significant changes in the nature of the principal activities during the year.

MERTON LIVING HOMESTEAD PROJECT

The Board of Merton Living Limited is pleased to report a major milestone in the organisation's history, with confirmation from the Department of Health and Aged Care that our application under the Aged Care Capital Assistance Program (GO6989) has been successful.

This significant funding allocation of \$9,539,675 (GST exclusive) will contribute towards the delivery of Merton Living Homestead, a new purpose built 30-bed Residential Aged Care Facility to be constructed at Lot 87 Almond Street, Denman. The overall project represents an investment well exceeding \$20 million in the Denman community and reflects Merton Living's long-standing commitment to providing quality aged care accommodation, and services within our local region.

The Merton Living Homestead will be designed to the latest standards of residential aged care, combining modern amenities with a focus on comfort, safety, and dignity for residents. It will deliver new employment opportunities and most importantly, enable older members of our community to remain close to their families, friends, and support networks.

The Board extends its appreciation to the Department of Health and Aged Care for recognising Merton Living's proven record of service delivery and sound governance, and to all who contributed to the success of the grant application and now to those heavily involved in the project planning and bringing it all to life.

This development marks an exciting new chapter for Merton Living and the Denman district. It reinforces our strategic vision to expand and strengthen our continuum of care across Residential Aged Care, Home Care, and Retirement Living to ensure that local residents can access high-quality, person-centered services close to home.

OPERATING RESULT

The net result of the company for the financial year was a surplus of \$869,187 (2025: \$408,150 surplus). The company is a not-for-profit entity and is exempt from the payment of income tax.

MISSION

To provide a complete range of quality services through the provision of independent living units, home care and residential care.

VISION

Merton Living is the first choice for senior's care in the Upper Hunter through its ongoing dedication to meeting the needs of the community.

MERTON LIVING LIMITED**ABN 65 441 192 585****FINANCIAL REPORT - 30 JUNE 2025****DIRECTORS' REPORT****VALUES**

- ✓ Compassion
- ✓ Dignity
- ✓ Equality
- ✓ Integrity
- ✓ Kindness
- ✓ Respect

OBJECTIVES OF THE COMPANY

The short-term objectives of the company are to:

- Provide aged care and community services to more people in need; and
- Continue to develop best practice care.

The long-term objectives of the company are to:

- Provide a full range of services to people of all ages and abilities; and
- To maintain financial resources needed to achieve its mission.

To achieve these objectives the company has adopted the following strategies:

- Refocusing the organisation towards Consumer Directed Care Principles;
- Communicating with people at all levels of the organisation;
- Maintaining sustainable pricing structures for resident contributions; and
- Reinforcing the company's vision, mission and values to all stakeholders.

MEMBERS LIABILITY

Merton Living Limited is a company limited by guarantee. If the company is wound up, the constitution states that ordinary members are required to contribute a maximum of \$2 each toward meeting any outstanding obligations of the company. As at 30 June 2025, the total amount that members of the company are liable to contribute if the company is wound up is \$42, based on 21 current ordinary members (2024: \$34 based on 17 ordinary members).

MEETINGS OF DIRECTORS

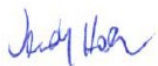
The number of meetings each Director was eligible to attend and attended during the financial year is summarised as follows:

	Eligible	Attended
Fiona Hordern	12	12
Wendy Hordern	12	12
Tracey Lawler	12	11
Brett Leaver	12	10
Kathleen Oldman	2	1
Julie Power	12	10
Sam Nugent	12	11
John Sunderland	12	11
Jay Shepherdson	12	11

MERTON LIVING LIMITED**ABN 65 441 192 585****FINANCIAL REPORT - 30 JUNE 2025****DIRECTORS' REPORT****AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under s60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on the following page.

Signed in accordance with a resolution of the Board of Directors:



Wendy Hordern
Chairperson



Tracey Lawler
Director

23 October 2025

MERTON LIVING LIMITED
ABN 65 441 192 585

FINANCIAL REPORT - 30 JUNE 2025

AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40 OF THE
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF MERTON LIVING LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been:

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



StewartBrown
Chartered Accountants



David Gallery
Partner

23 October 2025

MERTON LIVING LIMITED**ABN 65 441 192 585****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2025**

	Note	2025 \$	2024 \$
ASSETS			
Cash and cash equivalents	6	3,270,432	3,600,928
Trade and other receivables	7	362,623	194,050
Financial assets	8	4,358,839	3,970,375
Investment property	9	970,952	970,952
Capital work in progress	10	257,916	-
Property, plant and equipment	11	10,508,891	8,896,401
Intangible assets	12	14,119	21,339
TOTAL ASSETS		19,743,772	17,654,045
LIABILITIES			
Trade and other payables	13	1,050,321	914,143
Refundable loans expected to be paid within 12 months	14	1,458,125	1,299,885
Provisions expected to be paid within 12 months	15	200,895	242,226
Refundable loans expected to be paid after 12 months	14	11,116,605	10,045,818
Provisions expected to be paid after 12 months	15	703,048	803,382
TOTAL LIABILITIES		14,528,994	13,305,454
NET ASSETS		5,214,778	4,348,591
FUNDS			
Accumulated funds		5,146,642	4,280,455
Reserves	15	68,136	68,136
TOTAL FUNDS		5,214,778	4,348,591

The accompanying notes form part of these financial statements

MERTON LIVING LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Revenue	4	5,490,307	4,630,910
Other income	4	248,016	395,261
		<u>5,738,323</u>	<u>5,026,171</u>
Expenses			
Administration		(325,720)	(287,061)
Cleaning expenses		(18,596)	(15,766)
Depreciation and amortisation	5	(344,998)	(348,778)
Finance costs	5	(34,091)	(37,217)
Insurance		(149,427)	(113,747)
Rates and taxes		(111,783)	(91,465)
Repairs and maintenance expenses		(97,953)	(118,741)
Resident and client expenses		(377,530)	(328,649)
Salaries and employee benefits		(3,327,399)	(3,168,883)
Other expenses		(84,639)	(107,714)
		<u>(4,872,136)</u>	<u>(4,618,021)</u>
Surplus before income tax		866,187	408,150
Income tax expense		-	-
Surplus for the year		866,187	408,150
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>866,187</u></u>	<u><u>408,150</u></u>

The accompanying notes form part of these financial statements

MERTON LIVING LIMITED**STATEMENT OF CHANGES IN FUNDS**
FOR THE YEAR ENDED 30 JUNE 2025

	Accumulated Funds	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2023	3,872,305	68,136	3,940,441
Comprehensive income			
Surplus for the year	408,150	-	408,150
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>408,150</u>	<u>-</u>	<u>408,150</u>
Balance at 30 June 2024	<u>4,280,455</u>	<u>68,136</u>	<u>4,348,591</u>
Balance at 1 July 2024	4,280,455	68,136	4,348,591
Comprehensive income			
Surplus for the year	866,187	-	866,187
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>866,187</u>	<u>-</u>	<u>866,187</u>
Balance at 30 June 2025	<u>5,146,642</u>	<u>68,136</u>	<u>5,214,778</u>

The accompanying notes form part of these financial statements

MERTON LIVING LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers and government		4,948,441	4,728,506
Payments to suppliers and employees		(4,941,804)	(4,621,567)
Donations and bequests received		25,383	43,650
Interest received		491,074	21,053
Interest paid		(34,091)	(37,217)
<i>Net cash flows from operating activities</i>		<u>489,003</u>	<u>134,425</u>
Cash flows from investing activities			
Purchase of property, plant and equipment - residential		(1,762,285)	(56,825)
Purchase of property, plant and equipment - other		(187,983)	(195,842)
Purchase of financial assets		(281,399)	(62,959)
<i>Net cash flows from investing activities</i>		<u>(2,489,583)</u>	<u>(315,626)</u>
Cash flows from financing activities			
Proceeds from refundable accommodation deposits		1,674,310	1,520,000
Proceeds from resident entry contributions		1,735,000	1,476,500
Repayment of refundable accommodation deposits		(446,020)	(1,331,910)
Repayment of resident entry contributions		(1,293,206)	(661,657)
<i>Net cash flows from financing activities</i>		<u>1,670,084</u>	<u>1,002,933</u>
Net increase (decrease) in cash and cash equivalents		(330,496)	821,732
Cash and cash equivalents at the beginning of the financial year		<u>3,600,928</u>	<u>2,779,196</u>
Cash and cash equivalents at the end of the financial year	6	<u>3,270,432</u>	<u>3,600,928</u>

The accompanying notes form part of these financial statements

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2025**Note 1 - Corporate information**

The financial report includes the financial statements and notes of Merton Living Limited. Merton Living Limited is registered under the *Australian Charities and Not-for-profits Commission Act 2012*.

The company provides residential aged care, home and retirement village services.

The registered address and principal place of business of the company is:

45 Ogilvie Street
Denman NSW 2328

The financial statements were approved by the Board of Directors on 23 October 2025.

Note 2 - Basis of preparation***Statement of Compliance***

These general purpose financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures*. The company is a not-for-profit entity for the purposes of preparing these financial statements.

Basis of measurement

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the company.

Key estimates***Impairment***

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Estimation of useful lives of assets

The Directors determine 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.

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2025**Note 2 - Basis of preparation (continued)*****Critical accounting estimates and judgements (continued)*****Key estimates (continued)*****Revaluation of independent living units***

The independent living units are periodically revalued by Directors valuation based on last known sales and advice from a local licensed real estate agent. Capital growth has been recognised as a movement in the asset revaluation reserve and amounts attributable to residents have been recognised as a liability in the statement of financial position.

Long service leave provision

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.

New and revised standards that are effective for these financial statements

Several amendments and clarifications to Australian Accounting Standards and interpretations are mandatory for the 30 June 2025 reporting period. These include:

- AASB 2020-1, AASB 2022-6 and AASB 2023-3: Amendments to AASB 101 – Classification of Liabilities as Current or Non-current
- AASB 2023-1: Amendments to AASB 7 and 107 – Supplier Finance Arrangements
- AASB 2024-1: Amendments to AASB 1060 – Supplier Finance Arrangements: Tier 2 Disclosures

The application of these amendments and clarifications have not had a material impact on the carrying values of the company's asset, liability or equity balances; nor a material impact on the disclosures in the financial report nor the recognition and measurement of the company's revenue or expenses.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the company. These include:

- AASB 18 – Presentation and Disclosure in Financial Statements (applicable for the year ending 30 June 2028)
- AASB S1 – General Requirements for Disclosure of Sustainability-related Financial Information (applicable for the year ending 30 June 2026, depending on criteria qualification outcomes)
- AASB S2 – Climate-related Disclosures (applicable for the year ending 30 June 2026, depending on criteria qualification outcomes)

It is not expected that AASB 18, AASB S1 or AASB S2 will have a material impact on the company in future reporting periods. AASB S1 and AASB S2 will only have mandatory application to entities required to report under Chapter 2M of the *Corporations Act 2001* for annual reporting periods commencing on or after 1 July 2025. The company is currently assessing whether there will be any material change to disclosures in financial reporting in future years as a consequence of sustainability reporting requirements. As at the date of this financial report AASB S1 and AASB S2 do not have mandatory application to the company as the company prepares its financial report under the *Australian Charities and Not-for-profits Commission Act 2012* financial reporting framework.

Presentation of Statement of Financial Position on a liquidity basis

The Directors have taken the view that in complying with the requirements of AASBs, the treatment of refundable loans (accommodation bonds and refundable accommodation deposits) as current liabilities does not reflect the true liquidity of the entity as these liabilities are not likely to be repaid in the next 12 months.

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2025**Note 2 - Basis of preparation (continued)*****Presentation of Statement of Financial Position on a liquidity basis (continued)***

Accordingly, in the current year the Directors have chosen to present its statement of financial position under the liquidity presentation method (AASB 101 *Presentation of Financial Statements*) on the basis that it presents a more reliable and relevant view.

Note 3 - Accounting policies

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

Income tax

Merton Living Limited is a not-for-profit charity and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Resident and client fees, daily accommodation payments and recurrent government subsidies

Revenue from resident and client fees, daily accommodation payments and related government subsidies are recognised on a proportional basis to take account of the delivery of service to or occupancy by residents.

Grants, donations and bequests

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the company obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the company; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest

Interest revenue is recognised as it accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents include 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 and bank overdrafts.

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2025**Note 3 - Accounting policies (continued)*****Trade and other receivables***

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

Investment property

Property classified as being for investment purposes, principally comprise of freehold land and building held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs. Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Property, plant and equipment**Recognition and measurement**

Each class of property, plant and equipment, except Independent Living Units land and buildings, is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Independent Living Units (ILUs) land and buildings are shown at fair value, based on periodic, at least every 3-5 years, valuations by external independent valuers or the Directors, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through the asset revaluation reserve to the extent of any previous revaluation surplus of the same asset. Thereafter decrements are taken to profit or loss.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation and amortisation

The depreciable amount of all property, plant and equipment including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

Depreciation is calculated for each class of depreciable assets as follows:

Independent Units	40 years
Buildings	40 years
Motor Vehicles	4 years
Furniture and Plant	5 years

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2025**Note 3 - Accounting policies (continued)*****Property, plant and equipment (continued)******Depreciation and amortisation (continued)***

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

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the company commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately. Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Income received in advance

Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

Refundable accommodation deposits and resident accommodation bonds

Refundable accommodation deposits and resident accommodation bonds are non-interest-bearing deposits made by aged care facility residents to the entity upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident. Accommodation bonds are measured at the principal amount net of any retentions, or any other amounts deducted from the bond at the election of the resident.

Refundable entry contributions

Refundable entry contributions are received from residents of independent living units, and they are non-interest bearing and the net amount is repayable upon departure or transfer. Refundable entry contributions are measured at the principle amount net of any retentions, or any other amounts deducted from the loan at the election of the resident. The repayment of contributions to residents including capital gains and net of any retention will be funded largely by contributions from incoming residents.

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2025**Note 3 - Accounting policies (continued)*****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.

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 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 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.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 \$	2024 \$
<u>Note 4 - Revenue and other income</u>		
Residential and home care aged care services		
Government subsidies and recurrent grants	3,172,176	2,599,684
Resident fees and charges	64,660	23,741
Home care service fees	638,360	1,006,275
Daily accommodation payments	105,496	82,307
Other revenue	95,769	118,885
	<u>4,076,461</u>	<u>3,830,892</u>
Retirement villages		
Resident fees and charges	381,853	308,879
Retentions from resident entry contributions	447,963	343,386
	<u>829,816</u>	<u>652,265</u>
Other services		
Donations and bequests	25,383	43,650
Investment income	523,709	65,473
Rental income	34,938	38,630
	<u>584,030</u>	<u>147,753</u>
<i>Total revenue</i>	<u>5,490,307</u>	<u>4,630,910</u>
Other income		
Fair value gain on financial assets	107,065	258,218
Unearned capital gains	140,951	137,043
<i>Total other income</i>	<u>248,016</u>	<u>395,261</u>
<i>Total revenue and other income</i>	<u>5,738,323</u>	<u>5,026,171</u>
<u>Note 5 - Expenses</u>		
Depreciation and amortisation	344,998	348,778
Finance costs	34,091	37,217
<u>Note 6 - Cash and cash equivalents</u>		
Cash at bank and on hand	1,929,031	1,806,580
Term deposits	1,341,401	1,794,348
<i>Total cash and cash equivalents</i>	<u>3,270,432</u>	<u>3,600,928</u>
<u>Note 7 - Trade and other receivables</u>		
<u>Expected to be received within 12 months</u>		
Trade receivables	48,098	89,521
Other receivables	237,227	36,586
Prepayments	77,298	67,943
<i>Total trade and other receivables</i>	<u>362,623</u>	<u>194,050</u>

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 \$	2024 \$
<u>Note 8 - Financial assets</u>		
<u>Expected to be received within 12 months</u>		
Financial assets at fair value through profit or loss		
Managed funds	4,358,839	3,970,375
<i>Total financial assets</i>	<u>4,358,839</u>	<u>3,970,375</u>
<i>Movements in carrying amount</i>		
Opening net carrying amount	3,970,375	3,649,198
Additions	281,399	62,959
Fair value movement	107,065	258,218
Closing net carrying amount	<u>4,358,839</u>	<u>3,970,375</u>
<u>Note 9 - Investment property</u>		
Investment properties at fair value	970,952	970,952
<i>Total investment property</i>	<u>970,952</u>	<u>970,952</u>
<i>Movements in carrying amount</i>		
Opening net carrying amount	970,952	970,952
Fair value adjustment	-	-
Closing net carrying amount	<u>970,952</u>	<u>970,952</u>
<u>Note 10 - Capital work in progress</u>		
	Residential \$	Total \$
At 30 June 2024		
Cost	-	-
<i>Net carrying amount</i>	<u>-</u>	<u>-</u>
<i>Movements in carrying amounts</i>		
Opening net carrying amount	-	-
Additions - Merton Living Homestead Project	257,916	257,916
Closing net carrying amount	<u>257,916</u>	<u>257,916</u>
At 30 June 2025		
Cost	257,916	257,916
<i>Net carrying amount</i>	<u>257,916</u>	<u>257,916</u>

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025****Note 11 - Property, plant and equipment**

	Land	Buildings ILU	Buildings Aged Care	Equipment and Motor Vehicles	Total
	\$	\$	\$	\$	\$
At 30 June 2024					
Cost	1,234,893	-	1,818,387	1,960,540	5,013,820
Valuation	-	8,683,467	-	-	8,683,467
Accumulated depreciation	-	(2,739,949)	(662,306)	(1,398,631)	(4,800,886)
<i>Net carrying amount</i>	<u>1,234,893</u>	<u>5,943,518</u>	<u>1,156,081</u>	<u>561,909</u>	<u>8,896,401</u>
Movements in carrying amounts					
Opening net carrying amount	1,234,893	5,943,518	1,156,081	561,909	8,896,401
Additions - residential	1,710,356	-	-	51,929	1,762,285
Additions - non residential	-	11,500	-	176,483	187,983
Depreciation charge for the year	-	(192,987)	(38,887)	(105,904)	(337,778)
Closing net carrying amount	<u>2,945,249</u>	<u>5,762,031</u>	<u>1,117,194</u>	<u>684,417</u>	<u>10,508,891</u>
At 30 June 2025					
Cost	2,945,249	-	1,818,387	2,188,952	6,952,588
Valuation	-	8,694,967	-	-	8,694,967
Accumulated depreciation	-	(2,932,936)	(701,193)	(1,504,535)	(5,138,664)
<i>Net carrying amount</i>	<u>2,945,249</u>	<u>5,762,031</u>	<u>1,117,194</u>	<u>684,417</u>	<u>10,508,891</u>
				2025	2024
				\$	\$

Note 12 - Intangible assets**Software**

Cost	36,100	36,100
Accumulated depreciation	(21,981)	(14,761)
<i>Total intangible assets</i>	<u>14,119</u>	<u>21,339</u>

Movements in carrying amounts

Opening net carrying amount	21,339	23,997
Amortisation charge for the year	(7,220)	(2,658)
Closing net carrying amount	<u>14,119</u>	<u>21,339</u>

Note 13 - Trade and other payables**Expected to be settled within 12 months**

Trade payables	218,137	120,782
Income in advance	(3,179)	18,691
Liabilities to employees	294,016	234,192
Refundable loans payable	440,000	440,886
Resident deposits	7,200	7,300
Other payables	94,147	92,292
<i>Total trade and other payables</i>	<u>1,050,321</u>	<u>914,143</u>

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 \$	2024 \$
<u>Note 14 - Refundable loans</u>		
<u>Expected to be settled within 12 months</u>		
Refundable accommodation deposits	693,291	843,600
Refundable entry contributions	764,834	456,285
	<u>1,458,125</u>	<u>1,299,885</u>
<u>Expected to be settled after 12 months</u>		
Refundable accommodation deposits	2,321,019	1,376,400
Refundable entry contributions	8,795,586	8,669,418
	<u>11,116,605</u>	<u>10,045,818</u>
<i>Total refundable loans</i>	<u><u>12,574,730</u></u>	<u><u>11,345,703</u></u>
<i>Movement in refundable accommodation deposits</i>		
Opening net carrying amount	2,220,000	2,020,000
RADs received	1,674,310	1,520,000
Allowable deductions	6,020	11,910
RADs refunded	<u>(886,020)</u>	<u>(1,331,910)</u>
Closing net carrying amount	<u><u>3,014,310</u></u>	<u><u>2,220,000</u></u>
<i>Movement in refundable entry contributions</i>		
Opening net carrying amount	9,125,703	8,509,601
Entry contributions received	1,735,000	1,476,500
Retentions	(447,963)	(343,386)
Entry contributions refunded	<u>(852,320)</u>	<u>(517,012)</u>
Closing net carrying amount	<u><u>9,560,420</u></u>	<u><u>9,125,703</u></u>

Note 14 - Refundable loans (continued)***Terms and conditions***

Refundable accommodation deposits (loans) are repayable on the following basis:-

- (i) If the resident gives notice more than 14 days prior to departure then the loan is payable on the date of departure;
- (ii) If the resident gives notice less than 14 days prior to departure the loan is payable within 14 days after notice is
- (iii) If the resident gives no notice the loan is repayable 14 days after departure; and
- (iv) If the resident dies, the loan is repayable within 14 days from the date that notice is received of the granting of probate or letters of administration.

Refundable entry contributions are non-interest bearing and have a maximum repayment term of 6 months.

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 \$	2024 \$
Note 15 - Provisions		
<u>Expected to be settled within 12 months</u>		
Employee entitlements - long service leave	200,895	242,226
	<u>200,895</u>	<u>242,226</u>
<u>Expected to be settled after 12 months</u>		
Employee entitlements - long service leave	34,177	29,511
Capital gains payable	668,871	773,871
	<u>703,048</u>	<u>803,382</u>
<i>Total provisions</i>	<u>903,943</u>	<u>1,045,608</u>

Movements in capital gains provision

	Employee Entitlements \$	Capital Gains Payable \$	Total \$
Movements in carrying amounts			
Opening net carrying amount	271,737	773,871	1,045,608
Additional provision recognised	78,522	4,725	83,247
Provision utilised during the year	(115,187)	(109,725)	(224,912)
Closing net carrying amount	<u>235,072</u>	<u>668,871</u>	<u>903,943</u>

	2025 \$	2024 \$
Note 16 - Reserves		
Asset revaluation reserve	68,136	68,136
<i>Total reserves</i>	<u>68,136</u>	<u>68,136</u>

Nature and purpose of reserves

The asset revaluation reserve is maintained in respect to the revalued amount of the retirement village buildings in order that such amounts are separately identified.

Note 17 - Key management personnel**Remuneration of key management personnel**

The aggregate amount of compensation paid to key personnel during the year was:	<u>377,468</u>	<u>255,217</u>
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Note 18 - Auditor's remuneration

Fees paid to StewartBrown, Chartered Accountants:

Audit of the financial report	21,000	20,000
Preparation of the financial report	5,100	4,800
Other advisory services	2,900	1,128
<i>Total auditor's remuneration</i>	<u>29,000</u>	<u>25,928</u>

MERTON LIVING LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$	2024 \$
<u>Note 19 - Government grants</u>		
The company has recognised government grant revenue from the following levels of government and departments:		
Commonwealth		
Department of Health, Disability and Ageing	10,000	37,395
	<u>10,000</u>	<u>37,395</u>
State - New South Wales		
Department of Regional NSW	-	5,203
	<u>-</u>	<u>5,203</u>
<i>Total government grants</i>	<u>10,000</u>	<u>42,598</u>

Note 20 - Commitments***Capital commitments***

At balance date the company had not entered into any capital commitments.

Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	5,785	10,680
Later than one year but not later than five years	-	5,785
	<u>5,785</u>	<u>16,465</u>

The company is committed to a number of short-term and low-value leases in relation to office equipment.

Note 21 - Contingent liabilities

At balance date the company is not aware of the existence of any contingent liability.

Note 22 - Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated. Related party transactions that occurred during the year were medical supplies purchased from Denman Pharmacy in which B Leaver is a partner \$687 (2024: \$13,608).

Directors remuneration

In accordance with the company's constitution the Directors of the company hold that position in an honorary capacity and thus receive no remuneration or retirement or superannuation benefits for their services.

Note 23 - Limitation of members' liability

The company is registered as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed \$2.00 per member. At 30 June 2025 the number of members of this company was 21 (2024: 17).

Note 24 - Economic dependency

The Directors consider that it is economically dependent on revenue received from the Commonwealth Government Department of Health, Disability and Ageing with respect to its residential aged care facilities and community care programs. The Directors believe that this revenue will continue to be made available to the company for the foreseeable

Note 25 - Events occurring after balance date

There have been no material events subsequent to balance date.

MERTON LIVING LIMITED**ABN 65 441 192 585****FINANCIAL REPORT - 30 JUNE 2025****DIRECTORS' DECLARATION**

The Directors of the Merton Living Limited declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, and notes to the financial statements, including material accounting policy information, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
 - (b) give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the company.
2. In the opinion of the Directors, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Wendy Hordern
Chairperson



Tracey Lawler
Director

23 October 2025

MERTON LIVING LIMITED**ABN 65 441 192 585****FINANCIAL REPORT - 30 JUNE 2025****DIRECTORS' DECLARATION**
UNDER THE CHARITABLE FUNDRAISING ACT 1991

In the opinion of the Directors of Merton Living Limited:

- (i) The financial statements and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals conducted by the organisation for the year ended 30 June 2025;
- (ii) The statement of financial position as at 30 June 2025 gives a true and fair view of the state of affairs of the company with respect to fundraising appeals conducted by the organisation;
- (iii) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with by the organisation; and
- (iv) The internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

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



Wendy Hordern
Chairperson



Tracey Lawler
Director

23 October 2025

MERTON LIVING LIMITED
ABN 65 441 192 585

FINANCIAL REPORT - 30 JUNE 2025

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF
MERTON LIVING LIMITED

Opinion

We have audited the financial report of Merton Living Limited which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the Directors' Declaration.

In our opinion, the accompanying financial report of Merton Living Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- b) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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 - Simplified Disclosures* 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 a 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.

The Directors are responsible for overseeing the company's financial reporting process.

MERTON LIVING LIMITED
ABN 65 441 192 585

FINANCIAL REPORT - 30 JUNE 2025

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF
MERTON LIVING LIMITED

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the requirements of the New South Wales Charitable Fundraising Act 1991 and the New South Wales Charitable Fundraising Regulations 2021

We have audited the financial report as required by Section 24 of the New South Wales *Charitable Fundraising Act 1991*. 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 New South Wales *Charitable Fundraising Act 1991* and the New South Wales *Charitable Fundraising Regulations 2021*.

Because of the inherent limitations of any assurance engagement, it is 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 described in the above-mentioned Act and Regulations 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.

MERTON LIVING LIMITED
ABN 65 441 192 585

FINANCIAL REPORT - 30 JUNE 2025

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF
MERTON LIVING LIMITED

Opinion

In our opinion:

- a) The financial report of the company has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2025, in all material respects, in accordance with:
 - i. Sections 20(1), 22(1-2), 24(1) of the New South Wales *Charitable Fundraising Act 1991*; and
 - ii. Section 17 of the New South Wales *Charitable Fundraising Regulations 2021*.
- b) The money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2025 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Act and Regulations.



Stewart Brown
Chartered Accountants



David Gallery
Partner

23 October 2025