



VASEY RSL CARE

SERVING THOSE WHO SERVED

ABN 88 109 464 360

A Patriotic Fund

Annual Report **2020**



Serving Those Who Served



A.B.N 88 109 464 360

Directors & Financial Statements

FOR THE TWELVE MONTHS ENDED

30 JUNE 2020

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**VASEY RSL CARE LIMITED
DIRECTORS REPORT**

The Directors of Vasey RSL Care Limited submit their report in accordance with a resolution of the directors for the year ended 30 June 2020.

1 Directors

The names and details of the Directors during the year and the date of this report are:

Mr M P O'Meara, OAM (Chair) Director since 22nd April 2015 (Re-appointed 21st November 2018)

Mr O'Meara is the former Deputy Commissioner, Victoria, Department of Veterans' Affairs. Prior to which he held the positions of Director Health & Client Services for Victoria & National Manager Community Health. Mr O'Meara, retired in 2012 after a total of 44 years in Veteran's Affairs. Mike is an Honorary life Member of RSL Victoria and is currently Chairman of the Sir Edward Dunlop Medical Research Foundation.

Mr T R Carr, Direct Appointment for War Widows Guild of Australia (VIC) INC. Director since 16th November 2016. (Re-appointed 20th November 2019).

Mr Carr worked in a range of managerial positions during his 37 year career within the (Commonwealth) Department of Veterans' Affairs. He also worked for some years as veteran sector adviser to the Victorian Veterans' Council.

Mr J F Cullen OAM, FIPA, MAICD, Director since 6th July 2004 (Re-appointed 15th November 2017)

Mr Cullen is the State Honorary Treasurer of the RSL (Victorian Branch). He was employed in the Banking & Finance Industry from 1980 to 2005.

Dr Vanda Fortunato, Appointed Director on the 24/07/2019, confirmed 20th November 2019

Dr Vanda Fortunato has spent the last 20 years in executive and strategic leadership roles in Australia and overseas, with significant experience in public health, primary care, not-for-profits, medical training, academia, pharmaceuticals, health insurance and consulting. Vanda has been a CEO of two not-for-profits, and has held senior executive roles with Medibank, a clinical research organisation and Accenture. She has also worked for the World Bank and the Asian Development Bank. Vanda is on the Board of BreastScreen Victoria, she is the Board Chair at the Southern Metropolitan Cemeteries Trust, and was the chair of a private aged care company New Aged Care.

Mr Victor Hamit, Appointed Director on the 24/07/2019, confirmed 20th November 2019

Lawyer and Director of Wentworth Lawyers Pty Ltd, Victor Hamit practises in commercial and taxation matters. Mr Hamit has extensive board experience including previously sitting on the boards of SBS Community Board, Rural Ambulance Victoria and the Riverine Herald group. He was Commissioner for the Shire of Campaspe and is also an experienced company chairman. He is currently a Director of Murray PHN, and chair of the Governance Committee and a member of the Law Institute of Victoria Charities and Not-for-profit Committee.

Mr Barry Lowe, (Deputy Chair) Appointed Director 23 August 2017, confirmed 15th November 2017. Direct Appointment for the RSL.

Mr Lowe served in the Royal Australian Signals and has been a member of the Mentone RSL for over four decades. He was appointed as a committee member of the Mentone RSL in 2006. He served two years as vice president, and has been in the president's position since 2013. He currently serves on the State Executive of RSL Victoria and is Chair of the property committee. Mr Lowe has had a civilian career in the construction industry for the past thirty years.



**VASEY RSL CARE LIMITED
DIRECTORS REPORT**

1 Directors continued

Mr H D Paroissien, OAM FCPA, AGIA, Joint Director since 22nd April 2015, first appointed a Director on the 6th July 2004. Resigned on the 11th December 2019.

Mr Paroissien was a partner in a public accounting practice for more than 30 years, during which time he advised small businesses on management, financial and taxation matters. He has served on the boards of aged care and community organisations.

2 Company Secretary

The name and details of the company Secretary as at the date of this report is:

Mr W A Haysom BBus FIPA FTIA

Mr Haysom was appointed as Company Secretary on the 13th January 2014. He has extensive finance experience specialising in the Aged Care & Not For Profit sectors.

3 Company Activities

The principal activities of the company in the course of the reporting period were the promotion of charitable activities connected with the administration of Independent Living Units, Residential Facilities and Community Care for the aged.

4 Reporting Structure

Vasey RSL Care Limited for the financial year has operated as a single, autonomous entity.

5 Results

Vasey RSL Care Limited is a company limited by guarantee and is a charitable, Not For Profit entity and a patriotic fund under the Veterans Act. For the financial year ending 30 June 2020, Vasey RSL Care Limited had a deficit of (\$2,184,344), with a surplus of \$560,206 in 2019.

6 Review of Operations

Vasey RSL Care Limited continues its commitment to the Aged Veteran Community with 5 modern aged care facilities incorporating 428 beds & 277 independent Living units located across Melbourne and Geelong. The Organisation also has 155 Community Aged Care Packages supporting our Veterans & families in their own homes.

7 Indemnifying Officer or Auditor

Since the end of the previous financial year, Vasey RSL Care Limited has paid insurance premiums on behalf of directors and officers liability and legal expenses insurance contracts, for current and former directors and officers, including executive officers of the company. These premiums were part of a combined policy for public liability, medical malpractice and directors and officers liability, no separate amounts were allocated.

The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

No indemnities have been given for insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of Vasey RSL Care Ltd.

**VASEY RSL CARE LIMITED
DIRECTORS REPORT**

8 MEETINGS : Number of Board Meetings Held / Attended.

Meetings	Directors' Meetings	
	Number eligible to attend	Number attended
Mr M O'Meara (Chair)	11	10
Mr T R Carr	11	11
Mr J F Cullen	11	10
Mr B Lowe	11	9
Mr H D Paroissien (Ex-Chair)	6	6
Ms V Fortunato	11	9
Mr V Hamit	11	11

Directors	Audit Committee Meetings			Finance Committee Meetings	
	Number eligible to attend	Number attended		Number eligible to attend	Number attended
Mr J F Cullen (Chair Finance)	2	2		11	11
Mr T R Carr				11	11
Mr M O'Meara	2	2		11	11
Mr H D Paroissien	1	1		6	6
Mr B Lowe	1	1		5	3
Ms V Fortunato*					3
Mr V Hamit *					4
* In attendance					

Directors	Building Committee Meetings			Quality & Risk Committee Meetings	
	Number eligible to attend	Number attended		Number eligible to attend	Number attended
Mr M O'Meara	6	3		7	7
Mr J F Cullen	6	4			
Mr B Lowe	6	3		4	2
Mr T R Carr				7	7
Mr H D Paroissien	4	2		4	3
Ms V Fortunato				7	7
Mr V Hamit	5	4			



VASEY RSL CARE LIMITED
DIRECTORS REPORT

9 Significant Events after Balance Date

The Sale of 2 Manningtree Road, Hawthorn was settled on the 14th August 2020.

The property 14-18 Manningtree Road, Hawthorn, is under contract with a possible settlement date in September 2021.

COVID 19 - While Vasey RSL Care has had 3 Covid Events; as at the date of this report, the Organisation has had no Covid transmission between staff or Residents.

10 Environmental Issues

Vasey RSL Care Limited operations are not regulated by any significant environmental regulations under the law of the Commonwealth or State or Territory.

11 Future Developments

Vasey RSL Care Limited expects to maintain the present status and level of operations to provide aged care mainly to ex-service personnel, the widows, widowers, spouses and dependants of ex-service personnel.

12 Proceedings on behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervened in any proceedings to which the company is a party for the purpose of taking the responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceeding during the year.

13 Auditor's Independence Declaration

A copy of the auditors independence declaration as required in accordance with Subdivision 60-C of the Australian Charities & Not-for-profits, is set out within,

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




Mr M P O'Meara, (Chair),
Director



Mr Barry Lowe, (Deputy Chair)
Director

Dated this 29th day of September 2020



**AUDITOR'S INDEPENDENCE DECLARATION
IN ACCORDANCE WITH SUBDIVISION 60-40 OF THE AUSTRALIAN
CHARITIES AND NOT FOR PROFIT COMMISSION ACT 2012,
TO THE DIRECTORS OF VASEY RSL CARE LIMITED
A.B.N. 88 109 464 360**

In accordance with Subdivision 60-C of the Australian Charities & Not-for-profits Commission Act 2012. I am pleased to provide the following declaration of independence to the Directors of Vasey RSL Care Ltd. As the lead audit partner for the audit of the financial report of Vasey RSL Care Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not-for-Profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Morton Watson & Young

MORTON WATSON & YOUNG AUDIT PTY LTD

Auditor: Kerpal S. HARNAM _____

Director, Registered Company Auditor (365612)

Dated this 29th day of September 2020

**Chartered Accountants
51 Robinson Street, Dandenong 3175**



**VASEY RSL CARE
LIMITED**

A.B.N 88 109 464 360

FINANCIAL REPORT

FOR THE TWELVE MONTHS ENDED

30 JUNE 2020



VASEY RSL CARE LIMITED ABN 881 09464360

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 30 JUNE 2020

Note

2020

2019

\$

\$

Revenue from continuing operations		46,603,452	45,297,310
Other Income	4	15,748	37,213
Total revenue from continuing operations	3	46,619,200	45,334,523
Expenses from operating activities:	6		
Depreciation and amortisation expenses		2,304,763	3,057,941
Catering / Food preparation		1,523,498	1,520,385
Consumables		1,212,134	1,149,240
Consultants		769,535	587,894
Contractors		1,149,722	1,107,606
Finance Costs		42,288	63,474
Repairs & maintenance		2,170,604	1,864,474
Employee benefits expense		34,532,695	33,003,442
Other expenses		4,311,696	4,183,145
Total expenses		48,016,935	46,537,601
Surplus/(Deficit) for the period from Continuing Operations		(1,397,735)	(1,203,078)

The Income Statement should be read in conjunction with the accompanying notes.



VASEY RSL CARE LIMITED ABN 88109464360
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Surplus / (Deficit) from Operating		(1,397,735)	(1,203,078)
Other comprehensive income			
Surplus on sale of property assets	5	2,859	32,448
Items that will be reclassified subsequently to profit & loss when specific conditions are met.			
Unrealised capital gains/(deficit) from investments	7a	(789,468)	1,730,836
Total comprehensive Income for the period		(786,609)	1,763,284
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Surplus/(Deficit) attributable to Vasey RSL Care Limited.		(2,184,344)	560,206

The Statement of Comprehensive income should be read in conjunction with the accompanying notes.

VASEY RSL CARE LIMITED ABN 88109464360
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash & cash equivalents	8	23,446,485	28,229,975
Trade and other receivables	9	2,206,300	1,328,274
Financial assets	10	4,132,718	12,506,978
Other assets	11	365,492	774,548
Assets held for sale	12/13	24,581,583	513,294
TOTAL CURRENT ASSETS		54,732,578	43,353,069
NON-CURRENT ASSETS			
Property, plant and equipment	13	152,458,560	176,203,089
Equity Investment	7/10	79,060,513	69,479,159
Intangibles assets	14	6,375,000	6,375,000
TOTAL NON-CURRENT ASSETS		237,894,073	252,057,248
TOTAL ASSETS		292,626,651	295,410,317
CURRENT LIABILITIES			
Trade and other payables	15	4,158,822	3,898,388
Short-term borrowings	16	87,669,369	89,064,648
Short-Term Financing	17	131,437	116,728
Short-term provisions	19	5,141,120	4,481,163
TOTAL CURRENT LIABILITIES		97,100,748	97,560,927
NON-CURRENT LIABILITIES			
Long-Term Financing	18	210,463	341,899
Long-term provisions	20	264,735	272,442
TOTAL NON-CURRENT LIABILITIES		475,198	614,341
TOTAL LIABILITIES		97,575,946	98,175,268
NET ASSETS		195,050,705	197,235,049
EQUITY			
Retained surplus	21	(1,200,953)	983,392
Reserves	22	196,251,658	196,251,657
TOTAL EQUITY		195,050,705	197,235,049

The Statement of Financial Position should be read in conjunction with the accompanying notes.

VASEY RSL CARE LIMITED ABN 88109464360
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF CHANGES IN EQUITY

	Retained Earnings	Asset Revaluation Reserve	Other Reserves	Total
	\$	\$	\$	\$
Balance at 1st July 2018	423,186	109,445,105	56,329,202	166,197,493
Deficit / Surplus from continuing Operations	(1,203,078)	-	-	(1,203,078)
Surplus/(deficit) from comprehensive Income	1,763,284	-	-	1,763,284
Revaluation Increment	-	30,477,350	-	30,477,350
Balance at 30 June 2019	983,392	139,922,455	56,329,202	197,235,049
Deficit / Surplus from continuing Operations	(1,397,735)	-	-	(1,397,735)
Surplus/(deficit) from comprehensive Income	(786,609)	-	-	(786,609)
Revaluation Increment	-	-	-	-
Balance at 30 June 2020	(1,200,952)	139,922,455	56,329,202	195,050,705

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from residents and clients (Customers)	41,496,813	37,209,412
Payments to suppliers and employees	(44,348,142)	(42,070,715)
Allowable deductions from Bonds	3,972	35,517
Interest received	2,552,701	8,210,380
Interest Paid	(42,288)	(63,474)
Other Operating Cash Flows	882,471	1,020,179

NET CASH GENERATED FROM OPERATING ACTIVITIES	2b	545,527	4,341,299
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CASH FLOWS FROM INVESTING ACTIVITIES

Sale of Property, Plant & Equipment	601,653	617,850
Purchase of Property, Plant & Equipment		
– Resident Aged Care	(2,121,691)	(1,791,226)
– Other incl. Independent Living Units	(1,089,879)	(1,653,206)
Other Investing Cash Flows	(1,207,094)	(1,150,737)

NET CASH FROM INVESTING ACTIVITIES		(3,817,011)	(13,977,319)
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CASH FLOWS FROM FINANCING ACTIVITIES

Accommodation Bonds/refundable deposits received	21,376,507	25,191,169
Accommodation Bonds/refundable deposits (refunded)	(22,771,786)	(22,494,689)
Payment for Lease Liabilities	(116,727)	(268,921)

NET CASH USED FROM FINANCING ACTIVITIES		(1,512,006)	2,427,559
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NET INCREASE / (DECREASE) IN CASH HELD		(4,783,490)	(7,208,461)
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Cash at beginning of year		28,229,975	35,438,436
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CASH AND CASH EQUIVALENTS AT 30 JUNE 2020	2a	23,446,485	28,229,975
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The statement of Cash Flows should be read in conjunction with the accompanying notes.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Vasey RSL Care Limited (VRSLC), a not for profit reporting entity, registered with the Australian Charities and Not-for-profits Commission (ACNC), as an individual entity, incorporated and domiciled in Australia.

Vasey RSL Care Limited a company limited by guarantee, operates as a single, autonomous entity,

The principal activities of the company in the course of the reporting period were the promotion of charitable activities connected with the aged care sector, primarily the administration of Residential Facilities, Independent living Units, and Community Care for the aged.

The financial statements are presented in Australian dollars.

The financial statements were authorised for issue by the Board of Directors of Vasey RSL Care Ltd at the Directors meeting on the 22nd September 2020.

Basis of preparation

The financial statements are general purpose financial statements, that have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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 & financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements have been prepared in accordance with generally accepted accounting standards, which are based on Vasey RSL Care Ltd continuing as a going concern. The financial statements have been prepared on the basis that the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial statements.

Implementation of New Accounting Standards

Vasey RSL Care Ltd took the approach to early adopting the two new Australian Accounting Standards AASB 15 Income for Not-for-Profit Entities & AASB 16 Leases, as at 30 June 2018. The third new standard AASB 9 Financial Instruments has been adopted as at 30 June 2019.

(a) Income recognition (AASB15)

Government funding received is recognised when VRSLC has control of the funds as a result of providing services. When funding include terms that specified services are delivered or conditions are fulfilled and failure to meet these terms could result in the funds needing to be returned, these are recognised as unearned income until the services are performed or conditions fulfilled.

(b) Fair Value of Assets and Liabilities.

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive if it sold an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date

Fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

(c) Property, Plant and Equipment,

Each class of property, plant & equipment is carried at cost or fair value as indicated, less, where applicable accumulated depreciation and any impairment losses.

Freehold Property

Freehold Land & Buildings are shown at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. In periods when the freehold land & buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land & buildings that have been contributed at no cost or for nominal cost are valued & recognised at the fair value of the asset at the date it is acquired.

Vasey RSL Care Ltd has maintained one class of Land & Buildings at cost, this class has had continuous like for like sales and there has not been any material variation in the value of sales from the original cost base.

Property transactions

Vasey RSL Care Ltd records property transactions (Purchase or sale of fixed assets) on settlement, at which time, if applicable, the surplus or (deficit) is recorded.

Property Improvements are continually undertaken and accounted from the date of Independent Valuation, and on revaluation are adjusted given the values received from the independent valuation.

Plant & Equipment *(Including furniture and fittings, information technology, communication equipment motor vehicles and right to use assets).*

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant & equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

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 recognised as expenses in profit or loss in the financial period in which they are incurred.

Independent living units usually meet the definition of investment properties as they normally are held primarily for either rental return or capital appreciation. Vasey RSL Care Ltd holds its independent living units for the primary purpose of ensuring war widows and veterans who are financially distressed have accommodation. Rents charged are highly subsidised. Vasey RSL Care Limited holds its independent living units as Land and Buildings held at either independent valuation or Directors valuation.

Right-to-use assets (Leases)

With the new Standard AASB 16, assets greater than \$5,000 will come onto the Balance Sheet as a "Right to use asset" and depreciated over the term of the contract. The Liability for the contract will also be recorded and divided into current & non-current (greater than 12 Months). Interest paid on the contract will be calculated and expensed as incurred.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

Depreciation

The depreciable amount of all fixed assets, 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 entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation is provided on a straight-line basis on all property, plant and equipment and other categories except freehold land.

All other rates are consistent with those stated in the previous years policy and are noted in the table below.

Major categories depreciation periods are:

	2019/20	
	Useful Life	%
Freehold buildings	40 Years	2.5%
Property improvements	10 Years	10%
Furniture, fittings, plant & equipment	10 Years	10%
Motor vehicles	4 Years	25%
Communications and information technology	4 Years	25%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Assets Held for Sale

Non current assets that have been deemed surplus to requirements by Management, are transferred to the 'Assets held for sale' category. At the time of the transfer the assets are generally tested for impairment. This category is regarded as a current asset, as they are expected to be sold within twelve months. These assets are expected to recover their carrying amount after testing for impairment. Once an asset is deemed as 'Held for sale' it ceases to be depreciated.

Intangibles Assets (Bed Licences)

Vasey RSL Care Ltd purchased 425 bed licences at a cost of \$40,000 per licence. Bed licences are held at cost and subject to impairment testing. They were devalued in the 2012/2013 financial year to \$15,000 per bed licence.

Each year Vasey RSL Care's bed licences are reviewed for impairment. For the financial year 2019/20 the Directors of Vasey RSL Care have declared that there was no further impairment to bed licences, and as such are they continue to be carried at a Directors valuation of \$15,000 per bed licence.

Impairment of Assets

During the 2020 financial year Vasey RSL Care Limited continued to undertake an extensive review of its asset registers both tangible & intangible to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

(d) Employee Provisions

Vasey RSL Care Limited is responsible for all employee benefits and obligations.

Wages, salaries and annual leave

Vasey RSL Care Limited is responsible for all employee benefits, salaries and annual leave, this includes on-costs such as workers compensation insurance, superannuation and leave loading. Vasey RSL Care Ltd adopts the policy of recognising the liabilities for employee benefits such as wages, salaries & annual leave; given the present obligations for employee services provided at the reporting date. These are calculated at undiscounted amounts based on the remuneration wage and salary rates that the company expected to pay as at the reporting date.

Long service leave

Vasey RSL Care Limited is responsible for all long service leave obligations. The provision for long service leave represents the present value of the estimated future cash outflows to be made resulting from employee services provided at the reporting date.

Vasey RSL Care Ltd accrues the liability for long service leave from the start of employment subject to the probability of a event (payout occurring). Table outlining the term of employment and probability of event is shown to the right.

Vasey RSL Care Ltd's policy is to accrue the liability for long service to ensure it meets both Federal Industrial Relations Legislation and Industry Standards.

Employee Term of employment	Probability applied
1	0%
2	5%
3	12%
4	20%
5	30%
6	40%
7	50%
8	75%
9	90%
10	100%

(e) Cash and cash equivalents

Cash and Cash Equivalents in the Statement of Financial Position and Statement of Cash flows comprise of cash at bank and in hand and short-term deposits with an original maturity of less than three months which are convertible to known amounts of cash and are subject to an insignificant risk of change in value.

(f) Receivables

Trade Receivables are recognised and carried at original invoice value less a provision for uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

(g) Accommodation Payment Options

All residents entering the service of Vasey RSL Care Limited on or after 1 July 2014, under the Living Longer Living Better Reform Legislation, have 28 days from entry to make a choice regarding payment of a Refundable Accommodation Deposit (RAD), Daily Accommodation Payment (DAP) or a combination of both. Refundable Accommodation Deposits are not recorded in the accounts, until funds are received.

(h) Goods and Services Tax (GST)

Vasey RSL Care Limited recognises expenses and assets net of any GST, except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

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

(i) Income Tax

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

(j) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(k) Critical accounting estimates, assumptions and judgements

In the application of Australian Accounting Standards, management is required to make judgements, estimates & assumptions about carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods.

Judgements made in the application of Accounting Standards that have significant effects on the financial statements, and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Key Estimates – Impairment

Vasey RSL Care Ltd assesses impairment at the end of the reporting period by evaluating conditions specific to the company that may lead to impairment of assets. If an impairment trigger exists the company calculates the recoverable amount of the asset in question. In order to calculate the recoverable amount, the company would perform a value-in-use calculation, which incorporates a number of key estimates.

Key Judgments – Allowance for doubtful debts

Included in trade receivables at the 30 June 2020 are amounts receivable from a small number of debtors who have fallen outside their payment terms. The directors believe these should be provided for and the provision reflects these.

(l) Covid-19

Aged Care Facilities – While Vasey RSL Care has had three Covid Events testing positive to Covid-19; as at the date of this report the organisation has had no Covid-19 transmission between staff or residents. The financial impact of these events are expected to be reported in the first quarter of the 2020'21 financial year,

Financial impact – Resident benefits is the income received by the organisation from the Bonds & RADS held in trust from the Residents. This turnover is used to support the care of residents. In February & March 2020, this income fell by in excess of seven million dollars. The Organisation applied for Jobkeeper as income was reduced by greater than 15%. This was approved.

Government Support to 30 June 2020 – Vasey RSL Care has received

		\$	\$
Government Covid Assistance	Jobkeeper	3,751,500	
	Cash Flow	50,000	
	Included in Income		3,801,500
Government Covid Assistance	Equipment		
	Included in Balance Sheet		334,387
	(Per AASB15) Prepaid Revenue		

VASEY RSL CARE LIMITED ABN 88109464360
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

Note 2 STATEMENT OF CASH FLOWS	Note	2020 \$	2019 \$
(a) Reconciliation of cash;			
Cash balance comprises:			
Cash on hand		6,400	6,400
Cash at Bank		23,440,085	28,223,575
Cash Balance at year end		23,446,485	28,229,975
(b) Reconciliation of cash flow			
surplus/(deficit)		(2,184,344)	560,206
surplus/(deficit) on disposal of Non-Current Assets		(18,607)	(69,661)
Provision for Doubtful Debts		(43,114)	(43,114)
Depreciation/Amortisation		2,304,763	3,057,942
<i>Change in assets and liabilities:</i>			
Increase/decrease in current receivables		(425,857)	(507,332)
Increase/decrease in current creditors and borrowings		391,872	1,014,803
Increase/decrease in current provisions		659,957	451,083
Increase/decrease in Non-Current Borrowing		(131,436)	(121,207)
Increase/decrease in non-current provisions		(7,707)	(1,421)
Net cash flows from operating activities		545,527	4,341,299

Note 3 REVENUE FROM ORDINARY ACTIVITIES	Note		
Revenue from operating activities			
Grants / Government Grants		16,000	10,000
Resident fees		11,762,239	12,216,146
Resident Benefits	11	(1,235,209)	1,575,061
Government funding		26,811,101	25,545,924
Government Covid Assistance	11	3,801,500	-
Donations	3a	53,587	52,069
Interest on bonds, investments & dividends		4,577,378	4,904,483
Retention on bonds		3,972	35,517
Fee for service	26	104,182	104,182
Surplus on sale of operational assets	4	15,748	37,213
Other		708,702	853,928
Total revenue from operating activities		46,619,200	45,334,523

Note 3a Donations			
Donations		21,109	14,509
Fundraising		7,178	9,194
Other		25,300	28,366
Total donations received		53,587	52,069

Note 4 Surplus on sale of operational assets			
Surplus on sale of Non-Current Assets - Motor Vehicles		15,748	35,517
Total surplus on sale		15,748	35,517

Note 5 Surplus on sale of property assets

Surplus on sale of Properties :		
– 1 Apartments at Warleigh Grove, Brighton	2,859	32,448
Total surplus from the sale of property assets	2,859	32,448

Note 6 EXPENSES

Catering / Meals Preparation	1,523,498	1,520,385
Consumables	1,212,134	1,149,240
Consultants	769,535	587,894
Contractors	1,149,722	1,107,606
Finance Costs	42,288	63,474
Repairs & Maintenance	2,170,604	1,864,474
Salaries and employee benefits expense	34,532,695	33,003,442
Other expenses from ordinary activities	4,311,696	4,183,145
Total expenses before depreciation expenses	45,712,172	43,479,660
Buildings	575,710	805,498
Property Improvements	164,213	625,388
Furniture & Fittings	411,396	407,153
Plant & Equipment	599,000	647,757
Communications & Information Technology	241,068	257,072
Motor Vehicles	190,703	190,062
Right to use asset	122,673	125,012
Total depreciation expenses	2,304,763	3,057,942
Total expenses including depreciation	48,016,935	46,537,601

Note 7 AASB 9 Financial Instruments has been adopted as per 30 June 2019, with previous years comparatives.

AASB 9 allows the entity to classify equity investments as non-current assets, though still allowing the increase and decrease in value to be presented through the profit & loss.

Value of portfolio at the Beginning	69,486,208	64,542,655
Additional Funds Invested	10,000,000	-
Increase / decrease in value	(425,695)	4,943,553
Value of portfolio at the Beginning	79,060,513	69,486,208
Percentage increase in value	-0.61%	7.66%

Note 7a Unrealised Capital surplus / (Deficits)

Unrealised Surplus/Deficit on the Equity Trustees Investment	517,623	504,684
Unrealised Surplus/Deficit on the Shadforth Investment	(1,317,036)	909,068
Unrealised Surplus/Deficit on the Credit Suisse Investment	9,945	317,084
Unrealised Surplus/Deficit on the JB Were Investments	(209,448)	-
Total Unrealised Capital Gains / (Deficits)	(789,468)	1,730,836

Note 8 CASH AND CASH EQUIVALENTS

Cash on hand	6,400	6,400
Opening Bank balance	29,229,975	35,438,436
Increase / (Decrease) of cash	(5,789,890)	(7,214,861)
Closing Cash Balance	23,446,485	28,229,975

VASEY RSL CARE LIMITED ABN 88109464360
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

2020
\$

2019
\$

Note 9	RECEIVABLES (CURRENT)		
	Rent	267,305	253,061
	Government funding liability	41,741	203,013
	Other debtors	1,940,368	915,314
	Provision for doubtful debts	(43,114)	(43,114)
	Balance at end of year	2,206,300	1,328,274

Receivables are generally on 30 days terms. The receivables are assessed for recoverability and tested for impairment (provision).

Movement in the provision for doubtful debts

	Provision Bad Debts opening balance	43,114	43,114
	Movement in provision	-	-
	Balance at end of year	43,114	43,114

Note 10	FINANCIAL ASSETS (CURRENT) + EQUITY INVESTMENT NON-CURRENT		
	Opening Balance	81,986,137	70,835,400
	Additional/(Decrease) Term Deposits	1,207,094	11,150,737
	Balance at end of year	83,193,231	81,986,137

Note 11	OTHER ASSETS		
	Prepayments	197,064	537,512
	Other Debtors	168,428	237,036
	Balance at end of year	365,492	774,548

Note 12	ASSETS 'HELD FOR SALE'		
	Land	24,581,583	186,128
	Buildings	-	327,166
	Assets 'Held for Sale'	24,581,583	513,294

ASSETS 'HELD FOR SALE'

	Carrying amount at beginning	513,294	-
	Net proceeds from asset 'Held for sale'	(516,153)	(535,400)
	Net Land transferred from Land at Cost	24,550,000	364,262
	Land transaction costs	31,583	-
	Net Buildings transferred from Buildings at Cost	-	651,984
	Surplus received for assets 'Held for sale'	2,859	32,448
	Assets 'Held for Sale'	24,581,583	513,294

Note 13	PROPERTY, PLANT AND EQUIPMENT + ASSETS HELD FOR SALE		
	Freehold land:		
	Directors Valuation 30/6/20	121,150,000	-
	Independent Valuers valuation 30/6/19	-	145,700,000
	At Cost 'Warleigh Apartments'	1,852,104	1,852,104
	Balance at end of year	123,002,104	147,552,104
	Buildings:		
	Directors Valuation 30/6/20	19,200,000	-
	Independent Valuers valuation 30/6/19	-	19,200,000
	At Cost 'Warleigh apartments'	3,819,520	3,819,520
	Provision for depreciation	(1,079,592)	(503,882)
	Written down value	21,939,928	22,515,638

Note 13 PROPERTY, PLANT AND EQUIPMENT + ASSETS HELD FOR SALE CONTINUED

ASSETS 'HELD FOR SALE'

Land	24,581,583	186,128
Buildings	-	327,166
Assets 'Held for Sale'	24,581,583	513,294

Property Improvements

At cost	1,932,187	-
Provision for depreciation	(164,213)	-
Written down value	1,767,974	-

Motor Vehicles

At cost	887,652.67	915,237
Provision for depreciation	(531,113)	(410,761)
Written down value	356,540	504,476

Plant and Equipment

At cost	7,264,654.57	6,818,076
Provision for depreciation	(4,407,137)	(3,808,138)
Written down value	2,857,517	3,009,938

Communications & Information Technology

At cost	2,512,265.44	2,303,101
Provision for depreciation	(2,038,714)	(1,797,646)
Written down value	473,552	505,455

Furniture & Fittings

At cost	4,421,004.42	4,100,564
Provision for depreciation	(2,815,616.18)	(2,404,220)
Written down value	1,605,388	1,696,344

Work In Progress

At cost	159,097	-
Written down value	159,097	-

Right to Use Leased Asset

At cost	613,365	613,365
Provision for depreciation	(316,905)	(194,231)
Written down value	296,460	419,134

Total Property, Plant and Equipment + Assets Held for Sale

At Directors Valuation 30/6/20	164,900,000	-
At Independent Valuation 30/6/19	-	164,900,000
At cost	23,493,434	20,935,261
Provision for depreciation	(11,353,291)	(9,118,878)
Total written down value	177,040,143	176,716,383

Note 13 PROPERTY, PLANT AND EQUIPMENT + ASSETS HELD FOR SALE CONTINUED

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the financial year as follows:

Freehold Land

Carrying amount at 1st July	147,552,103	106,141,615
Revaluation Adjustment 30/6/19	-	41,774,750
Less Net transfer from 'Assets held for sale' during the year	(24,550,000)	(364,262)
Freehold Land (Directors Valuation)	123,002,103	147,552,103

Buildings on Freehold Land

Carrying amount at 1st July	22,515,638	30,367,870
Revaluation Adjustment 30/6/19	-	(8,470,000)
Write back of Depreciation "with revaluation"	-	1,383,500
Less Transfer to 'Assets held for sale' during the year	-	(752,725)
Write back of Depreciation "Assets held for sale"	-	100,743
Depreciation expense write back	-	691,749
Depreciation expense	(575,710)	(805,498)
Written down value	21,939,928	22,515,638

ASSETS 'HELD FOR SALE'

Carrying amount at 1st July	513,294	-
Net proceeds from asset 'Held for sale'	(516,153)	(535,400)
Net Land transferred from Land at Cost	24,550,000	364,262
Land transaction costs	31,583	-
Net Buildings transferred from Buildings at Cost	-	651,984
Surplus received for assets 'Held for sale'	2,859	32,448
Assets 'Held for Sale'	24,581,583	513,294

Property Improvements

Carrying amount at 1st July	-	3,743,700
Additions	1,421,313	1,547,817
Transferred from Work in Progress	510,875	179,506
Write off Revaluation Adjustment	-	(6,271,162)
Write back of Depreciation "with revaluation"	-	1,425,527
Depreciation expense	(164,213)	(625,388)
Written down value	1,767,975	-

Right to Use Leased Asset

Carrying amount at 1st July	419,135	548,177
Additions/Write off's at cost	-	(4,031)
Depreciation expense	(122,675)	(125,011)
Written down value	296,460	419,135

Communications & Information Technology

Carrying amount at 1st July	505,455	340,980
Additions at cost	209,164	421,547
Write off of obsolete assets	-	-
Accumulated depreciation adjustment(Write-off)	-	-
Depreciation expense	(241,067)	(257,072)
Written down value	473,552	505,455

Note 13 PROPERTY, PLANT AND EQUIPMENT + ASSETS HELD FOR SALE CONTINUED

Motor Vehicles		
Carrying amount at 1st July	504,476	576,548
Additions at cost	112,519	163,628
Disposals	(140,103)	(136,889)
Accumulative depreciation write back	70,351	91,251
Depreciation expense	(190,703)	(190,062)
Written down value	356,540	504,476
Plant and Equipment		
Carrying amount at 1st July	3,009,938	2,921,366
Additions at cost	446,579	736,329
Write off of obsolete assets	-	-
Accumulated depreciation adjustment(Write-off)	-	-
Depreciation expense	(599,000)	(647,757)
Written down value	2,857,517	3,009,938
Furniture & Fittings		
Carrying amount at 1st July	1,696,344	1,703,861
Additions at cost	320,440	399,636
Write off of obsolete assets	-	-
Accumulated depreciation adjustment(Write-off)	-	-
Depreciation expense	(411,396)	(407,153)
Written down value	1,605,388	1,696,344
Work in Progress		
Carrying amount at 1st July	-	-
Additions at cost	669,972	179,506
Transferred to Property Improvements	(510,875)	(179,506)
Written down value	159,097	-
Total Property, Plant and Equipment + Assets Held for Sale		
Carrying amount at 1st July	176,716,383	146,344,117
Revaluation Increment	-	33,304,750
Additions at cost	3,722,445	3,623,938
Disposals	(653,397)	(136,889)
Accumulated depreciation write back	70,351	2,166,500
Transfer to Assets held for sale	(24,550,000)	(1,016,244)
Transfer from Assets held for sale	24,550,000	513,294
Transfer to other assets	(510,875)	(179,506)
Write off of assets	-	(6,271,162)
Accumulated depreciation adjustment(Write-off)	-	1,425,527
Depreciation expense	(2,304,764)	(3,057,941)
Total written down value	177,040,143	176,716,383

Note 14 INTANGIBLES

Opening balance of bed licences	6,375,000	6,375,000
Impairment of bed licences	-	-
Approved Provider Bed Licences at cost	6,375,000	6,375,000

Vasey RSL Care Limited has 428 Bed Licences, 3 Bed Licences were received from the Federal Government at no cost.

Note 15	PAYABLES (CURRENT)		
	Trade creditors and accruals	2,616,693	2,467,555
	Security deposits	\$ 42,092	33,635
	Sundry creditors	\$ 275,911	716,717
	Prepaid Revenue – Home care	1,224,126	680,481
	Balance at end of year	4,158,822	3,898,388
Note 16	SHORT TERM BORROWINGS		
	Refundable Resident Entry Contributions		
	Carrying amount at beginning	89,064,648	86,471,738
	Additional Refundable Resident Entry Contributions	6,713,953	10,702,143
		95,778,601	97,173,881
	Less Retentions	(8,109,232)	(8,109,233)
	Balance at end of year	87,669,369	89,064,648
Note 17	OTHER SHORT TERM FINANCING		
	Lease Liabilities		
	Carrying amount at beginning	116,728	104,254
	Additional liability	14,709	12,474
	Balance at end of year	131,437	116,728
Note 18	LONG TERM FINANCING		
	Lease Liabilities		
	Carrying amount at beginning	341,899	463,106
	Additional liability	(131,436)	(121,207)
	Balance at end of year	210,463	341,899
Note 19	PROVISIONS (CURRENT)		
	Annual Leave		
	Annual leave provision provided	1,844,085	1,757,045
	Increase annual leave	354,403	87,040
	Total annual leave provision	2,198,488	1,844,085
	Long service leave		
	Long service leave provided	2,637,078	2,273,035
	Increase (Decrease) long service leave	305,554	364,043
	Long service leave provision	2,942,632	2,637,078
	Balance at end of year	5,141,120	4,481,163
Note 20	PROVISIONS (NON-CURRENT)		
	Long service leave		
	Long service leave provided	272,442	273,863
	Increase (Decrease) long service leave	(7,707)	(1,421)
	Balance at end of year	264,735	272,442
Note 21	RETAINED SURPLUS		
	Balance at beginning	983,392	423,186
	Net Surplus / (Deficit) for year	(2,184,344)	560,206
	Balance at end of year	(1,200,952)	983,392

Note 22 RESERVES

Asset Revaluation Reserve		
Opening Balance	139,922,454	109,437,035
Movements for the year	-	30,485,419
Total Asset Revaluation Reserve	139,922,454	139,922,454
RSL Vasey Reserve		
Opening Balance	56,329,203	56,329,203
Movements for the year	-	-
Total RSL Vasey Reserve	56,329,203	56,329,203
Balance of Reserves as at 30 June 2020	196,251,657	196,251,657
Balance of Retained Earnings & Reserves as at 30 June 2020	195,050,705	197,235,049

Note 23 AUDITORS' SERVICES

Audit services – Current Auditor	53,200	53,200
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Note 24 STAFFING LEVELS

Number of employees	524	528
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This includes the total number of full time, part time and casual staff employed by Vasey RSL Care Limited.

Note 25 EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

Accrued wages, salaries and on costs as at 30 June 2020		
Accrued wages, salaries and on costs (Including Superannuation)	832,373	615,479
Total accrued wages, salaries and on costs (including Superannuation)	832,373	615,479

Superannuation: The organisation contributes 9.5% of employee wages and salaries as legally required.

Note 26 DIRECTORS' REMUNERATION

1st July 2019 to 30th June 2020

The Vasey RSL Board Chairman receives a remuneration of \$42,000 per annum. The Deputy Chairman receives \$22,000 and all other Directors received \$ 14,000 or (pro-rata as per service).

Note 27 DIRECTORS & KEY MANAGEMENT PERSONNEL DISCLOSURES

Transactions with Directors and Key Management Personnel

Number of Directors as at 30 June 2020	6	7
Total Directors Remuneration	129,334	121,166

Seven Directors have been in office for either part or in full during the financial year.

Number of Key Management Personnel Staff	6	6
Short-term employee benefits	1,256,227	1,219,407
Other long term benefits		
Post employment benefits	386,811	322,732
Termination benefits		
Total Benefits	1,643,038	1,542,139

Six key Management staff have been in office, for either part or in full during the financial year

Note 28 RELATED PARTY

During the financial year \$104,182 was received from the War Widows Guild in accordance with the current service agreement for administrative and management services.

Note 29 FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks. The deposits are both floating and short term fixed interest deposits. These deposits are held with a variety of banking Institutions. Vasey RSL Care Limited has part of its financial assets managed by Credit Suisse Wealth Management, Equity Trustees & Shadforth Financial Group.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows;

	2020 \$	2019 \$
(a) Interest Rate Risk		
Cash & Equivalents and Financial assets		
Westpac – Floating interest rate		
Cash at Bank	(31,516)	(1,132,925)
<i>Weighted average effective interest rate</i>	0.100%	0.093%
Westpac – Floating interest rate		
Cash Management	2,386,400	3,291,003
<i>Weighted average effective interest rate</i>	0.180%	0.780%
Westpac – Floating interest rate		
MAXI Cash Management		3,706,004
<i>Weighted average effective interest rate</i>		0.490%
Fixed interest rate		
Bendigo & Adelaide Bank Term Deposits	7,712,112	8,851,561
<i>Weighted average effective interest rate</i>	2.06%	2.71%
Fixed interest rate		
Defence Bank Term Deposits	4,216,491	7,321,552
<i>Weighted average effective interest rate</i>	2.24%	2.79%
Fixed interest rate		
Bank West Term Deposit		2,003,397
<i>Weighted average effective interest rate</i>		1.97%
Fixed interest rate		
Members Equity Term Deposits	9,162,996	10,603,072
<i>Weighted average effective interest rate</i>	2.06%	2.65%
Fixed interest rate		
AMP Term Deposits	4,132,720	4,019,854
<i>Weighted average effective interest rate</i>	2.03%	2.82%
Fixed interest rate		
Bank of China Term Deposits	–	2,067,035
<i>Weighted average effective interest rate</i>	1.79%	2.24%
Bonds & Equities		
Credit Suisse Wealth Management	28,167,694	28,006,434
Annual Investment return	0.58%	11.18%
Bonds & Equities		
Equity Trustees	12,004,698	12,067,154
Annual Investment return	–0.60%	5.43%
Bonds & Equities		
Equity Trustees Property	5,586,909	5,383,240
Annual Investment return	3.78%	3.00%

Note 29 FINANCIAL RISK MANAGEMENT – continued

Bonds & Equities		
J B Were	9,956,802	–
Annual Investment return	–0.43%	0.00%
Bonds & Equities		
Shadforth Financial Group	23,344,410	24,022,331
Annual Investment return	–2.82%	8.45%
Non interest bearing cash	6,400	6,400
Non interest bearing debtors	2,206,300	1,328,274
Other	365,492	774,548
Total Financial Assets + Equity Investments	109,217,908	112,318,934
Financial liabilities		
Non interest bearing creditors	4,158,822	3,898,387
Refundable residents entry contributions	87,669,369	89,064,649
Short Term Borrowings	131,437	116,728
Total financial liabilities	91,959,628	93,079,764
Net financial assets (liabilities)	17,258,280	19,239,169

(a) **Financial Risk Management Policies**

Consisting of Vasey RSL Care Board members, the Finance Committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are improved and reviewed by the Finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

(b) **Liquidity Risk**

Liquidity risk arises from the possibility that Vasey RSL Care Ltd might encounter difficulty in settling its debts or obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- Maintaining a reputable credit profile;
- Only investing surplus with major financial institutions as per the Vasey RSL Care Limited investing policy;
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets, while maximising the return on the financial assets.

Financial Liabilities

Ninety percent of Vasey RSL Care's liabilities (91% 2019/19) are made up of refundable resident entry contributions (Accommodation Bonds/ RADS). Vasey RSL Care's Finance Committee has continually modelled the expected termination of these residential accommodation agreements. Accommodation bonds become due and payable on termination of the agreement or death of the resident. Unlike fixed term debt, that can be estimated using past data. Refundable residential bond repayments can only be estimated using such things as life expectancy information, which itself is continually moving. The Finance Committee monitors the level of accommodation bonds refunded per year, and have found nearly 22.8 percent of accommodation bonds were refunded in the 2019/20 financial year; this has not increased and is at odds with the current industry norms as Residents enter the Facilities later, both in age and fragility.

The Federal Government has announced new prudential requirements for Aged Care Operators, the Board of Vasey RSL Care Limited through its Finance Committee has assessed these new requirements & implemented a new Liquidity Management Strategy that will ensure the Organisation has sufficient liquidity to pay its debts as they fall due, particularly repayment of accommodation bonds, and conforms to the new Government requirements.

Note 29 FINANCIAL RISK MANAGEMENT (cont'd)

(c) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter-parties of contract obligations that could lead to a financial loss for the company.

Vasey RSL Care Ltd does not have any material credit risk exposure as its major source of revenue is received via Government agreements or subject to Government regulations.

Credit Risk Exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

Receivables that are neither past due or impaired are considered to be of high credit quality.

Aggregates of such amounts are detailed at Note 9.

Vasey RSL Care Limited does not have any material credit risk exposure to any single debtor or group of debtors.

(d) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities. These risks are recognised at the end of the reporting period, whereby possible future changes in interest rates will effect future cash flows or the fair value of fixed rate financial instruments.

Vasey RSL Care Ltd seeks both a reasonable return and a high degree of security. Vasey RSL Care Ltd had during 2019/20 financial year, 15% (32% 2018/19) of available funds to be invested in term deposits. Interest rates on term deposits at the various financial institutions have fallen over the past twelve months, following the Australian Reserve Bank rate moving interest rates lower over the financial year. VRSLC take the advantage of various special offers in the market at various term/interest rates. This is reflective in the mix of short term, fixed interest deposits & medium term fixed interest deposits.

At the 30 June 2020 approximately 11.2% (20.3% 2018/19) of the Vasey RSL Care Limited's financial assets are at short term fixed interest rates, 4.0% (9.4% 2018/19) of financial assets are at medium term fixed interest rates, there were Nil% (2% 2018/19) at a term greater than twelve months and 10.8% (5.3% 2017/18) of the funds are on variable rates. The remainder of the funds are in wealth management as detailed below.

(d) Market Risk

i. Interest rate risk continued

Sensitivity Analysis based on +/- 1% change in interest rates.

	Value 30/06/2020	Surplus	Effect On Equity
Medium Term Investments (Fixed for Greater than 3 Months)	\$ 4,132,720	\$ 41,327	\$ 41,327
Short term investments (Variable and fixed for less than 3 Months)	\$ 23,446,485	\$ 234,465	\$ 234,465
		\$ 275,792	\$ 275,792

*** Movement of plus or minus 1% in interest rates would have an impact of approximately \$ 275,792 on the Vasey RSL Care Ltd result and hence equity.**

Note 29 FINANCIAL RISK MANAGEMENT (cont'd)

ii. *Price Risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of investment/securities held. The company is exposed to securities price risk on investments held for trading.

At the 30 June 2020 Vasey RSL Care Ltd had approximately \$69.5 Million under the management of Equity Trustees, Shadforth Financial, Credit Suisse and in the past year JB Were. The funds are made up of bonds, local and international shares and property.

Sensitivity Analysis based on +/- 20% change in equity markets.

	Value 30/06/2020	Surplus	Effect On Equity
Equity Trustees	\$ 12,004,698	\$ 2,400,940	\$ 2,400,940
Shadforth Financial	\$ 23,344,410	\$ 4,668,882	\$ 4,668,882
Credit Suisse	\$ 28,167,694	\$ 5,633,539	\$ 5,633,539
J B Were	\$ 9,956,802	\$ 1,991,360	\$ 1,991,360

Sensitivity Analysis based on +/- 20% change in Property Trust markets.

	Value 30/06/2020	Surplus	Effect On Equity
Equity Trustees	\$ 5,586,909	\$ 1,117,382	\$ 1,117,382

* *Movement of plus or minus 20% in these investments would have an impact of approximately \$ 15.5 million on the Vasey RSL Care Ltd result and hence equity.*

(e) **Net fair value of Financial Assets and Liabilities**

The net fair value of listed investments have been valued at the quoted market bid price at balance date. For other assets and other liabilities that are non interest bearing the net fair value approximates their carrying value. Financial assets where the carrying amount exceeds net fair values have not been written down as Vasey RSL Care Limited intends to hold these assets to maturity.

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

Note 30 CAPITAL MANAGEMENT

Management of Vasey RSL Care Limited controls the capital of the entity to ensure that adequate cashflows are generated to fund its operations and that returns from its investments are maximised. The Finance Committee ensures that the overall risk management strategy is in line with this objective.

The Finance Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. The Finance Committee reviews the investment portfolio each meeting and reviews the asset classes within the investment portfolio.

Management effectively manages Vasey RSL Care Ltd's capital requirements by continually assessing Australian Approved Deposit Institutions (Banks) interest rates to maximise the organisations return within the entity's financial risk profile.

Note 31 CONTINGENT LIABILITIES

Accommodation Bond Guarantee Scheme

In June 2013, as part of the Commonwealth Government 'Living Longer, Living Better' Legislation, the Aged Care (Bond security) amendment Bill 2013 was passed. The legislation continued the provisions of the Bond Security Scheme was first established under the Aged Care (Bond Security) Act 2006. The Scheme ensures Residents who have made accommodation bonds/RADS to approved providers are guaranteed the return of their contribution balances if the Approved Provider defaulted on their obligations.

Vasey RSL Care Ltd notes the above contingency and the possibility of an occurrence under the Legislation could occur. Note, Vasey RSL Care Ltd has the ability to meet any possible liability.

Note 32 SEGMENT REPORTING

Vasey RSL Care Limited operates in one industry, aged care and one geographical area, Victoria.

Residential Care

SEGMENT REPORTING REQUIREMENTS OF COMMONWEALTH GOVERNMENT CONDITIONAL ADJUSTMENT PAYMENT (CAP). This Segment complies with AASB 8 'Operating segments'.

The Department of Social Services, requires entities to treat Residential Aged Care as a reportable segment, within the General Purpose Financial Report. Set out below are details of the Vasey RSL Care Limited residential age care component in Victoria.

The Facility	RACS ID	The Facility	RACS ID
Vasey RSL Care Brighton	3526	Vasey RSL Care Bundoora	3370
Vasey RSL Care Frankston South	3038	Vasey RSL Care Brighton East	3449
Vasey RSL Care Ivanhoe	3337		

CONDITIONAL ADJUSTMENT PAYMENT SEGMENT—INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020 "Residential Facilities"	2020 \$	2019 \$
Operating Income		
Government funding	22,582,539	22,376,967
Residential fees	9,555,136	10,025,125
Donations	7,637	21,122
Other	3,419,556	98,486
Total Operating Income	35,564,868	32,521,700
Operating Expenditure		
Wages & On Costs	30,185,980	28,773,776
Running costs	4,915,172	4,833,636
Administration	655,266	743,641
Maintenance	1,229,830	1,124,467
Non-cash (inc dep'n)	2,943,321	3,372,527
Total Operating Expenditure	39,929,569	38,848,047
NET SURPLUS/(DEFICIT) BEFORE CAPITAL INCOME	(4,364,701)	(6,326,347)
Capital Income		
Government funding	1,755,349	1,412,261
Government grants	-	-
Other grants	-	-
Retention on bonds	3,972	35,517
Interests on bonds	4,769,810	5,122,942
Total Capital Income	6,529,131	6,570,720
NET SURPLUS/(DEFICIT) AFTER CAPITAL INCOME	2,164,430	244,373

This Segment Report 'Profit & Loss' has been prepared from the records of Vasey RSL Care Limited, and complies with the reporting requirements of the Department of Human Services.

VASEY RSL CARE LIMITED ABN 88109464360
 CONDITIONAL ADJUSTMENT PAYMENT SEGMENT
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 30 JUNE 2020

2020
\$

2019
\$

CURRENT ASSETS

Cash & cash equivalents	22,705,576	29,117,357
Trade and other receivables	1,341,430	850,096
Financial assets	80,564,326	81,166,276
Other assets	222,219	495,711

TOTAL CURRENT ASSETS 104,833,551 111,629,440

NON-CURRENT ASSETS

Property, plant and equipment	81,042,545	79,644,112
Intangible assets	6,375,000	6,375,000

TOTAL NON-CURRENT ASSETS 87,417,545 86,019,112

TOTAL ASSETS 192,251,096 197,648,552

CURRENT LIABILITIES

Trade and other payables	2,528,564	2,494,968
Short term borrowings	103,272	91,715
Other short term borrowings	87,669,369	89,064,648
Short-term provisions	4,295,774	3,775,048

TOTAL CURRENT LIABILITIES 94,596,979 95,426,379

NON-CURRENT LIABILITIES

Long term borrowings	165,364	268,635
Long-term provisions	221,643	237,182

TOTAL NON-CURRENT LIABILITIES 387,007 505,817

TOTAL LIABILITIES 94,983,986 95,932,196

NET ASSETS 97,267,110 101,716,356

This Segment Report 'Balance Sheet' has been prepared from the records of Vasey RSL Care Limited, and complies with the reporting requirements of the Department of Human Services.

Home Care

SEGMENT REPORTING REQUIREMENTS OF COMMONWEALTH GOVERNMENT CONDITIONAL ADJUSTMENT PAYMENT (CAP). This Segment complies with AASB 8 'Operating segments'.

The Department of Social Services, requires entities to treat Home Care Packages Programme as a reportable segment, within the General Purpose Financial Report. Set out below are details of the Vasey RSL Care Limited residential age care component in Victoria.

	Community Services	Serial ID		
Serial Identifications	East	19005	South	19007
	North	19006	West	26446

CONDITIONAL ADJUSTMENT PAYMENT SEGMENT-INCOME STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2020 "Home Care" 2020 2019
 \$ \$

Operating Income

Provision of Care/ Services Fees Charged to Clients	2,011,451	1,185,446
Client Case Management Fees Charged to Clients	298,135	246,988
Administration Fees Charged to Clients	302,016	474,326
Unexpended Package Funds	-	-
Exit Amounts Deducted	15,312	18,702
Government COVID Assistance	45,000	-
Other Income	602	-

Total Income 2,672,516 1,925,462



Home Care Continued

CONDITIONAL ADJUSTMENT PAYMENT SEGMENT-INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020 "Home Care"	2020 \$	2019 \$
Operating Expenditure		
Wages and Salaries - Care Staff	313,045	322,073
Wages and Salaries - Administration and Non Care Staff	140,644	147,885
Administration Costs and Management Fees	250,000	339,996
Care related expenses	9,904	22,450
Sub - Contracted or Brokered Client Services	1,943,366	1,635,640
Depreciation Expenses	15,155	30,529
Interest Expenses	-	-
Other Expenses	77,909	69,605
Total Expenses	2,750,023	2,568,178
Net Surplus / (Deficit) Before Capital Income	(77,507)	(642,716)

This Segment Report 'Profit & Loss' has been prepared from the records of Vasey RSL Care Limited, and complies with the reporting requirements of the Department of Human Services.

Note 33 COMPANY LIMITED BY GUARANTEE

Vasey RSL Care Limited operates as a company limited by guarantee, with the liability of any member not exceeding Ten dollars.

Note 34 SIGNIFICANT EVENTS AFTER BALANCE DATE

The Sale of 2 Manningtree Road Hawthorn was settled on the 14th August 2020.

The property 14-18 Manningtree Road, Hawthorn, is under contract with a possible settlement date in September 2021.

COVID 19 - While Vasey RSL Care has had 3 Covid Events, as at the date of this report the Organisation has had no Covid transmission between staff or Residents.

Note 35 BUSINESS LOCATION

The registered address of the Vasey RSL Care Limited is:
172 Burwood Road
Hawthorn, Victoria 3122.



VASEY RSL CARE LIMITED
A.B.N 88 109 464 360
DIRECTORS' DECLARATION

The Directors of the company declare that:

- (a) The Financial statements and notes are in accordance with the requirements of the Australian Charities and Not-for-Profit Commission Act 2012,
- (i) complying with the Australian Accounting Standards applicable to a Not-for-Profit entity,
 - and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2020 and of the company's performance for the year ended on that date;
 - and
- (b) In the Directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable.

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



Mr M P O'Meara, (Chair),
Director



Mr Barry Lowe, (Deputy Chair)
Director

Dated this 29th day of September 2020



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VASEY RSL CARE LIMITED A.B.N 88 109 464 360**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vasey RSL Care Ltd , a not-for-profit entity, which comprises the statement of financial position as at 30 June 2020, 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, & notes to the financial statements, including a summary of significant accounting policies, & the directors' declaration.

In our opinion, the accompanying financial report of Vasey RSL Care Limited, a Not For Profit has been prepared in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012 , including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Div 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 registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial report and Auditor's Report, the directors are responsible. This other information comprises the information included in the registered entity's annual report for the year ended 30 June 2020. Our opinion relates to the financial report and does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity 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 registered entity'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 the registered entity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VASEY RSL CARE LIMITED A.B.N 88 109 464 360

Report on the Audit of the Financial Report continued,

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also: - Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, & whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. 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.



Name of firm MORTON WATSON & YOUNG AUDIT PTY LTD

Chartered Accountants

Address: 51 Robinson Street, Dandenong 3175



Auditor / Director: **Kerpel S. Harnam**

Registered Company Auditor (365612)

Dated this, 29th day of September 2020



Our Vision: Excellence in care for the ex-service community

Our Mission: We provide high quality, sustainable accommodation and service options that facilitate mutual support and meet the needs for security and dignity of the ex-service community.

Our Purpose: Serving those who served

Our Promises

Traditional Values - We honour our heritage and traditions.

Security - We strive always to provide you with safety, predictability, punctuality and attention to detail.

Care - We provide compassionate care that is considerate of the individual.

Camaraderie - We welcome and accept you: we encourage you to connect and share.

Dignity - We foster respect, privacy and dignity for all.

Fulfillment - We do everything in our power to enable you to continue to live a life with meaning and purpose.

Quality - Our community deserves the best available care and we are committed.

