



VASEY RSL CARE

ABN 88 109 464 360

A Patriotic Fund

Continuing
the Mission

2021

Annual Report





Directors & Financial Statements

FOR THE TWELVE MONTHS ENDED
30 JUNE 2021

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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 2021.

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 22 April 2015 (Re-appointed 21 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.

Ms Tracey Bannan, Appointed Director 19 November 2020.

Tracey Bannan's career spans over 30 years across private, not-for-profit and public sector organisations. Following a career providing audit & consulting services and National Finance and Quality & Risk roles within Deloitte, Tracey has applied her commercial skills and experience for purpose, initially as Chief Financial Officer of World Vision Australia & now at AMES Australia. In addition to her Executive roles Tracey is also a Director of Carinya Society.

Mr T R Carr, Direct Appointment for War Widows Guild of Australia (VIC) INC. Director since 16 November 2016 (Re-appointed 20 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 6 July 2004 (Re-appointed 15 November 2017. Retired 17 November 2020.)

Mr Cullen is the former 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 July 2019, confirmed 20 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.

Ms Lauren Grimes, Appointed Director 19 November 2020.

Lauren Grimes is the former Chair of the Victorian Veterans Council and is a Director of the Weary Dunlop Foundation. She has enjoyed successful careers in Personnel Management and Business Support and as a current serving Lieutenant Colonel in the Australian Army Reserve she has amassed over 40 years of service. The combination of Defence service & tenure with the Victorian Veterans Council has resulted in an excellent understanding of issues and concerns of Veterans of all ages and their families. Lauren is a 2020 inductee to the Victorian Honour Roll of Women.

VASEY RSL CARE LIMITED DIRECTORS' REPORT

1 Directors (continued)

Mr Victor Hamit, Appointed Director on the 24 July 2019, confirmed 20 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, Direct Appointment for the RSL. Director since 15 November 2017. (Re-appointed 19 November 2020).

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 previously served 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.

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 13 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 2021, Vasey RSL Care Limited had a surplus of \$5,918,438 and a deficit of (\$2,184,344) in 2020.

6 Review of Operations

Vasey RSL Care Limited continues its commitment to the Aged Veteran Community with 4 modern aged care facilities incorporating 378 beds & 276 independent Living units located across Melbourne and Geelong. The Organisation also has over 200 Community Aged Care Packages supporting our Veterans & families in their own homes.

7 Significant Events after Balance Date

The Organisation purchased 3 Units in Wodonga, to further support the Ex-Service community.

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	11
Ms T Bannan	6	5
Mr T R Carr	11	11
Mr J F Cullen	5	5
Ms V Fortunato	11	9
Ms L Grimes	6	5
Mr V Hamit	11	11
Mr B Lowe	11	11

Directors	Audit Committee Meetings		Finance Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ms T Bannan (Chair)	1	1	6	4
Mr J F Cullen (Ex-Chair)	1	1	5	5
Mr T R Carr			11	11
Mr V Hamit	1	1	11	10
Mr B Lowe	2	2	11	10
Mr M O'Meara	2	2	11	11

Directors	Building Committee Meetings		Quality & Risk Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr B Lowe (Chair Building)	6	6	6	5
Mr T R Carr (Chair Quality & Risk)			6	6
Mr J F Cullen	2	1		
Ms V Fortunato			6	6
Ms L Grimes	3	3	3	3
Mr V Hamit	6	5		
Mr M O'Meara	6	5	6	5

VASEY RSL CARE LIMITED
DIRECTORS' REPORT

9 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.

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 will continue to develop services to support the organisations purpose to "serve those who served", while maintaining a high standard of care to our aged care residents and home care consumers. Vasey RSL Care will also continue to provide discounted rental accommodation at various locations to the ex-service community.

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 **28th** day of September **2021**

**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
ABN 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 2021, 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
480 Collins St, Melbourne 3000.

Auditor: Kerpal S. HARNAM



Director, Registered Company Auditor (365612)

Dated this 28th day of September 2021

VASEY RSL CARE
LIMITED

ABN 88 109 464 360

FINANCIAL REPORT

FOR THE TWELVE MONTHS ENDED

30 JUNE 2021

STATEMENT OF INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue from continuing operations		51,043,794	46,603,452
Other Income	4	108,450	15,748
Total revenue from continuing operations	3	51,152,244	46,619,200
Expenses from operating activities:	6		
Depreciation and impairment expenses		2,699,597	2,304,763
Catering / Food preparation		1,273,852	1,523,498
Consumables		2,423,688	1,212,134
Consultants		652,011	769,535
Contractors		1,174,774	1,149,722
Finance Costs		27,579	42,288
Repairs & maintenance		1,953,334	2,170,604
Employee benefits expense		36,480,064	34,532,695
Other expenses		4,613,595	4,311,696
Total expenses		51,298,494	48,016,935
Surplus/(Deficit) for the period from Continuing Operations		(146,250)	(1,397,735)

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

Note

2021

2020

\$

\$

Surplus / (Deficit) from Operating		(146,250)	(1,397,735)
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Other comprehensive income

Surplus/(Deficit) on sale of property assets	5	(14,524)	2,859
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Impairment of Intangible assets	14	(750,000)	-
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Items that will be reclassified subsequently to profit & loss when specific conditions are met.

Unrealised capital gains/(deficit) from investments	7a	6,829,212	(789,468)
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Total comprehensive Income for the period		6,064,688	(786,609)
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Surplus/(Deficit) attributable to Vasey RSL Care Limited.		5,918,438	(2,184,344)
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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 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash & cash equivalents	8	3,689,976	23,446,485
Trade and other receivables	9	1,132,530	2,206,300
Financial assets	10	-	4,132,718
Other assets	11	430,771	365,492
Assets held for sale	12/13	17,183,105	24,581,583
TOTAL CURRENT ASSETS		22,436,382	54,732,578
NON-CURRENT ASSETS			
Property, plant and equipment	13	152,316,756	152,458,560
Equity Investment	7/10	111,050,608	79,060,513
Intangibles assets	14	5,625,000	6,375,000
TOTAL NON-CURRENT ASSETS		268,992,364	237,894,073
TOTAL ASSETS		291,428,746	292,626,651
CURRENT LIABILITIES			
Trade and other payables	15	4,365,099	4,158,822
Short-term borrowings	16	79,896,053	87,669,369
Short-Term Financing	17	145,737	131,437
Short-term provisions	19	5,628,789	5,141,120
TOTAL CURRENT LIABILITIES		90,035,678	97,100,748
NON-CURRENT LIABILITIES			
Long-Term Financing	18	64,726	210,463
Long-term provisions	20	259,203	264,735
TOTAL NON-CURRENT LIABILITIES		323,929	475,198
TOTAL LIABILITIES		90,359,607	97,575,946
NET ASSETS		201,069,140	195,050,705
EQUITY			
Retained surplus	21	4,717,483	(1,200,953)
Reserves	22	196,351,657	196,251,658
TOTAL EQUITY		201,069,140	195,050,705

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 2021

STATEMENT OF CHANGES IN EQUITY

	Retained Earnings	Asset Revaluation Reserve	Other Reserves	Total
	\$	\$	\$	\$
Balance at 1st July 2019	983,389	139,922,455	56,329,202	197,235,046
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	(1,200,955)	139,922,455	56,329,202	195,050,705
Deficit / Surplus from continuing Operations	(146,250)	-	-	(146,250)
Surplus/(deficit) from comprehensive Income	6,064,688	-	-	6,064,688
Revaluation Increment	-	100,000	-	100,000
Balance at 30 June 2021	4,717,483	140,022,455	56,329,202	201,069,140

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

STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
STATEMENT OF CASH FLOWS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from residents and clients (Customers)		45,032,639	41,496,813
Payments to suppliers and employees		(48,028,642)	(44,348,142)
Allowable deductions from Bonds		3,972	3,972
Interest received		13,498,541	2,552,701
Interest Paid		(27,579)	(42,288)
Other Operating Cash Flows		411,624	882,471
NET CASH GENERATED FROM OPERATING ACTIVITIES	2b	10,890,555	545,527
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Property, Plant & Equipment		7,685,575	601,653
Purchase of Property, Plant & Equipment			
– Resident Aged Care		(1,372,972)	(2,121,691)
– Other incl. Ex-service Accommodation		(1,197,537)	(1,089,879)
Other Investing Cash Flows		(27,857,377)	(1,207,094)
NET CASH FROM INVESTING ACTIVITIES		(22,742,311)	(3,817,011)
CASH FLOWS FROM FINANCING ACTIVITIES			
Accommodation Bonds/refundable deposits received		29,042,676	21,376,507
Accommodation Bonds/refundable deposits (refunded)		(36,815,992)	(22,771,786)
Payment for Lease Liabilities		(131,437)	(116,727)
NET CASH USED FROM FINANCING ACTIVITIES		(7,904,753)	(1,512,006)
NET INCREASE / (DECREASE) IN CASH HELD		(19,756,509)	(4,783,490)
Cash at beginning of year		23,446,485	28,229,975
CASH AND CASH EQUIVALENTS AT 30 JUNE 2021	2a	3,689,976	23,446,485

The statement of Cash Flows should be read in conjunction with the accompanying notes.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Note 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, Ex-service Accommodation, 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 28th September 2021.

Background

On the 6th July 2004 RSL Veterans and Widows Trust Limited Trading as RSL Care Victoria merged with Vasey Housing Limited and a new corporation Vasey RSL Care Limited was formed. Within the Vasey RSL Care Ltd constitution various rights and responsibilities were assigned to the parent organisations of the two merged entities; being the War Widows Guild of Australia (Victoria) Limited and the Returned & Services League of Australia (Victoria Branch) Inc.

On the 24th February 2021, the War Widows' Guild of Australia (Victoria) Inc. (The Guild) had their 2020 AGM; at this meeting the Guild voted to wind up the Organisation. All rights and responsibilities the Guild had within the Vasey RSL Care Ltd's Constitution were transferred to Returned & Services League of Australia (Victoria Branch) Inc.

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.

(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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

Ex-service Accommodation 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

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:

Freehold buildings
Property improvements
Furniture, fittings, plant & equipment
Motor vehicles
Communications and information technology

2020/21		
Useful	Life	%
	40 Years	2.5%
	10 Years	10%
	10 Years	10%
	4 Years	25%
	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 on the 6th July 2004. 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.

In June 2021, the Ivanhoe Aged Care Facility was closed as an Aged Care Facility, which rendered the (50) associated Bed Licences impaired. While the Bed licences remain with Vasey RSL Care Ltd their value will be carried for the year ended 30 June 2021 at zero. This impairment has a value of \$750,000 and will be included in the Statement of Comprehensive income.

Each year Vasey RSL Care's bed licences are reviewed for impairment. For the financial year 2020/21 the Directors of Vasey RSL Care have declared that there was no further impairment to bed licences than stated above, as such the remaining bed licences held at the 30 June 2021 will be held at the Directors valuation of \$15,000 per bed licence.

Impairment of Assets

During the 2021 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 (continued)**(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 2021 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) Federal Government Support (Covid-19)

Aged Care Facilities – Vasey RSL Care has had three Covid Events during the early part of the financial year. To date no resident in any of the Vasey RSL Aged Facilities have had Covid 19. The financial impact of these events are detailed below.

Financial impact – Resident benefits is the income received by the organisation from the Bonds & RAD's held in trust from the Residents. In February & March 2020, this income fell by in excess of seven million dollars. The organisation applied for Jobkeeper as income was reduced greater than 15%, which was approved. The Organisation received this support till the end of September 2021.

- **Business Recovery** support, part of the Federal Government business assistant program.
- **Government Resident Support Package**, general support package of \$ 975 per aged care resident.
- **Government Support Package**, additional support for the aged care sector's response to Covid-19.
- **Funding Support Grant**, Funding to assist Aged Care Facilities that had a direct Covid incident, thus to financially support the Organisation through the lock-downs as well as both direct & indirect staffing support.

Government Support to 30 June 2021 – Vasey RSL Care has received

		\$	\$
Government Covid Assistance	Jobkeeper	4,362,000	
	Business Recovery	50,000	
	Gov't Support Resident Package	360,000	
	Gov't Support Package	286,261	
	Funding Support Grant	315,069	
	Included in Income		5,373,330

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 2	STATEMENT OF CASH FLOWS	Note	2021 \$	2020 \$
(a)	Reconciliation of cash;			
	Cash balance comprises:			
	Cash on hand		6,400	6,400
	Cash at Bank		3,683,576	23,440,085
	Cash Balance at year end		3,689,976	23,446,485
(b)	Reconciliation of cash flow			
	surplus/(deficit)		5,918,438	(2,184,344)
	surplus/(deficit) on disposal of Non-Current Assets		(93,926)	(18,607)
	Provision for Doubtful Debts		(43,114)	(43,114)
	Depreciation/Amortisation		3,449,597	2,304,763
	<i>Change in assets and liabilities:</i>			
	Increase/decrease in current receivables		1,116,883	(425,857)
	Increase/decrease in current creditors and borrowings		206,277	391,872
	Increase/decrease in current provisions		487,669	659,957
	Increase/decrease in Non-Current Borrowing		(145,737)	(131,436)
	Increase/decrease in non-current provisions		(5,532)	(7,707)
	Net cash flows from operating activities		10,890,555	545,527

Note 3	REVENUE FROM ORDINARY ACTIVITIES	Note		
	Revenue from operating activities			
	Grants / Government Grants		-	16,000
	Resident fees		11,274,288	11,762,239
	Resident Benefits	11	7,917,169	(1,235,209)
	Government funding		27,311,251	26,811,101
	Government Covid Assistance	11	5,373,330	3,801,500
	Donations	3a	28,318	53,587
	Interest on bonds, investments & dividends (less Unrealised)		(1,247,840)	4,577,378
	Retention on bonds		3,972	3,972
	Fee for service	26	104,182	104,182
	Surplus on sale of operational assets	4	108,450	15,748
	Other		279,125	708,702
	Total revenue from operating activities		51,152,244	46,619,200

Note 3a	Donations			
	Donations		21,427	21,109
	Fundraising		5,891	7,178
	Other		1,000	25,300
	Total donations received		28,318	53,587

Note 4	Surplus on sale of operational assets			
	Surplus on sale of Non-Current Assets – Motor Vehicles		108,450	15,748
	Total surplus on sale		108,450	15,748

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2021
\$2020
\$**Note 5 Surplus/Deficit on sale of property assets**

Surplus on sale of Properties :

- 2 Manningtree Road, Hawthorn

(14,524)

- 1 Apartments at Warleigh Grove, Brighton

-

2,859

Total surplus/(Deficit) from the sale of property assets**(14,524)****2,859****Note 6 EXPENSES**

Catering / Meals Preparation

1,273,852

1,523,498

Consumables

2,423,688

1,212,134

Consultants

652,011

769,535

Contractors

1,174,774

1,149,722

Finance Costs

27,579

42,288

Repairs & Maintenance

1,953,334

2,170,604

Salaries and employee benefits expense

36,480,064

34,532,695

Other expenses from ordinary activities

4,613,595

4,311,696

Total expenses before depreciation expenses**48,598,897****45,712,172**

Buildings

575,710

575,710

Property Improvements

311,730

164,213

Furniture & Fittings

341,475

411,396

Plant & Equipment

590,383

599,000

Communications & Information Technology

290,349

241,068

Motor Vehicles

183,482

190,703

Right to use asset

122,673

122,673

Write of assets – Ivanhoe

283,795

-

Total depreciation expenses**2,699,597****2,304,763****Total expenses including depreciation****51,298,494****48,016,935****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	79,060,513	69,486,208
Additional Funds Invested	20,705,473	10,000,000
Increase / decrease in value	11,284,622	(425,695)
Value of portfolio at the End	111,050,608	79,060,513
Percentage increase in value	14.27%	-0.61%

Note 7a Unrealised Capital surplus / (Deficits)

Unrealised Surplus/Deficit on the Equity Trustees Investment	1,042,503	517,623
Unrealised Surplus/Deficit on the Shadforth Investment	3,343,533	(1,107,588)
Unrealised Surplus/Deficit on the Credit Suisse Investment	2,235,699	9,945
Unrealised Surplus/Deficit on the JB Were Investments	207,477	(209,448)
Total Unrealised Capital Gains / (Deficits)	6,829,212	(789,468)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
Note 8 CASH AND CASH EQUIVALENTS		
Cash on hand	6,400	6,400
Opening Bank balance	23,446,485	29,229,975
Increase / (Decrease) of cash	(19,762,909)	(5,789,890)
Closing Cash Balance	3,689,976	23,446,485
Note 9 RECEIVABLES (CURRENT)		
Rent	588,995	267,305
Government funding liability	-	41,741
Other debtors	586,649	1,940,368
Provision for doubtful debts	(43,114)	(43,114)
Balance at end of year	1,132,530	2,206,300
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	83,193,231	81,986,137
Additional/(Decrease) Term Deposits	27,857,377	1,207,094
Balance at end of year	111,050,608	83,193,231
Note 11 OTHER ASSETS		
Prepayments	206,141	197,064
Other Debtors	224,630	168,428
Balance at end of year	430,771	365,492
Note 12 ASSETS 'HELD FOR SALE'		
Land at Valuation 30/6/19	17,150,000	24,550,000
Transaction Costs	33,105	31,583
Buildings	-	-
Assets 'Held for Sale'	17,183,105	24,581,583
Note 13 PROPERTY, PLANT AND EQUIPMENT + ASSETS HELD FOR SALE		
Freehold land:		
Directors Valuation 30/6/21	117,150,000	121,150,000
Independent Valuers valuation	4,100,000	-
At Cost 'Warleigh Apartments'	1,852,104	1,852,104
Balance at end of year	123,102,104	123,002,104
Buildings:		
Directors Valuation 30/6/21	19,200,000	19,200,000
At Cost 'Warleigh apartments'	3,819,520	3,819,520
Provision for depreciation	(1,655,302)	(1,079,592)
Written down value	21,364,218	21,939,928

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2021
\$

2020
\$

Note 13 PROPERTY, PLANT AND EQUIPMENT + ASSETS HELD FOR SALE (continued)

ASSETS 'HELD FOR SALE'

Land	17,183,105	24,581,583
Buildings	-	-
Assets 'Held for Sale'	17,183,105	24,581,583

Property Improvements

At cost	3,172,419	1,932,187
Provision for depreciation	(475,943)	(164,213)
Written down value	2,696,476	1,767,974

Motor Vehicles

At cost	970,485	887,653
Provision for depreciation	(501,456)	(531,113)
Written down value	469,029	356,540

Plant and Equipment

At cost	5,756,209	7,264,655
Provision for depreciation	(3,262,546)	(4,407,137)
Written down value	2,493,663	2,857,517

Communications & Information Technology

At cost	2,618,522	2,512,265
Provision for depreciation	(2,164,273)	(2,038,714)
Written down value	454,249	473,552

Furniture & Fittings

At cost	4,350,997	4,421,004
Provision for depreciation	(2,917,198)	(2,815,616)
Written down value	1,433,799	1,605,388

Work In Progress

At cost	129,431	159,097
Written down value	129,431	159,097

Assets 'Held For Sale'

Land at Valuation 30/6/19	17,150,000	24,550,000
Transaction Costs	33,105	31,583
Buildings	-	-
Assets 'Held for Sale'	17,183,105	24,581,583

Right to Use Leased Asset

At cost	613,365	613,365
Provision for depreciation	(439,578)	(316,905)
Written down value	173,787	296,460

Total Property, Plant and Equipment + Assets Held for Sale

At Directors Valuation 30/6/21	153,500,000	164,900,000
At Valuers valuation 30/6/21	4,100,000	-
At cost	23,316,157	23,493,434
Provision for depreciation	(11,416,296)	(11,353,291)
Total written down value	169,499,861	177,040,143

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2021
\$

2020
\$

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 2020	123,002,104	147,552,104
Revaluation Adjustment 30/6/20 – 30/6/19	100,000	-
Less Net transfer from 'Assets held for sale' during the year	-	(24,550,000)
Freehold Land (Directors Valuation)	123,102,104	123,002,104

Buildings on Freehold Land

Carrying amount at 1st July 2020	21,939,928	22,515,638
Depreciation expense	(575,710)	(575,710)
Written down value	21,364,218	21,939,928

Property Improvements

Carrying amount at 1st July 2020	1,767,974	-
Additions	1,081,135	1,421,313
Transferred from Work in Progress	159,097	510,875
Depreciation expense	(311,730)	(164,213)
Written down value	2,696,476	1,767,974

Communications & Information Technology

Carrying amount at 1st July 2020	473,552	505,455
Additions at cost	291,562	209,164
Write off of obsolete assets (Ivanhoe)	(185,305)	-
Accumulated depreciation adjustment(Write-off) (Ivanhoe)	164,789	-
Depreciation expense	(290,349)	(241,067)
Written down value	454,249	473,552

Plant and Equipment

Carrying amount at 1st July 2020	2,857,517	3,009,938
Additions at cost	419,815	446,579
Write off of obsolete assets	(1,531,291)	-
Accumulated depreciation adjustment(Write-off)	1,531,291	-
Write off of obsolete assets (Ivanhoe)	(396,969)	-
Accumulated depreciation adjustment(Write-off) (Ivanhoe)	203,682	-
Depreciation expense	(590,383)	(599,000)
Written down value	2,493,662	2,857,517

Furniture & Fittings

Carrying amount at 1st July 2020	1,605,388	1,696,344
Additions at cost	239,489	320,440
Write off of obsolete assets (Ivanhoe)	(309,496)	-
Accumulated depreciation adjustment(Write-off) (Ivanhoe)	239,893	-
Depreciation expense	(341,475)	(411,396)
Written down value	1,433,799	1,605,388

Motor Vehicles

Carrying amount at 1st July 2020	356,540	504,476
Additions at cost	375,971	112,519
Disposals	(293,139)	(140,103)
Accumulative depreciation write back	213,139	70,351
Depreciation expense	(183,482)	(190,703)
Written down value	469,029	356,540

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2021

 2021
 \$

 2020
 \$

Note 13 PROPERTY, PLANT AND EQUIPMENT + ASSETS HELD FOR SALE (continued)
Right to Use Leased Asset

Carrying amount at 1st July 2020	296,460	419,135
Depreciation expense	(122,673)	(122,675)
Written down value	173,787	296,460

ASSETS 'HELD FOR SALE'

Carrying amount at 1st July 2020	24,581,583	513,294
Net proceeds 2 Manningtree Rd, (Warleigh Apartments)	(7,417,059)	(516,153)
Net Land transferred from Land at Cost	-	24,550,000
Land transaction costs	33,105	31,583
Surplus/ Deficit 2 Manningtree Rd, (Warleigh Apartments)	(14,524)	2,859
Assets 'Held for Sale'	17,183,105	24,581,583

Work in Progress

Carrying amount at 1st July 2020	159,097	-
Additions at cost	129,431	669,972
Transferred to Property Improvements	(159,097)	(510,875)
Written down value	129,431	159,097

Total Property, Plant and Equipment + Assets Held for Sale

Carrying amount at 1st July 2020	177,040,143	176,716,383
Revaluation Increment	100,000	-
Additions at cost	2,729,606	3,722,445
Disposals	(7,724,722)	(653,397)
Accumulated depreciation write back (MV)	213,139	70,351
Transfer to other assets	(159,097)	(510,875)
Write off of assets	(2,423,061)	-
Accumulated depreciation adjustment(Write-off)	2,139,655	-
Depreciation expense	(2,415,801)	(2,304,764)
Total written down value	169,499,861	177,040,143

Note 14 INTANGIBLES

Opening balance of bed licences	6,375,000	6,375,000
Impairment of bed licences	(750,000)	-
Approved Provider Bed Licences at cost	5,625,000	6,375,000

Vasey RSL Care Limited has 428 Bed Licences, 3 Bed Licences were received from the Federal Government at no cost. During the financial year, one of the Aged Care Facilities was closed and as such 50 of the associated bed licences have become impaired. The reduction in value of \$750,000 is reflected in the Statement of Comprehensive income.

Note 15 PAYABLES (CURRENT)

Trade creditors and accruals	2,642,725	2,616,693
Security deposits	57,074	42,092
Sundry creditors	376,161	275,911
Prepaid Revenue – Home care	(391,876)	12,863
Home Care funding balance	1,681,015	1,211,263
Balance at end of year	4,365,099	4,158,822

Note 16 EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS
Accrued wages, salaries and on costs as at 30 June 2021

Accrued wages, salaries and on costs (Including Superannuation)	680,949	832,373
Total accrued wages, salaries and on costs (including Superannuation)	680,949	832,373

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
Note 17 SHORT TERM BORROWINGS		
Refundable Resident Entry Contributions		
Carrying amount at beginning	87,669,369	89,064,648
Additional Refundable Resident Entry Contributions	(841,132)	6,713,953
	86,828,237	95,778,601
Less Retentions	(6,932,184)	(8,109,232)
Balance at end of year	79,896,053	87,669,369
Note 18 OTHER SHORT TERM FINANCING		
Lease Liabilities		
Carrying amount at beginning	131,437	116,728
Additional liability	14,300	14,709
Balance at end of year	145,737	131,437
Note 19 LONG TERM FINANCING		
Lease Liabilities		
Carrying amount at beginning	210,463	341,899
Additional liability	(145,737)	(131,436)
Balance at end of year	64,726	210,463
Note 20 PROVISIONS (CURRENT)		
Annual Leave		
Annual leave provision provided	2,198,488	1,844,085
Increase annual leave	304,225	354,403
Total annual leave provision	2,502,713	2,198,488
Long service leave		
Long service leave provided	2,942,632	2,637,078
Increase (Decrease) long service leave	183,444	305,554
Long service leave provision	3,126,076	2,942,632
Balance at end of year	5,628,789	5,141,120
Note 21 PROVISIONS (NON-CURRENT)		
Long service leave		
Long service leave provided	264,735	272,442
Increase (Decrease) long service leave	(5,532)	(7,707)
Balance at end of year	259,203	264,735
Note 22 RETAINED SURPLUS		
Balance at beginning	(1,200,955)	983,393
Net Surplus / (Deficit) for year	5,918,438	(2,184,344)
Balance at end of year	4,717,483	(1,200,953)
Note 23 RESERVES		
Asset Revaluation Reserve		
Opening Balance	139,922,454	139,922,454
Movements for the year	100,000	-
Total Asset Revaluation Reserve	140,022,454	139,922,454
RSL Vasey Reserve		
Opening Balance	56,329,203	56,329,203
Total RSL Vasey Reserve	56,329,203	56,329,203
Balance of Reserves as at 30 June 2021	196,351,657	196,251,658
Balance of Retained Earnings & Reserves as at 30 June 2021	201,069,140	195,050,705

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2021
\$

2020
\$

Note 24 AUDITORS' SERVICES

Audit services – Current Auditor	55,700	57,000
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Note 25 STAFFING LEVELS

Number of employees	521	524
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This includes the total number of full time, part time and casual staff employed by Vasey RSL Care Limited.

Note 26 DIRECTORS' REMUNERATION**1st July 2020 to 30th June 2021**

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 2021	8	6
Total Directors Remuneration	128,167	129,334

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

Number of Key Management Personnel Staff	7	6
Short-term employee benefits	1,309,816	1,256,227
Other long term benefits		
Post employment benefits	405,212	386,811
Termination benefits		

Total Benefits	1,715,029	1,643,038
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Seven 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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021
Note 30 FINANCIAL RISK MANAGEMENT

The company's financial instruments consist of short term deposits with banks. The deposits are both floating and short term fixed interest deposits. These deposits are held with a variety of banking Institutions. The remainder of the financial assets are held with fund managers including Credit Suisse Wealth Management, Equity Trustees, Shadforth Financial Group & JB Were.

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;

	2021	2020
	\$	\$
(a) Interest Rate Risk		
Cash & Equivalents and Financial assets		
Westpac – Floating interest rate		
Cash at Bank	(20,703)	(31,516)
<i>Weighted average effective interest rate</i>	0.0001%	0.10%
Westpac – Floating interest rate		
Cash Management	1,382,973	2,386,400
<i>Weighted average effective interest rate</i>	0.000%	0.18%
ME – Floating interest rate		
Members Equity at Call	245,767	9,162,996
<i>Weighted average effective interest rate</i>	0.408%	2.06%
AMP – Floating interest rate		
AMP Notice Saver	2,075,540	4,132,720
<i>Weighted average effective interest rate</i>	0.509%	2.03%
Bonds & Equities		
Credit Suisse Wealth Management	38,632,276	28,167,694
Annual Investment return	15.85%	0.58%
Bonds & Equities		
Equity Trustees	13,686,303	12,004,698
Annual Investment return	14.11%	-0.60%
Bonds & Equities		
J B Were (Defensive)	26,245,066	9,956,802
Annual Investment return	6.55%	-0.43%
Bonds & Equities		
J B Were (Balanced Growth Fund)	4,998,130	-
Annual Investment return	-0.02%	0.00%
Bonds & Equities		
Shadforth Financial Group	27,488,834	23,344,410
Annual Investment return	17.75%	-2.82%
Other investments no longer held	-	17,516,512.00
Non interest bearing cash	6,400	6,400
Non interest bearing debtors	1,132,530	2,206,300
Other	430,771	365,492
Total Financial Assets + Equity Investments	116,303,885	109,218,908
Financial liabilities		
Non interest bearing creditors	4,365,099	4,158,822
Refundable residents entry contributions	79,896,053	87,669,369
Short Term Borrowings	145,737	131,437
Total financial liabilities	84,406,889	91,959,628
Net financial assets (liabilities)	31,896,996	17,259,280

Note 30 FINANCIAL RISK MANAGEMENT (continued)

(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:

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

Financial Liabilities

Eighty Eight percent of Vasey RSL Care's liabilities (90% 2019/20) 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 25% percent of accommodation bonds were refunded in the 2020/21 financial year; this has increased as Residents enter the Facilities later, both in age and fragility This figure also excludes Residents from Ivanhoe Facility that have transferred within the Organisation).

(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.

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

(d) **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 FINANCIAL RISK MANAGEMENT (continued)**(e) 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. In the 2020/21 financial year Vasey RSL Care Ltd with interest rates on traditional term deposits negligible, the Finance Committee and Board thought it prudent to use more targeted funds management products being JB Were's Defence & Balanced Funds; while still maintaining sufficient funds to payout RAD's & Bonds as required.

At the 30 June 2021 approximately 3% (11.2% 2019/20) of the Vasey RSL Care Ltd's financial assets are at short term fixed interest rates, The remainder of the funds are in wealth management funds as detailed below.

(e) Market Risk**i. Interest rate risk continued**

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

	Value 30/06/2021	Surplus	Effect On Equity
Short term investments	\$ 3,689,976	36,900	\$ 36,900
(Variable and fixed for less than 3 Months)		36,900	\$ 36,900

*** Movement of plus or minus 1% in interest rates would have an impact of approximately \$ 36,900 on the Vasey RSL Care Ltd result and hence equity.**

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 30th June 2021 Vasey RSL Care Ltd had approximately \$111.05 Million under the financial management of Equity Trustees, Shadforth Financial, Credit Suisse and JB Were. The funds are made up of bonds, local and international shares.

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

	Value 30/06/2021	Surplus	Effect On Equity
Equity Trustees	\$ 13,686,303	2,737,261	\$ 2,737,261
Shadforth Financial	\$ 27,488,834	5,497,767	\$ 5,497,767
Credit Suisse	\$ 38,632,276	7,726,455	\$ 7,726,455
J B Were	\$ 26,245,065	5,249,013	\$ 5,249,013
J B Were	\$ 4,998,130	999,626	\$ 999,626
	<u>\$ 111,050,608</u>	<u>\$ 22,210,122</u>	<u>\$ 22,210,122</u>

*** Movement of plus or minus 20% in interest rates would have an impact of approximately \$22.2 Million on the Vasey RSL Care Ltd result and hence equity.**

Note 31 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 32 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 33 SIGNIFICANT EVENTS AFTER BALANCE DATE

The Organisation purchased 3 Units in Wodonga, to further support the Ex-Service community.

Note 34 BUSINESS LOCATION

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 35 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 2021 "Residential Facilities"	2021 \$	2020 \$
Operating Income		
Government funding	23,118,251	22,582,539
Residential fees	9,052,219	9,555,136
Donations	19,278	7,637
Other	3,936,826	3,419,556
Total Operating Income	36,126,574	35,564,868
Operating Expenditure		
Wages & On Costs	31,602,877	30,185,980
Running costs	5,687,834	4,915,172
Administration	713,706	655,266
Maintenance	1,090,047	1,229,830
Non-cash (inc dep'n)	4,071,946	2,943,321
Total Operating Expenditure	43,166,410	39,929,569
NET SURPLUS/(DEFICIT) BEFORE CAPITAL INCOME	(7,039,836)	(4,364,701)
Capital Income		
Government funding	1,741,356	1,755,349
Government grants	-	-
Other grants	-	-
Retention on bonds	3,972	3,972
Interests on bonds	4,581,446	4,769,810
Total Capital Income	6,326,774	6,529,131
NET SURPLUS/(DEFICIT) AFTER CAPITAL INCOME	(713,062)	2,164,430

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

CONDITIONAL ADJUSTMENT PAYMENT SEGMENT**STATEMENT OF FINANCIAL POSITION**

FOR THE YEAR ENDED 30 JUNE 2021

2021

2020

\$

\$

CURRENT ASSETS

Cash & cash equivalents	3,350,825	22,705,576
Trade and other receivables	699,904	1,341,430
Financial assets	100,808,652	80,564,326
Other assets	266,216	222,219

TOTAL CURRENT ASSETS**105,125,597****104,833,551****NON-CURRENT ASSETS**

Property, plant and equipment	73,028,257	81,042,545
Intangible assets	5,625,000	6,375,000

TOTAL NON-CURRENT ASSETS**78,653,257****87,417,545****TOTAL ASSETS****183,778,854****192,251,096****CURRENT LIABILITIES**

Trade and other payables	2,697,603	2,528,564
Short term borrowings	114,508	103,272
Other short term borrowings	79,896,053	87,669,369
Short-term provisions	4,529,923	4,295,774

TOTAL CURRENT LIABILITIES**87,238,087****94,596,979****NON-CURRENT LIABILITIES**

Long term borrowings	50,856	165,364
Long-term provisions	188,307	221,643

TOTAL NON-CURRENT LIABILITIES**239,163****387,007****TOTAL LIABILITIES****87,477,250****94,983,986****NET ASSETS****96,301,604****97,267,110**

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	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 2021 "Home Care"

2021

2020

\$

\$

Operating Income

Provision of Care/ Services Fees Charged to Clients	2,544,808	2,011,451
Client Case Management Fees Charged to Clients	490,576	298,135
Administration Fees Charged to Clients	514,625	302,016
Unexpended Package Funds	-	-
Exit Amounts Deducted	10,000	15,312
Government COVID Assistance	52,500	45,000

Other Income

5,215

602

Total Income**3,617,724****2,672,516**

Home Care (continued)

CONDITIONAL ADJUSTMENT PAYMENT SEGMENT—INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2021 "Home Care"	2021	2020
	\$	\$
Operating Expenditure		
Wages and Salaries - Care Staff	435,833	313,045
Wages and Salaries - Administration and Non Care Staff	195,809	140,644
Administration Costs and Management Fees	300,000	250,000
Care related expenses	9,767	9,904
Sub - Contracted or Brokered Client Services	2,427,802	1,943,366
Depreciation Expenses	18,421	15,155
Interest Expenses	-	-
Other Expenses	113,082	77,909
Total Expenses	3,500,714	2,750,023
Net Surplus / (Deficit) Before Capital Income	117,010	-77,507

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 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 2021 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 28th day of September 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VASEY RSL CARE LIMITED ABN 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 2021, 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 2021 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 2021. 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 ABN 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:

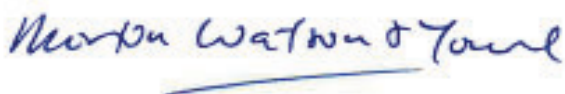
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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

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

Registered Company Auditor (365612)

Address: 51 Robinson Street, Dandenong 3175

Dated this, 28th day of September 2021



Continuing
the Mission



VASEY RSL CARE
SERVING THOSE **WHO SERVED**

Vasey RSL Care ABN 88 109 464 360

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