



VASEY RSL CARE

A N N U A L
R E P O R T

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ABN 88 109 464 360

Directors & Financial Statements

**FOR THE TWELVE MONTHS
ENDED
30 JUNE 2023**

TABLE OF CONTENTS	Pages
Directors' Report	1 - 3
Auditor's Independence Declaration	4
Annual Income Statement	6
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes To and Forming Part of the Financial Statements	10 - 23
Directors' Declaration	24
Independent Audit Report	25 - 28

Vasey RSL Care Limited
Directors' report
30 June 2023

The Directors present their report, together with the financial statements, on Vasey RSL Care (the 'Company') for the year ended 30 June 2023.

Board of Directors

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

Mr. Michael Peter O'Meara OAM MAICD (Chair) Director since 22 April 2015 (Re-appointed 17 November 2021)

Mr. O'Meara is a former Deputy Commissioner, Victoria, with the Commonwealth Department of Veterans' Affairs. In a 44-year career with the Department he held various executive positions, including Director Health & Client Services, Victoria, and National Manager Community Health. Mike retired from DVA in 2012. He is an Honorary Life Member of the RSL and is a Life Governor and immediate past Chair of the Weary Dunlop Foundation.

Mr. Barry Lowe (Deputy Chair), Director since 15 November 2017.

Mr. Lowe served in the Royal Australian Signals corps and has been a member of the Mentone RSL for 5 decades. He was elected to the committee in 2006 and served two years as Vice President and Seven years as President up to 2019. He has served on the state Executive of RSL Victoria and was Chairman of the Property committee. Mr. Lowe is a member of the Governance Institute of Australia and has run his own Building Construction and Development company for many years.

Ms. Tracey Bannan FCAA GAICD, Appointed Director 19 November 2020.

Ms. Tracey Bannan's career spans over 30 years across the private, not-for-profit and public sectors. Following a career providing audit, consulting services, National Finance and Quality & Risk roles within Deloitte, Ms. Bannan has applied her commercial skills and experience for purpose, as Chief Financial Officer of World Vision Australia & AMES Australia and more recently joining the Catholic Education Commission of Victoria (CECV) as Chief Operating Officer. In addition to her Executive roles Ms. Bannan is also a Director of Carinya Society.

Mr. Tony Carr, 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 (DVA). He also worked for some years as veteran sector adviser to the Victorian Veterans' Council, served on the Veterans' Children Education Schemes' Board (DVA) and was a member of the War Widows' Guild of Australia (Vic) management committee.

Dr. Vanda Fortunato, Appointed Director on the 24 July 2019, confirmed 20 November 2019.

For the past twenty plus years, Dr. Vanda Fortunato has had a career in executive and strategic leadership across both domestic and international landscapes. Her extensive expertise spans various sectors, including public and private health, primary care, non-profit organisations, medical education, academia, pharmaceuticals, health insurance, and consultancy. She has been CEO for two prominent non-profit entities. Furthermore, her professional journey encompasses pivotal senior executive positions within a Private Equity Firm, Medibank, a clinical research organisation, and Accenture. Dr. V Fortunato has also made impactful contributions during her tenure at esteemed institutions such as the World Bank and the Asian Development Bank. Presently, Dr. V Fortunato serves as the Chair of the Board for the Southern Metropolitan Cemeteries Trust and Early Childhood Management Services. She also holds the position of Deputy Chair at Integrated Living and is a board member on BreastScreen Victoria. Dr. V Fortunato commenced as Chair of the Board of AMES Australia on 11 September 2023.

Ms. Lauren Grimes, Appointed Director 19 November 2020.

Ms. Lauren Grimes is the former Chair of the Victorian Veterans Council and is the Deputy Chair 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 including support to Operation VIC Bushfire Assist and more recently Operation COVID-19 Assist. 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. Ms. L Grimes is a 2020 inductee to the Victorian Honour Roll of Women and in 2022 and 2023 she was a Mentor for the Joan Kirner Emerging Leaders Program.

Vasey RSL Care Limited
Directors' report
30 June 2023

Ms. Lucy Saaroni, Appointed Director on 17 November 2022.

Ms. Lucy Saaroni is a proud veteran and member of Victoria's Culturally and Linguistically diverse community. As a qualified risk manager and community engagement professional with 15 years' experience in the public sector, Ms. L Saaroni has held executive and statutory positions in local and state government. Lucy is currently the Executive General Manager Strategy, Mission & Innovation at the St Vincent de Paul Society Victoria. Ms. L Saaroni also sits on the boards of Victorian Veterans Council and Scouts Victoria.

Commissioned as a Specialist Service Officer in the Australian Army, Ms. L Saaroni was deployed on warlike military operations in Afghanistan and Iraq and has also supported politico-military missions in the Gulf States and North West Africa.

Working in the Office of the Defence Attaché at the Australian Embassy in Paris, France, between 2008-2013, Ms. L Saaroni had the privilege of supporting large scale multinational military commemorative ceremonies including the reburial of 250 Australian and British World War I soldiers at the Fromelles Military Cemetery and planning the ANZAC Centenary Commemorations in France.

In 2018, Ms. L Saaroni was awarded the Australia Day Medallion for service to Defence and Indigenous Communities.

Mr. Victor Hamit, Appointed Director on the 24 July 2019 – Resigned 15 August 2022.

Company secretary

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

Ms. Tanu Goyal, Appointed on 12 September 2022

Ms. Tanu Goyal supported the Board and Management with Company Secretariat and Governance requirements.

Principal 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.

Reporting structure

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

Results and review of operations

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 2023, Vasey RSL Care Limited recorded a deficit of \$2,790,609 (30 June 2022: \$18,665,053)

Vasey RSL Care Limited continues its commitment to the Veteran Community with 4 modern aged care facilities incorporating 378 beds & 285 units used as Ex-Service Accommodation located across Melbourne, Geelong and regional areas of Victoria. The Organisation also has over 220 Community Aged Care Packages supporting Veterans and families in their own homes.

Significant events after balance date

The organisation finalised the purchase of 27 units in Bell Street, Ivanhoe and completed the sale of the 48-56 Edwin Street and 1-12 Huntingfield Place, Ivanhoe on 28th of August 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this Directors' report.

Contributions on winding up

In the event of the Company being wound up, members are required to contribute a maximum of \$10 each.

Vasey RSL Care Limited
Directors' report
30 June 2023

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Full Board		Governance Committee		Audit Committee*	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Mr M O'Meara (Board Chair)	11	11	2	2	2	2
Ms T Bannan (Chair Finance & Audit Committees)	10	11	-	-	2	2
Mr T R Carr (Chair Clinical Quality & Risk and Enterprise Quality & Risk Committees)	11	11	-	-	-	-
Ms V Fortunato (Chair Governance Committee)	9	11	2	2	-	-
Ms L Grimes	9	11	-	-	-	-
Mr V Hamit	1	1	-	-	-	-
Ms L Saaroni	7	7	-	-	-	-
Mr B Lowe	11	11	2	2	2	2

	Finance Committee*		Clinical Quality & Risk Committee		Enterprise Quality & Risk Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Mr M O'Meara (Board Chair)	11	11	3	5	4	4
Ms T Bannan (Chair Finance & Audit Committees)	11	11	-	-	-	-
Mr T R Carr (Chair Clinical Quality & Risk and Enterprise Quality & Risk Committees)	11	11	5	5	4	4
Ms V Fortunato (Chair Governance Committee)	-	-	-	-	4	4
Ms L Grimes	-	-	3	5	-	-
Mr V Hamit	-	-	-	-	-	-
Ms L Saaroni	-	-	-	-	2	2
Mr B Lowe	10	11	5	5	2	4

*Finance and Audit Committee from June 2023

On behalf of the Directors



Mr M P O'Meara
Chair, Director

24 October 2023



Mr B Lowe
Deputy Chair, Director



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VASEY RSL CARE LIMITED
ABN: 88 109 464 360
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF VASEY RSL CARE LIMITED

We hereby declare, that to the best of our knowledge and belief, during the financial year ended 30 June 2023 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: CHARTERHOUSE & CO AUDITORS PTY LTD

**Name of
Director:**

A handwritten signature in black ink, appearing to read 'Kerpal S Harnam', written over a horizontal line.

Kerpal S Harnam - Director RCA# 365612

Address 480 Collins St, Melbourne, VIC 3000

Dated this 25th day of October 2023

Vasey RSL Care Limited
Contents
30 June 2023

General information

The financial statements cover Vasey RSL Care Limited (the 'Company') as an individual entity. The financial statements are presented in Australian dollars, which is Vasey RSL Care Limited's functional and presentation currency.

Vasey RSL Care Limited is incorporated and domiciled in Australia. ABN 88 109 464 360 and Aged Care provider ID 4040000607

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 24 October 2023. The Directors have the power to amend and reissue the financial statements.

Registered office and principal place of business

172 Burwood Road
Hawthorn, Victoria 3122

Background

On the 6th of 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 Limited 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 of February 2021, the War Widows' Guild of Australia (Victoria) Inc. (the 'Guild') had their 2020 AGM. At this meeting the Guild members voted to wind up the Guild. 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.

Vasey RSL Care Limited
Annual Income Statement and Statement of comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 restated \$
Revenue and other income	4	50,982,782	45,832,634
Net gain/(loss) on the revaluation of financial assets at fair value through profit or loss		<u>9,262,932</u>	<u>(6,605,792)</u>
Total revenue and fair value movements on financial assets		<u>60,245,714</u>	<u>39,226,842</u>
Expenses			
Employee benefit expenses		(38,330,541)	(36,094,155)
Repairs and maintenance expenses		(2,947,181)	(2,033,811)
Consumable expenses		(1,484,803)	(2,215,702)
Contractor expenses		(1,244,849)	(1,144,674)
Catering & food preparation expenses		(1,113,163)	(1,052,128)
Consultant expenses		(1,140,731)	(824,556)
Management fees on investments		(445,165)	(564,948)
Other expenses		<u>(6,736,974)</u>	<u>(5,597,461)</u>
		<u>(53,443,407)</u>	<u>(49,527,435)</u>
Surplus/(deficit) before interest, taxes, depreciation & amortisation ("EBITDA")		<u>6,802,307</u>	<u>(10,300,593)</u>
Depreciation and amortisation expenses	5	(1,622,525)	(2,267,878)
Finance costs	5	(5,157,891)	(3,284,082)
Impairment of bed licences	5	<u>(2,812,500)</u>	<u>(2,812,500)</u>
Deficit for the year attributable to the members of Vasey RSL Care Limited		<u>(2,790,609)</u>	<u>(18,665,053)</u>
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		<u>-</u>	<u>17,481,121</u>
Other comprehensive income for the year		<u>-</u>	<u>17,481,121</u>
Total comprehensive loss for the year attributable to the members of Vasey RSL Care Limited		<u><u>(2,790,609)</u></u>	<u><u>(1,183,932)</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Vasey RSL Care Limited
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 restated \$
Assets			
Current assets			
Cash and cash equivalents	6	12,992,608	3,569,256
Trade and other receivables	7	2,445,009	2,061,374
Other assets	8	1,086,241	542,028
		<u>16,523,858</u>	<u>6,172,658</u>
Non-current assets classified as held for sale	9	-	15,565,509
Total current assets		<u>16,523,858</u>	<u>21,738,167</u>
Non-current assets			
Financial assets at fair value through profit or loss	10	98,153,918	92,739,569
Property, plant and equipment	11	172,866,245	170,159,713
Right-of-use assets		-	51,114
Intangibles	12	-	2,812,500
Total non-current assets		<u>271,020,163</u>	<u>265,762,896</u>
Total assets		<u>287,544,021</u>	<u>287,501,063</u>
Liabilities			
Current liabilities			
Trade and other payables	13	2,698,461	2,866,805
Accommodation Bonds/Refundable Accommodation Deposits	14	81,897,510	78,684,218
Lease liabilities		-	119,844
Employee benefits	15	6,481,327	6,489,799
Total current liabilities		<u>91,077,298</u>	<u>88,160,666</u>
Non-current liabilities			
Employee benefits	15	148,208	231,273
Total non-current liabilities		<u>148,208</u>	<u>231,273</u>
Total liabilities		<u>91,225,506</u>	<u>88,391,939</u>
Net assets		<u>196,318,515</u>	<u>199,109,124</u>
Equity			
Asset revaluation reserve		166,091,626	168,904,126
Retained surplus		<u>30,226,889</u>	<u>30,204,998</u>
Total equity		<u>196,318,515</u>	<u>199,109,124</u>

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

Vasey RSL Care Limited
Statement of changes in equity
For the year ended 30 June 2023

	Asset revaluation reserve \$	Retained surplus \$	Total equity \$
Balance at 1 July 2021	196,351,657	4,717,483	201,069,140
Adjustment for correction of error	<u>(26,550,643)</u>	<u>25,774,559</u>	<u>(776,084)</u>
Balance at 1 July 2021 - restated	169,801,014	30,492,042	200,293,056
Deficit for the year	-	(18,665,053)	(18,665,053)
Other comprehensive income for the year	<u>17,481,121</u>	<u>-</u>	<u>17,481,121</u>
Total comprehensive income for the year	17,481,121	(18,665,053)	(1,183,932)
Transfer or bed licenses reserve to retained surplus	(2,812,500)	2,812,500	-
Transfer to retained surplus on disposal of non-current asset	<u>(15,565,509)</u>	<u>15,565,509</u>	<u>-</u>
Balance at 30 June 2022	<u>168,904,126</u>	<u>30,204,998</u>	<u>199,109,124</u>
	Asset revaluation reserve \$	Retained surplus \$	Total equity \$
Balance at 1 July 2022	168,904,126	30,204,998	199,109,124
Deficit for the year	-	(2,790,609)	(2,790,609)
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	-	(2,790,609)	(2,790,609)
<i>Transactions with members in their capacity as members:</i>			
Transfer or bed licenses reserve to retained surplus	<u>(2,812,500)</u>	<u>2,812,500</u>	<u>-</u>
Balance at 30 June 2023	<u>166,091,626</u>	<u>30,226,889</u>	<u>196,318,515</u>

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

Vasey RSL Care Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 restated \$
Cash flows from operating activities			
Receipts from residents, clients and other sources		17,746,912	16,561,102
Receipts from the Government		24,864,514	23,022,747
Payments to suppliers and employees		(52,764,609)	(49,527,590)
Interest and other finance costs paid		(113,353)	(159,244)
		<u>(10,266,536)</u>	<u>(10,102,985)</u>
Net cash used in operating activities			
Cash flows from investing activities			
Payments for property, plant and equipment	11	(4,329,059)	(1,951,330)
Proceeds from financial assets	10	2,500,000	11,000,000
Proceeds from disposal of investment property		15,619,071	-
Dividends, distributions and interest from investments received		2,153,738	2,145,431
		<u>15,943,750</u>	<u>11,194,101</u>
Net cash from investing activities			
Cash flows from financing activities			
Accommodation bonds / refundable deposits received		29,760,138	24,263,523
Accommodation bonds / refundable deposits refunded		(26,014,000)	(25,475,359)
		<u>3,746,138</u>	<u>(1,211,836)</u>
Net cash from/(used in) financing activities			
Net increase/(decrease) in cash and cash equivalents		9,423,352	(120,720)
Cash and cash equivalents at the beginning of the financial year		3,569,256	3,689,976
		<u>12,992,608</u>	<u>3,569,256</u>
Cash and cash equivalents at the end of the financial year	6		

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

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

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

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

The Company has adopted AASB 1060 during the current financial year. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. The financial statements prepared for the 2022 financial year were full general purposes financial statements. The Directors have assessed that the Company is able to apply the Tier 2 reporting framework under AASB 1060. Consequently, there is both increased and reduced disclosure in these financial statements as required to transition the financial statements to align with the requirements of AASB 1060.

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

Going concern

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

As at 30 June 2023 the Company had a net working capital deficiency, being current assets less current liabilities, of \$74,553,440 (2022: \$66,422,499) and for the year ended 30 June 2023 recognised a deficit of \$2,790,609 (2022: \$18,665,053) and net cash used in operating activities of \$10,266,536 (2022: \$10,102,985). In addition, the Company is dependent on subsidies from the Government for the majority of its revenues.

The Directors have considered the performance and position of the Company and consider that the going concern basis is appropriate for the preparation of the financial report due to the following factors:

- The net working capital deficiency is significantly impacted by Accommodation Bonds/Refundable Accommodation Deposits liabilities, totalling \$81,897,510 (2022: \$78,684,219) as at 30 June 2023 which are classified as current liabilities on the basis that they are repayable to residents when they leave the facility, which can be at any time. The directors of the Company view the Accommodation Bonds/Refundable Accommodation Deposit liabilities as part of the long term funding of the Company on the basis that the directors do not expect Accommodation Bonds/Refundable Accommodation Deposit liabilities to reduce significantly on an annual basis;
- The Company had net assets at 30 June 2023 totalling \$196,318,515 (2022: \$199,109,124);
- For the year ended 30 June 2023 the Company recorded a surplus before interest, taxes, depreciation and amortisation expenses of \$6,802,307 (2022: deficit before interest, taxes, depreciation & amortisation of \$10,230,515); and
- At the date of this report the directors have no reason to believe that Government funding will not continue to be received for the Company's provision of aged care services.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Basis of preparation

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

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Income tax

The Company is a charitable institution and is exempt from paying income tax.

Current and non-current classification

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

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

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

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Impairment of financial assets

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

Note 1. Significant accounting policies (continued)

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

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

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Asset revaluation reserve

The asset revaluation reserve is used to recognise increments and decrements in the fair value of land and buildings.

Finance costs

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

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

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

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

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Allowance for expected credit losses

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

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

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

Impairment of assets

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

Employee benefits provision

As discussed in note 15, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Restatement of comparatives

Correction of error

During the current year the Company identified the following prior period errors which have been corrected in the comparative financial information presented:

- Employee benefits provision had not historically included an estimate of on-costs (e.g. superannuation and workcover). In accordance with AASB 119 Employee Benefits, the Company is required to measure its leave provisions at the expected cost that the Company will incur when those entitlements are paid, inclusive of on-cost. Accordingly, employee benefits provisions and employee expenses have been amended to include on-costs in the comparative information presented in these financial statements.
- In prior periods, the asset revaluation reserve was not reduced when land & building assets had been sold/disposed. Accordingly, the asset revaluation reserve and retained surplus equity classes have been amended to reflect a transfer from the reserve to retained surplus for disposals in the year in which the disposal occurred in the comparative information presented in these financial statements.
- In prior periods, an impairment was recognised on the value of the bed licenses. This impairment of the licences was recognised in other comprehensive income rather than profit or loss. Accordingly, the comparative information presented in these financial statements reflect the loss/impairment for these licences through profit or loss directly rather than through the reserve.
- Various other immaterial reclassifications have been reflected in the comparative information presented in these financial statements as the Directors felt such changes were prudent to amend for.

Prior periods have been restated to account for the impact of these errors in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 3. Restatement of comparatives (continued)

Statement of financial position - corrections

	Previously reported \$	Adjustments \$	Restated \$
30 June 2022			
<i>Current assets</i>			
Cash and cash equivalents	3,571,767	(2,511)	3,569,256
Trade and other receivables	2,058,908	2,466	2,061,374
Other assets	543,057	(1,029)	542,028
Total current assets	21,739,241	(1,074)	21,738,167
<i>Non-current assets</i>			
Property, plant & equipment	170,210,827	(51,114)	170,159,713
Right-of-use assets	-	51,114	51,114
Total non-current assets	265,762,896	-	265,762,896
Total assets	287,502,137	(1,074)	287,501,063
<i>Current liabilities</i>			
Trade and other payables	2,870,902	(4,097)	2,866,805
Employee benefits	5,640,617	849,182	6,489,799
Total current liabilities	87,315,581	845,085	88,160,666
Total liabilities	87,546,852	845,085	88,391,939
Net assets	199,955,285	(846,161)	199,109,124
Asset revaluation reserve	213,832,777	(44,928,651)	168,904,126
Retained profits	(13,877,492)	44,082,490	30,204,998
Total equity	199,955,285	(846,161)	199,109,124

Statement of profit or loss and other comprehensive income - corrections

	Previously reported \$	Adjustments \$	Restated \$
30 June 2022			
Total revenue	38,883,089	343,753	39,226,842
Total expenses	(51,725,235)	(6,166,660)	(57,891,895)
Deficit for the year	(12,842,146)	(5,822,907)	(18,665,053)
Other comprehensive income	(5,752,829)	23,233,950	17,481,121
Total comprehensive loss	(18,594,975)	17,411,043	(1,183,932)

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 4. Revenue and other income

	2023	2022
	\$	restated
		\$
<i>Revenue from contracts with customers</i>		
Residential aged care revenue (Government and residents) - over time	35,379,206	33,141,660
Homecare revenue (Government and care recipients) - over time	5,247,704	4,866,267
Rent revenue (social/affordable housing units) - over time	2,270,516	2,060,015
Other operating revenue - over time	5,044,538	3,124,838
	<u>47,941,964</u>	<u>43,192,780</u>
<i>Other income</i>		
Gain on sale of non-current assets	46,154	83,760
Donations income	503,889	9,531
Dividends, distributions and interest from investments income	2,153,738	2,145,431
Other income	337,037	401,132
	<u>3,040,818</u>	<u>2,639,854</u>
Revenue and other income	<u>50,982,782</u>	<u>45,832,634</u>

Accounting policy for revenue and other income

Aged care and home care

The Company recognises revenue from aged care and home care services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services, as agreed in a single contract with the resident. Fees received in advance of aged care and home care services performed are recognised as contract liabilities.

Aged care and home care revenue comprises government grants & subsidies and resident & client fees.

Government funding - aged care

Revenue reflects the Company's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents.

Comprises of basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument ('ACFI') and the Australian National Aged Care Classification funding model ('AN-ACC'), accommodation supplements, funding for short-term 'respite' residents and other Government incomes.

Revenue is recognised over time as services are provided. Funding claims are submitted/ updated daily and Government revenue is usually payable within approximately one month of services having been performed.

Residents - residential aged care

Residents are charged a basic daily fee as a contribution to the provision of care and accommodation. The quantum of resident basic daily fees is regulated by the Government and typically increases in March and September each year. Resident basic daily fee revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days.

Other resident revenue represents other fees charged to residents in respect of care and accommodation services provided by the Company and includes means tested care fees, Daily Accommodation Payment (DAP)/Daily Accommodation Contribution (DAC) revenue, additional services revenue and other income.

Other resident revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days.

Rent revenue (social/affordable housing units)

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

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 4. Revenue and other income (continued)

Other operating revenue

For residential aged care accommodation arrangements where the resident has elected to pay a Refundable Accommodation Deposit ('RAD') or Accommodation Bonds (prior to July 2014), the Company receives a financing benefit, being non-cash consideration, in the form of an interest free loan. The fair value of this non-cash consideration is required, under AASB 16 and AASB 9 to be recognised as rental income (to reflect the resident's occupancy of the room) and corresponding interest expense (to record the financial liability associated with RADs and bonds at fair value) with no net impact on profit or loss.

This is calculated based on average RAD/Accommodation Bond balances, excluding any RADs/Accommodation Bonds awaiting refund/probate and the Maximum Permissible Interest Rate ("MPIR"), which is a Commonwealth Government set interest rate used to calculate the Daily Accommodation Payment ("DAP") to applicable residents. This resulted in the Company recognising additional rental income and interest expense for the current financial year of \$5,044,538 (2022: \$3,124,838).

Where residents have elected to pay a DAP, the DAP is recognised as resident fees as disclosed above.

Donations income

Donations income is recognised when the funds are received, unless the receipt of funds gives rise to a contractual obligation with specific performance obligations.

Dividends, distributions and interest from investments income

Dividends, distributions and interest from investments income is recognised at the time the right to receive payment is established.

Other income

Other income is recognised when it is received or when the right to receive payment is established, when the income does not give rise to an obligation.

The Company, a private sector not-for-profit entity, has elected not to recognise the financial impact of any volunteer services provided.

Note 5. Expenses

	2023	2022
	\$	restated
		\$
Deficit includes the following specific expenses:		
<i>Impairment</i>		
Bed licenses	2,812,500	2,812,500
<i>Depreciation and amortisation</i>		
Depreciation of property, plant and equipment	1,622,527	2,267,878
<i>Finance costs</i>		
Interest on refundable accommodation deposits and accommodation bonds - departed residents	113,353	159,244
Interest on refundable accommodation deposits and accommodation bonds (non-cash)	5,044,538	3,124,838
Finance costs expensed	5,157,891	3,284,082
<i>Superannuation expense</i>		
Defined contribution superannuation expense	2,729,630	2,459,742

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 6. Cash and cash equivalents

	2023	2022
	\$	restated
		\$
<i>Current assets</i>		
Cash on hand	5,900	5,900
Cash at bank	12,986,708	3,563,356
	<u>12,992,608</u>	<u>3,569,256</u>

Accounting policy for cash and cash equivalents

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

Note 7. Trade and other receivables

	2023	2022
	\$	restated
		\$
<i>Current assets</i>		
Trade receivables	1,159,272	709,413
Less: Allowance for expected credit losses	(251,151)	(43,114)
	<u>908,121</u>	<u>666,299</u>
Other receivables	1,536,888	1,395,075
	<u>2,445,009</u>	<u>2,061,374</u>

Accounting policy for trade and other receivables

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

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

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

Note 8. Other assets

	2023	2022
	\$	restated
		\$
<i>Current assets</i>		
Prepayments	694,206	353,029
Other assets	392,035	188,999
	<u>1,086,241</u>	<u>542,028</u>

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 9. Non-current assets classified as held for sale

	2023	2022
	\$	restated
		\$
<i>Current assets</i>		
Land held for sale	-	15,565,509
	<u> </u>	<u> </u>

During the financial year ended 30 June 2023, the 14-18 Manningtree Road property was sold, which was previously held for sale as at 30 June 2022. This property was held at fair value.

Note 10. Financial assets at fair value through profit or loss

	2023	2022
	\$	restated
		\$
<i>Non-current assets</i>		
FVTPL - investments in listed securities	98,153,918	92,739,569
	<u> </u>	<u> </u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	92,739,569	111,050,608
Disposals	(2,500,000)	(11,000,000)
Valuation gain/(loss) and investment returns	7,914,349	(7,311,039)
	<u> </u>	<u> </u>
Closing balance	98,153,918	92,739,569
	<u> </u>	<u> </u>

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 11. Property, plant and equipment

	2023	2022
	\$	restated
		\$
<i>Non-current assets</i>		
Land - at valuation	145,096,532	143,585,000
Land - at cost 'Warleigh Apartments'	1,852,103	1,852,103
	<u>146,948,635</u>	<u>145,437,103</u>
Buildings & building improvements - at valuation	18,085,030	16,750,000
Building & building improvements - at cost 'Warleigh Apartments'	3,819,520	3,819,520
Less: Accumulated depreciation	(1,305,473)	(791,013)
	<u>20,599,077</u>	<u>19,778,507</u>
Plant and equipment - at cost	4,942,933	6,009,988
Less: Accumulated depreciation	(2,737,255)	(3,798,874)
	<u>2,205,678</u>	<u>2,211,114</u>
Fixtures and fittings - at cost	2,586,557	4,549,968
Less: Accumulated depreciation	(1,254,623)	(3,233,236)
	<u>1,331,934</u>	<u>1,316,732</u>
Motor vehicles - at cost	940,808	1,029,177
Less: Accumulated depreciation	(534,746)	(483,395)
	<u>406,062</u>	<u>545,782</u>
Computer equipment - at cost	1,184,793	2,937,927
Less: Accumulated depreciation	(549,969)	(2,417,158)
	<u>634,824</u>	<u>520,769</u>
Work in progress - at cost	740,035	349,706
	<u>172,866,245</u>	<u>170,159,713</u>

Reconciliations

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

	Land	Buildings & improv.	Plant and equipment	Fixtures and fittings	Motor vehicles	Computer equipment	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	145,437,103	19,778,507	2,211,114	1,316,732	545,782	520,769	349,706	170,159,713
Additions (net of transfers)	1,511,532	1,375,253	458,744	242,228	25,441	325,532	390,329	4,329,059
Depreciation expense	-	(554,683)	(464,180)	(227,026)	(165,161)	(211,477)	-	(1,622,527)
Balance at 30 June 2023	<u>146,948,635</u>	<u>20,599,077</u>	<u>2,205,678</u>	<u>1,331,934</u>	<u>406,062</u>	<u>634,824</u>	<u>740,035</u>	<u>172,866,245</u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued in the 2022 financial year based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The Directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 11. Property, plant and equipment (continued)

Accounting policy for property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Due to their nature, the land and buildings for Warleigh Apartments are accounted for as a separate class of land and buildings, which are carried at cost less any accumulated depreciation and impairment.

Plant and equipment, fixtures & fittings, motor vehicles and computer equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each asset over their expected useful lives as follows:

Buildings (Warleigh Apartments)	40 years
Building improvements (Warleigh Apartments), plant & equipment and fixtures & fittings	10 years
Motor vehicles	4 Years
Communications equipment	4 Years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 12. Intangibles

	2023	2022
	\$	restated
		\$
<i>Non-current assets</i>		
Bed licenses	6,375,000	6,375,000
Less: Accumulated impairment	<u>(6,375,000)</u>	<u>(3,562,500)</u>
	<u>-</u>	<u>2,812,500</u>

Reconciliations

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

	Bed licenses
	\$
Balance at 1 July 2022	2,812,500
Impairment expense	<u>(2,812,500)</u>
Balance at 30 June 2023	<u>-</u>

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 12. Intangibles (continued)

Accounting policy for intangible assets

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

Bed licenses

Bed licences are held at deemed cost less any accumulated amortisation and impairment.

As a result of an impairment assessment during the year an impairment charge of \$2,812,500 was recognised (2022: \$2,812,500).

Note 13. Trade and other payables

	2023 \$	2022 restated \$
<i>Current liabilities</i>		
Trade payables	-	1,498,013
Sundry creditors and accruals	2,698,461	1,368,792
	<u>2,698,461</u>	<u>2,866,805</u>

Accounting policy for trade and other payables

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

Note 14. Accommodation Bonds/Refundable Accommodation Deposits

	2023 \$	2022 restated \$
<i>Current liabilities</i>		
Accommodation Bonds/Refundable Accommodation Deposits	<u>81,897,510</u>	<u>78,684,218</u>

From 1 July 2007, pursuant to the Aged Care Act 1997, interest is paid on Refundable Accommodation Deposits ("RAD's") and Accommodation Bonds following departure (or death) of a resident until RAD repayment. Interest is required to be paid at two different rates, which are legislated on a quarterly basis:

- base interest rate for the period between the date of the refunding event and the earlier of the date the balance is refunded and the date the legislated timeframe for the refund of the balance expires; and
- the maximum permissible interest rate for the period after the end of the legislated timeframe (or the time set out in the Formal Agreement) until the balance is refunded.

Rates are amended quarterly. For the year ended 30 June 2023 base rates were 2.25% (2022: 2.25%) and the maximum permissible rate varied from 5.00% to 7.46% (2022: 4.01% to 4.07%).

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 15. Employee benefits

	2023	2022
	\$	restated
		\$
<i>Current liabilities</i>		
Annual leave	2,708,770	2,819,674
Long service leave	3,772,557	3,670,125
	<u>6,481,327</u>	<u>6,489,799</u>
<i>Non-current liabilities</i>		
Long service leave	148,208	231,273
	<u>6,629,535</u>	<u>6,721,072</u>

Accounting policy for employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Defined contribution superannuation expense

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

Note 16. Key management personnel disclosures

Compensation

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

	2023	2022
	\$	restated
		\$
Aggregate compensation	<u>2,161,576</u>	<u>1,675,402</u>

The key management personnel aggregate compensation for the year ending 30 June 2023 includes two termination payments for long serving general managers.

Vasey RSL Care Limited
Notes to and forming part of the financial statements
30 June 2023

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company:

	2023	2022
	\$	restated \$
<i>Audit services -</i>		
Audit of the financial statements	50,000	51,000

Note 18. Contingent liabilities

The Company's Brighton facility is subject to a lease arrangement with external parties. The lease expires in 2026 and has an additional option term of 20 years. The terms of the lease arrangement places restrictions on the use of the premises by the Company. The rental charge for the lease is \$1.

The Company has elected, in accordance with AASB 16 Leases and AASB 1058 Income from Not-for-Profit entities, to recognise the value of the right to use asset and corresponding lease liability under the lease arrangements at cost, being \$nil.

The Company had no other contingencies as at 30 June 2023.

Note 19. Commitments

	2023	2022
	\$	restated \$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	2,771,490	-

Note 20. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties

In the prior financial year, \$104,182 was received from the War Widows Guild in accordance with the current service agreement for administrative and management services. There were no amounts received in the current financial year.

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 21. Events after the reporting period

The organisation finalised the purchase of 27 units in Bell Street, Ivanhoe and completed the sale of the 48-56 Edwin Street and 1-12 Huntingfield Place, Ivanhoe on 28th of August 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Vasey RSL Care Limited
Directors' declaration
30 June 2023

The Directors of the Company declare that the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and:

- comply with Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-Profits Commission Regulation 2022; and
- give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors and subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulations 2022.

On behalf of the Directors



Mr M P O'Meara
Chair, Director



Mr B Lowe
Deputy Chair, Director

24 October 2023

VASEY RSL CARE LIMITED
ABN: 88 109 464 360
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VASEY RSL CARE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the general purpose financial report (simplified disclosures) of Vasey RSL Care Limited, (the company) which comprises the statement of financial position as at 30 June 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, except for the emphasis of matter regarding the going concern of the company, the accompanying financial report of the company is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- ii. That the financial records kept by the company are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.
- iii. complying with the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

VASEY RSL CARE LIMITED
ABN: 88 109 464 360
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VASEY RSL CARE LIMITED

Emphasis of Matter – Basis of Accounting

We draw attention to the Going Concern paragraph in Note 1 of the financial report:

As at 30 June 2023 the company had a net working capital deficiency of \$74,553,440 (2022: \$66,422,499) and recognized a deficit of \$2,790,609 for the year ended 30 June 2023 (2022: \$18,665,053) and net cash used in operating activities of \$10,266,536 (2022: \$10,102,985). In addition, the company is dependent on subsidies from the government for most of its revenues.

The Directors have considered the performance and position of the company and consider that the going concern is appropriate for the preparation of the financial report due to the following factors:

- The net working capital deficiency is significantly impacted by the accommodation bonds/refundable accommodation deposits liabilities, totaling \$81,897,510 (2022: \$78,684,219) as at 30 June 2023 which are classified as current liabilities on the basis that they are repayable to residents when they leave the facility. The directors of the company view the accommodation bonds /refundable accommodation deposit liabilities as part of the long term funding of the company on the basis that the directors do not expect the accommodation bonds/ refundable accommodation deposits liabilities to reduce significantly on an annual basis;
- The company had net assets at 30 June 2023 totaling \$196,318,515 (2022: \$199,109,124);
- For the year ended 30 June 2023, the company recorded a surplus before interest, taxes, depreciation and amortization expenses of \$6,802,307 (2022: deficit before interest, taxes, depreciation and amortization of \$10,230,515); and
- At the date of this report the directors have no reason to believe that the Government funding will not continue to be received for the company's provision of aged care services.

Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 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.

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

VASEY RSL CARE LIMITED
ABN: 88 109 464 360
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VASEY RSL CARE LIMITED

Auditor's Responsibilities for the Audit of the Financial Report

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

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 company'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 company'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

VASEY RSL CARE LIMITED
ABN: 88 109 464 360
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VASEY RSL CARE LIMITED

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Name of Firm : CHARTERHOUSE & CO AUDITORS PTY LTD



Name of Director : _____
Kerpal S Harnam - DIRECTOR **RCA# 365612**

Address: 480 Collins St, Melbourne, VIC 3000

Dated this 25th **day of** October 2023