



"Be Yourself"

financial report 2018/2019



benetas



Be Yourself

**"Be Yourself,
everyone else is
already taken."**

- Oscar Wilde

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Our Board of Directors



David Percival

David Percival

Appointed as Chairman in January 2018

Retired December 2018

B.Ec., MBA, FCPA, FCIS, FAICD

David Percival, Former Vice-Principal and Chief Financial Officer at the University of Melbourne, is the outgoing Chairperson of the Benetas Board. With over 20 years' experience as a Chief Financial Officer, one of David's career highlights was working with the University of Melbourne to facilitate the delivery of the significant University Square building works which included five high-rise buildings, a major investment and commitment for a University.

As the Chairperson of Benetas, David is proud of being a part of the team that turned Benetas into a fully established entity, now delivering on an extensive strategic growth program and leading the way in the provision of aged care services in Victoria. David is delighted with the journey of growth he has shared with Benetas.

A wise mentor once taught David that, among other things, "you should always give people the benefit of the doubt until they prove otherwise". A mantra that David has applied in both his professional and personal life ever since.



Michael Urwin

Michael Urwin

Appointed to the Board in September 2016
Appointed as Chairman in December 2018
B.A. (Hons), Dip.Ed. (Melb), FACE

Michael Urwin is Board Chairman and ex officio member of all Benetas Board Committees. Michael was Headmaster of Brighton Grammar School, an Anglican school for boys for eighteen years, finishing in that role at the end of 2013. During that time he filled a number of external roles including chairman of the Associated Public Schools for three years, chairman of the Victorian Branch of the Australian Heads of Independent Schools Association, and Trustee of the International Boys Schools Coalition.

He also served on the Australian Anglican Schools Network Board of Management for a number of years. Michael is a parishioner at the Anglican Parish of the Parks, St Silas; is a Member of Archbishop in Council; and is chairman of the Anglican Diocesan Schools Commission Board. He has served as an Examining Chaplain for the Diocese.



Sean Balding

Sean Balding

Appointed to the Board in October 2017
BCom, CA, GAICD

Sean Balding is Chairman of the Benetas Finance, Audit and Risk Management Committee. Sean has extensive financial and risk experience across a range of industries. He is currently Chief Operating Officer of Eric Insurance Limited, and a former Partner of Ernst & Young.



Helen Bloustein

Helen Bloustein

Appointed to the Board in June 2017
B.Comm, Cert. Actuarial Techniques (IFoA)

Helen Bloustein is Chairman of the Benetas Investment Funds Management Committee. Helen has broad experience in investment management, superannuation and best-practice approaches to sustainability management and reporting.

She has held positions as a fund manager and Australian equities investment analyst with Colonial and AXA Investment Management, and been a member of the executive management team at VicSuper. Helen's public sector experience includes the Bureau of Meteorology, and EPA Victoria where she project managed the United Nations Environment Programme Finance Initiative (UNEP FI) in Australasia.

During this time she was seconded to UNEP FI's head office in Geneva and worked with international financial institutions to integrate environmental, social and governance practices into their business processes.

Our Board of Directors continued



Susan Campbell

Susan Campbell

Appointed to the Board in December 2014
FCPA, MAICD, MBA., BCom, GradDip(SIA),
Cert IV TAA

Susan Campbell is a managing director of ARGYLL, a specialist risk consulting services firm that works across Australia and Asia. Susan is highly experienced in risk and finance and has many years of experience in governance as a board member with Heritage Bank, a mutual organisation run for the benefit of its members who are its owners.

Susan works with many organisations developing their treasury and risk management skills. Her previous employment includes working with global banks in Melbourne and London, corporate treasuries, CPA Australia and as a senior lecturer at RMIT University and La Trobe Graduate School.



Assoc. Prof. Deirdre Fetherstonhaugh

Assoc. Prof. Deirdre Fetherstonhaugh

Appointed to the Board in December 2016
Dip Appl Sci (Nursing), Renal Cert, BA, MA,
PhD, RN)

Associate Professor Deirdre Fetherstonhaugh is the Director of the Australian Centre for Evidence Based Aged Care (ACEBAC) at La Trobe University.

Deirdre's research focuses on the translation of research evidence into aged care practice, the ethical implications of clinical practice, decision-making for people with chronic conditions such as dementia or renal failure, sexuality and dementia, and clinical risk in residential aged care.

She is also involved in the education of health professionals and aged care workers. Deirdre publishes widely and presents her research nationally and internationally. She is the Deputy chairman of the La Trobe University Human Ethics Committee and a member of several government and industry committees.



Deborah Law

Deborah Law

Appointed to the Board in July 2016
M Pol Admin, Grad Dipl Business (Health
Admin), Dipl Physio (UK)

Deborah Law is Chairman of the Benetas Quality and Compliance Committee. Deborah Law is a specialist in service and workforce reform planning and implementation, fostering large scale change in complex environments and systems.

Her work in service reform has been aimed at driving a better balance of primary health care and acute care for vulnerable and at risk populations, working in partnership with and across health, community service, general practice and aged care organisations at regional, state and national levels.

She has driven national workforce innovation and reform (at Health Workforce Australia) bringing together state governments, unions and non-government and private organisations for strategy and evidence development, implementation of practice change and enabling policy development.



Assoc. Prof. Michael Murray AM

Assoc. Prof. Michael Murray AM

Appointed to the Board in August 2016

M.B. B.S., MPH, FRACP, Clinical Associate Professor

Associate Professor Michael Murray has a broad range of management, clinical and clinical teaching experience in the area of aged care.

Michael is the medical director of Continuing Care and head of Geriatric Medicine at Austin Health, Associate Professor at Melbourne University and Adjunct Associate Professor Australian Centre for Evidence Based Aged Care, La Trobe University, and formerly the University of Notre Dame.

He holds and has held a number of board and committee positions with a variety of government, health and educational institutions, and is the current president of the National Ageing Research Institute. He has held the position of Continence Foundation of Australia National President since 2004.



The Venerable Helen Phillips

The Venerable Helen Phillips

Appointed to the Board in June 2017

BTheol, DipMin, CertBowenFamSystems

Archdeacon Helen Phillips has over twenty years' experience in governance, management, strategic planning, training and leadership in the Anglican Church and educational institutions in both Victoria and Queensland.

Helen is currently vicar of Mornington and Mount Martha Anglican Church and Archdeacon of Frankston, overseeing strategy and mission for 22 parishes.

She is a member of the Council of the Diocese of Melbourne and of the Melbourne Anglican Diocesan Corporation, Chair of the Diocesan Building Committee and a member of the Diocesan Property Committee. She has served as an Examining Chaplain for the Diocese.



Julia Pryor

Julia Pryor

Appointed to the Board in February 2019

B.A Law, B.HIS&Classics, ExecM.A (Leadership&Mgt)

Julia Pryor is the Chief Risk Officer, Retirement and Investment Solutions and Platforms at MLC Wealth (part of NAB).

Prior to this, Julia held senior risk and legal positions in several organisations, and started her career with 10 years at KWM law firm. Julia has expertise in areas of financial and corporate governance, specialising in superannuation and wealth products, as well as a tactical and pragmatic approach to overcoming obstacles.

She has a strong customer focused approach which fits in well with the organisation's future strategy to be customer centric and a passion for strong governance and retirement outcomes. With a proven track record in leading complex change management, Julia is well equipped to be a part of the future direction of aged care for Benetas and the broader aged care sector.

Company Secretary

The following person held the position of company secretary at the end of the financial year: Mr Neil Fawcett

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' report

Principal Activities

The company is limited by guarantee and its principal activity during the financial year was the provision of Aged Care Services.

Business Objective and Strategic Objectives

The company officially launched its "Next Generation Strategy 2025" document. The company's key strategic outcomes and objectives as outlined in the "Next Generation Strategy 2025" document are as follows:

Strategic outcomes:

1. Integrated and Exceptional Customer Experience
2. Communities of Choice
3. Great Place to Work and Volunteer
4. High Performance Organisation

Objectives:

1. Integrated Enterprise - enhance our organisational capabilities and employee experience to support our Customer Experience, Quality of Life outcomes and financial sustainability objectives.
2. Residential Services - implement our innovative approach to residential care to deliver the best possible experience of living and dying for every individual.
3. Home Care - enable people to live independently in their homes and to enjoy a positive and respectful experience of life in the community.
4. Retirement Living Communities - offer customers the opportunity to live their best life in our Communities of Choice and support.
5. Primary Care - meet local community needs for the provision of integrated primary care services that delivers positive outcomes.

The Board utilises a monthly and quarterly "balanced scorecard" reporting framework to measure managements progress against its strategic business objectives.

Significant changes in State of Affairs

No significant changes in the nature of the company's activity occurred during the financial year.

Operating Results

The net result of the company amounted to a deficit of \$1,437,000 (2018 surplus of \$784,000).

Review of Operations

The company is a company limited by guarantee and is a not-for-profit aged care provider of community and specialist residential care services. The principal source of operating income is government grant funding and client income. Operating expenses continue to be met out of operating income. The company generates modest investment income which is used to fund strategic initiatives designed to further the objectives of the organisation and fund the various capital improvement and major project initiatives. The current year deficit was the result of revaluation of investment property and impairment of property, plant and equipment, the company continues to generate strong operational surplus and cash flow.

Meeting attended by Directors

Financial year ending 30 June 2019

	Directors meetings		Quality and Compliance Committee	Financial Audit and Risk Management Committee	Investment Funds Management Committee	Governance Committee
	Meetings held (11)		Meetings held (5)	Meetings held (9)	Meetings held (9)	Meetings held (3)
Current Directors	Eligible	Attended	Attended	Attended	Attended	Attended
Michael Urwin ¹	11	10	2	9	2	3
Susan Campbell ²	11	10	2	6	3	-
Deborah Law	11	7	5	-	-	-
A/Prof Michael Murray AM	11	9	4	-	-	-
A/Prof Deirdre Fetherstonhaugh	11	9	5	-	-	-
Helen Phillips ³	11	9	2	-	-	3
Helen Bloustein	11	10	-	-	8	-
Sean Balding	11	10	-	9	-	-
Julia Pryor ⁴	5	5	-	4	-	-
Paul McGlinn (External Advisor)	-	-	-	-	7	-
Dr Graeme Blackman AO (External Advisor)	-	-	-	8	-	3
Keith Dickie (External Advisor)	-	-	-	-	8	-
Diane Pardo (External Advisor)	-	-	-	-	6	-
John McKenzie OAM (External Advisor)	-	-	-	-	-	3
David Percival ⁵ (External Advisor)	6	6	-	8	8	2
Sandra Hills OAM (Non-Director)	-	-	4	7	7	3
Neil Fawcett (Non-Director)	-	-	-	9	9	1

Please note:

¹ Michael Urwin was appointed Chairman of the Board on 7th December 2018.

² Susan Campbell was appointed to the Investment and Funds Management Committee and ceased to be a member of the Quality and Compliance Committee on 3rd December 2018.

³ Helen Phillips was appointed to the Quality and Compliance Committee on 3rd December 2018.

⁴ Julia Pryor was appointed to the Board and to the Finance, Audit and Risk Management Committee on 3rd February 2019.

⁵ David Percival retired as a Director on 7th December 2018. David remained on the Investment Fund Management Committee as an external advisor until 10th July 2019. David remains on the Finance Audit and Risk Management Committee as an external advisor.

Members Guarantee

Every member undertakes to contribute an amount not more than \$50 to the property of the company if it is wound up while he or she is a member or within one year after he or she ceases to be a member for:

- payment of the company's debts and liabilities contracted before the time he or she ceased to be a member;
- the costs, charges and expenses of winding up; and
- the adjustment of the rights of the contributories among themselves.

Members are the Benetas Board of Directors.

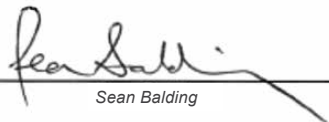


Auditor's independence declaration

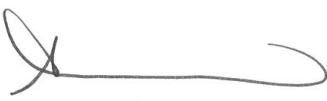
The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 11 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director


Sean Balding

Director


Michael Urwin

Dated this 7th day of October 2019



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Auditor's Independence Declaration

To the Directors of Anglican Aged Care Services Group T/A Benetas

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for profits Commission Act 2012, as lead auditor for the audit of Anglican Aged Care Services Group T/A Benetas for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

B L Taylor
Partner – Audit & Assurance

Melbourne, 7 October 2019

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Statement of profit or loss and other comprehensive income for the year ended 30 June 2019

	NOTE	2019 (\$'000's)	2018 (\$'000's)
Revenue	2	124,364	105,429
Other revenue	2	9,482	7,018
Total revenue		133,846	112,447
Employee expense		(79,466)	(70,256)
Depreciation and amortisation expense	3	(8,993)	(6,774)
Rental expense	3	(1,026)	(1,002)
Repairs, maintenance and vehicle running expense		(6,148)	(4,986)
Client specific expense		(13,213)	(10,115)
Catering expense		(9,727)	(7,174)
Cleaning expense		(4,004)	(3,517)
Utilities, rates and insurance expense		(3,912)	(3,290)
Other expenses		(5,362)	(4,630)
Interest paid		(564)	(425)
Net result before impairment of assets and fair value of investment property		1,431	278
Fair value of investment property	10	(1,351)	780
Fair value of lease liabilities		(201)	(274)
Impairment of property, plant and equipment	7	(1,316)	-
Net result after impairment of assets and fair value of investment property and before tax		(1,437)	784
Tax expense		-	-
Net result for the year		(1,437)	784
Other comprehensive income (or loss):			
Items that will not be reclassified to profit or loss			
- Fair value movement of investments (financial assets)		(1,362)	5,858
Total other comprehensive income (or loss) for the year		(1,362)	5,858
Total comprehensive income (or loss) for the year		(2,799)	6,642

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2019

ASSETS

CURRENT ASSETS	NOTE	2019 (\$'000's)	2018 (\$'000's)
Cash and cash equivalents	4	39,397	43,441
Accounts receivable and other debtors	5	11,262	9,207
Financial assets	6	66,280	65,555
Assets held for sale	9	2,710	1,750
Total Current Assets		119,649	119,953

NON-CURRENT ASSETS

Financial assets	6	63,216	56,238
Property, plant and equipment	7	190,614	168,122
Intangibles	8	27,546	27,311
Investment properties	10	41,563	42,693
Total Non-Current Assets		322,939	294,364
Total Assets		442,588	414,317

LIABILITIES

CURRENT LIABILITIES

Accounts payable and other payables	11	212,471	187,699
Employee provisions	12	8,845	6,823
Total Current Liabilities		221,316	194,522

NON-CURRENT LIABILITIES

Employee provisions	12	2,500	1,982
Total Non-Current Liabilities		2,500	1,982
Total Liabilities		223,816	196,504
NET ASSETS		218,772	217,813

EQUITY

Retained earnings		213,040	198,784
Other Contributed Equity	19	3,758	-
Reserves	18	1,974	19,029
Total Equity		218,772	217,813

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2019

	TOTAL RESERVES					Total Equity \$'000's
	Retained Earnings	Other Contributed Equity	Major Maintenance Fund	Investment Revaluation Reserve	Total Reserves	
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	
Balance at 1 July 2017	198,395	-	734	12,042	12,776	211,171
Comprehensive Income Surplus for the year						
Surplus for the year attributable to members of the entity	784	-	-	-	-	784
Other comprehensive income						
Investments (financial assets) revaluation	-	-	-	5,858	5,858	5,858
Total comprehensive income attributable to members of the entity	784	-	-	5,858	5,858	6,642
Transfer from reserves						
Major maintenance fund provision	(183)	-	183	-	183	-
Realised gain (or loss) on disposal of investments	(212)	-	-	212	212	-
Restated total transfers from reserves	(395)	-	183	212	395	-
Balance at 30 June 2018	198,784	-	917	18,112	19,029	217,813
Comprehensive Income Deficit for the year						
Deficit for the year attributable to members of the entity	(1,437)	-	-	-	-	(1,437)
Other comprehensive income						
Investments (financial assets) revaluation	-	-	-	(1,362)	(1,362)	(1,362)
Other contributed equity	-	3,758	-	-	-	3,758
Total comprehensive income attributable to members of the entity	(1,437)	3,758	-	(1,362)	(1,362)	959
Transfer from reserves						
Major maintenance fund provision	(198)	-	198	-	198	-
Realised gain (or loss) on disposal of investments	15,891	-	-	(15,891)	(15,891)	-
Total transfer from reserves	15,693	-	198	(15,891)	(15,693)	-
Balance at 30 June 2019	213,040	3,758	1,115	859	1,974	218,772

For a description of each reserve, refer to Note 18.

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2019

CASH FLOW FROM OPERATING ACTIVITIES	NOTE	2019 (\$'000's)	2018 (\$'000's)
Commonwealth, State and Local Government grants and client income		123,549	106,757
Receipt from donations, bequests and raffles		585	74
Payments to suppliers and employees		(122,328)	(105,061)
Interest received		2,304	2,559
Dividends received		5,031	2,830
Finance costs		(242)	(228)
Net cash generated from operating activities		8,899	6,931
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		126	136
Proceeds from business combinations	19	6,449	-
Payment for property, plant and equipment - residential aged care		(19,423)	(28,600)
Payment for property, plant and equipment - non residential aged care		(7,437)	(2,236)
Proceeds from sale of investments (financial assets)		57,281	1,781
Payment for investments (financial assets)		(66,349)	(35,625)
Payment for intangibles		(654)	(991)
Payments for investment property development		(221)	(1,649)
Net cash used in investing activities		(30,228)	(67,184)
CASH FLOW FROM FINANCING ACTIVITIES			
Refunds of residential RADs, accommodation bonds & entry contributions		(43,457)	(32,019)
Refunds of non residential accommodation bonds & entry contributions		(107)	(232)
Proceeds from residential RADs, accommodation bonds & entry contributions		56,485	51,024
Refunds of retirement village leases		(1,075)	(1,135)
Proceeds from retirement village leases		5,439	3,499
Net cash generated from financing activities		17,285	21,137
Net increase/(decrease) in cash held		(4,044)	(39,116)
Cash on hand at the beginning of the financial year		43,441	82,557
Cash on hand at the end of the financial year	4	39,397	43,441

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

The financial statements cover ANGLICAN AGED CARE SERVICES GROUP T/A BENETAS (the 'company') as an individual entity, incorporated and domiciled in Australia. ANGLICAN AGED CARE SERVICES GROUP T/A BENETAS is a company limited by guarantee.

Note 1: Summary of significant accounting policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards - Reduced Disclosure Requirements and Australian Accounting interpretations. 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 and financial liabilities. All financial information has been rounded to the nearest thousand unless otherwise stated.

The financial statements were authorised for issue on October 1, 2019 by the directors of the company.

Accounting Policies

a. Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers and residents

Grant revenue is recognised in profit or loss when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services provided.

Donations and bequests are recognised as revenue when control is obtained.

Interest revenue and distribution income from investments is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when dividends are received

ANGLICAN AGED CARE SERVICES GROUP T/A BENETAS received non-reciprocal contributions from the government and other parties for no or a nominal value. These contributions are recognised at the fair value on the date of acquisition at which time an asset is taken up in the statement of financial position and revenue in the profit and loss.

All revenue is stated net of the amount of goods and services tax (GST).

b. Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, and are accounted for using the fair value model.

Investment properties are included in the statement of financial position at fair value. These values are supported by market evidence and are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property.

Any gain or loss resulting from a change in the fair value is immediately recognised in profit or loss within change in fair value of investment property.

Rental income and operating expenses from investment property are reported within revenue and other expenses respectively.

c. Property, Plant and Equipment

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

Freehold Property

Freehold land and buildings are shown at cost or deemed cost, less subsequent depreciation for buildings.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings but excluding freehold land, are 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.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset rate	Depreciation
Buildings	2.5%–10%
Plant and equipment	10%–33%
Furniture and fittings	10%–20%
Motor vehicles	20%

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 included in profit or loss.

d. Leases

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease.

e. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

i. Financial assets at amortised cost

Loans, receivables and interest bearing deposits are non-derivative financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets measured at fair value through other comprehensive income

Investments in listed equity instruments:

The company made an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Both unrealised gains or losses and realised gains or losses are recognised as other comprehensive income. Dividends on these financial assets are recognised as other income in the profit or loss.

When these financial asset are derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into retained earnings.

Fair Value

Fair value is determined based on current bid prices for all quoted instruments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions with reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

f. Impairment of Assets

At the end of each reporting period, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired, as required by Australian Accounting Standards. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value 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 company 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.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

g. Employee Provisions

Short-term employee provisions

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in the profit or loss as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

h. Cash and Cash Equivalents

Cash and cash equivalents includes cash, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

i. Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from customers for accommodation payments and services provided in the ordinary course of business. An unpaid Refundable Accommodation Deposit receivable is recognised where the resident chooses a drawdown payment option or a deferred DAP payment arrangement is put into place.

Receivables are expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Individual receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty may default.

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST.

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

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

k. 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.

l. Intangibles

Bed Licences

Bed licences are recognised under AASB 138 as meeting the classification criteria of being both holding a future economic benefit and reliably measurable. Bed licences are identified and controlled by the company, and are recognised at deemed cost, based on fair market valuation at the time of recognition. The bed licences are also subject to annual impairment testing in line with Note 1(f) with further details of the current year calculation detailed in Note 8.

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The intangible asset is amortised on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. The amortisation rate used for this class of asset is 20% - 33%. Amortisation has been included within depreciation and amortisation expense.

m. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

n. Accommodation Bonds, Refundable Accommodation Deposits and Resident Lease Liabilities

In accordance with the Aged Care Act 1997, Refundable Accommodation Deposits ("RAD's") and Accommodation Bonds may be charged to a resident on entry to an aged care facility. RAD's and Accommodation Bonds are recognised at an amount equal to the proceeds received and are classified as a current liability due to:

- RAD's being repayable when a resident departs the facility;
- Accommodation Bonds being repayable when a resident departs the facility.

Periodical amounts (retentions) are retained from accommodation bonds received prior to 1 July 2014 in accordance with the Act and recorded as income in the year in which they are retained.

Resident Lease Liabilities are the refundable portion of incoming contributions made in respect of Independent Living Units subject to the Retirement Villages Act. Resident Lease Liabilities are required to be returned to tenants net of deferred management and major maintenance fund fees upon expiry of the lease or when they vacate the property.

o. Critical Accounting Estimates and Judgements

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

Impairment

The company assesses impairment, as required by Australian Accounting Standards, at each reporting date by evaluation of conditions and events specific to the company that may be indicative of an asset's impairment. Where an impairment trigger exists the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations are performed in assessing recoverable amounts which incorporate various key assumptions. Refer to Note 8 for assumptions in relation to impairment assessments for bed licences.

Key Judgements

i. Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

ii. Investment property

The company carries investment property at fair value with changes in the fair value recognised in profit or loss. At the end of each reporting period, the Board update their assessment of the fair value of investment property, taking into account the most recent independent valuations.

iii. Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets as determined by the current Strategic plan (Next Generation Strategy 2025) and the implementation roadmap that is refreshed annually. Uncertainties in these estimates relate to material changes in direction or timing of these plans.

p. Business Combination

The company applies the AASB 3 Business Combinations acquisition method in accounting for business combinations.

The company recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. Acquisition costs are expensed as incurred.

If the fair values of identifiable net assets exceed the consideration, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately. When the company obtains control of an acquiree without transferring consideration, the difference between the assets and liabilities acquired should be recognised as other contributed equity.

q. Assets held for sale

The company classifies non-current assets as held for sale if their carrying amount will be recovered principally through sale rather than through continuing use and a sale is considered highly probable in accordance with criteria specified in AASB 5 Non-current Assets Held for Sale and Discontinued Operations. Such non-current assets as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

r. New, revised or amending Accounting Standards and Interpretations adopted

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

s. Working Capital Deficiency

The Company discloses a working capital deficiency of \$101,667,000 (2018: \$74,569,000). The deficiency arises as a result of resident accommodation deposits, accommodation bond liabilities and resident lease liabilities of \$190,492,000 (2018: \$164,111,000) being classified as current liabilities on the basis they are repayable to residents when they leave the facility or unit, which can be at any time. The Board does not expect the balance to reduce significantly on an annual basis as the liabilities relating to residents who depart the facility/unit are generally replaced by resident accommodation deposits/liabilities received from new residents. The resident liabilities are therefore considered to form a part of the long term funding of the Company. In addition the investments (financial assets) of \$63,216,000 (2018: \$56,238,000) are investments in listed corporations. While the company's investment strategy is to hold these assets for long term economic gain, these assets are highly liquid and can be sold and converted into cash inside two working days.

NOTE 2: Revenue and other income

REVENUE	2019 (\$'000's)	2018 (\$'000's)
Revenue from (non-reciprocal) government grants and other grants		
State/Federal government grants	93,006	78,844
Other revenue		
Client service income	31,358	26,585
Total revenue	124,364	105,429
Other Income		
Other	1,490	1,455
Interest received from corporations	2,304	2,559
Dividends received from corporations	5,031	2,830
Donations and bequests received	585	74
Gain/(Loss) on disposal of non-current assets	72	100
Total other Income	9,482	7,018
Total revenue	133,846	112,447

NOTE 3: Expenses

EXPENSES	2019 (\$'000's)	2018 (\$'000's)
Employee benefits expense:		
Contributions to defined contribution superannuation funds	6,032	5,299
Employee benefits expense	73,434	64,957
Total employee benefits expense	79,466	70,256
Depreciation and amortisation:		
Land and buildings	3,568	2,804
Motor vehicle	292	292
Furniture and equipment	1,329	850
Software	1,544	1,376
Plant and equipment	2,260	1,452
Total depreciation and amortisation	8,993	6,774
Rental expense on operating leases:		
minimum lease payments - property	1,026	1,002
Total rental expense	1,026	1,002

NOTE 4: Cash and cash equivalents

CURRENT	2019 (\$'000's)	2018 (\$'000's)
Cash at bank—unrestricted	27,473	23,990
Term deposits < 3 Months	11,924	19,451
Total cash and cash equivalents as stated in the statement of financial position	39,397	43,441

NOTE 5: Accounts receivable and other debtors

CURRENT	NOTE	2019 (\$'000's)	2018 (\$'000's)
Accounts receivable		1,603	1,510
Expected credit losses	5(a)	(62)	(150)
		1,541	1,360
Residential refundable deposits receivable, accommodation bonds receivable and entry contributions receivable		6,160	5,247
Other debtors		992	785
Accrued Income		1,849	1,276
Prepayments		720	539
Total current accounts receivable and other debtors		11,262	9,207
a) Allowance for credit losses		2019 (\$'000's)	2018 (\$'000's)
Movement in the allowance for credit losses is as follows:			
Allowance for credit losses as at 30 June 2018		(150)	(243)
Reversal of allowance from last year		39	-
Written off		49	93
Provision for doubtful debts as at 30 June 2019		(62)	(150)

NOTE 6: Financial assets

CURRENT	NOTE	2019 (\$'000's)	2018 (\$'000's)
Financial assets at amortised cost - interest bearing deposits	17	66,280	65,555
NON-CURRENT			
Financial assets (fair value through other comprehensive income)	17	63,216	56,238
		129,496	121,793

NOTE 7: Property, plant and equipment

	2019 (\$'000's)	2018 (\$'000's)
LAND AND BUILDINGS		
Freehold land at cost	70,637	64,786
Less accumulated impairment losses	(229)	-
Total land	70,408	64,786
Buildings at cost	117,277	79,688
Less accumulated depreciation	(23,981)	(20,413)
Less accumulated impairment losses	(1,122)	(214)
Total buildings	92,174	59,061
Assets under construction		
At cost	3,226	31,641
Total assets under construction	3,226	31,641
Total land and buildings	165,808	155,488
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	30,332	20,112
Less accumulated depreciation	(15,480)	(13,270)
Less accumulated impairment losses	(323)	(165)
	14,529	6,677
Furniture and fittings		
At cost	16,650	10,898
Less accumulated depreciation	(7,171)	(5,855)
Less accumulated impairment losses	(21)	-
	9,458	5,043
Motor vehicles		
At cost	2,003	2,186
Less accumulated depreciation	(1,184)	(1,272)
	819	914
Total plant and equipment	24,806	12,634
Total property, plant and equipment	190,614	168,122

NOTE 7: Property, plant and equipment continued**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

2019	Assets Under Construction \$'000's	Freehold Land \$'000's	Buildings \$'000's	Plant & Equipment \$'000's	Motor Vehicles \$'000's	Furniture & Fittings \$'000's	Total \$'000's
Balance at the beginning of the year	31,641	64,786	59,061	6,677	914	5,043	168,122
Additions	1,187	4,411	8,400	4,866	165	4,720	23,749
Additions from business combinations		2,400	5,804	193	96	42	8,535
Disposals	-	-	-	(2)	(64)	(1)	(67)
Impairment [#]	-	(229)	(908)	(158)	-	(21)	(1,316)
Transfers of completed assets	(29,602)	-	23,385	5,213	-	1,004	-
Transfers to assets held for sale	-	(960)	-	-	-	-	(960)
Depreciation expense	-	-	(3,568)	(2,260)	(292)	(1,329)	(7,449)
Carrying amount at end of year	3,226	70,408	92,174	14,529	819	9,458	190,614

[#] Impairment of Residential aged care facility Hazelwood House in Traralgon due to the planned closure in late 2019.

	2019 (\$'000's)	2018 (\$'000's)
Assets under construction will be completed:		
Residential Aged Care		
not later than 12 months	513	30,218
later than 12 months	1,422	1,163
	1,935	31,381
Non Residential Aged Care		
not later than 12 months	-	-
later than 12 months	1,291	260
	1,291	260
Total Assets under construction	31,641	31,641

NOTE 8: Intangibles

	NOTE	2019 (\$'000's)	2018 (\$'000's)
Bed licences	8(i)	23,761	22,636
Software licences	8(ii)	3,785	4,675
Carrying amount at end of year		27,546	27,311

(i) BED LICENCES

Opening carrying value		22,636	22,636
Additions			
business combinations	19	1,125	-
Carrying amount at end of year		23,761	22,636

The company's bed licences were initially recognised at fair value which was considered to be the deemed cost. On an annual basis the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to carrying value to determine whether there is any impairment. On this basis, no impairment loss has been recognised in 2019 (2018: \$Nil). Fair value has been determined for operational licences and current inactive licences have been assessed with reference to value in use calculations.

Impairment Testing

For annual impairment testing of bed licences, cash generating units are determined at the facility level. The recoverable amounts of the cash generating units were determined based on value-in-use calculations, covering a detailed one year forecast, followed by an extrapolation of expected cash flows for the units for a five year forecast period and a terminal value in perpetuity using the growth rates determined by management. The present value of the expected cash flows is determined by applying a suitable discount rate.

	Growth Rate	Discount Rate
2019	1.5%	12%

Discount Rate

The discount rate reflects appropriate adjustments relating to market assessments of the time value of money and the risks specific to the asset.

Cash Flow Assumptions

In preparing the cash flow forecasts management have used certain key assumptions which include:

1. Occupancy rates that are consistent with expected occupancy levels;
2. Income growth assumptions are in line with expected government funding levels and incorporates an estimate of the ongoing impact of the Governments funding reductions;
3. Wages based on current rosters and assume wage increases in accordance with current enterprise bargaining agreements;
4. Increases in expenses in line with CPI of 2.3% with the exception of certain identified expenses that are expected to increase over CPI;
5. Capital expenditure in line with expected capital maintenance programs on facilities based upon their individual life cycles.

The result is no impairment has been recognised in 2019 (2018: Nil).

Apart from the considerations described in determining the value-in-use of the cash generating units described above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

NOTE 8: Intangibles continued

(II) SOFTWARE LICENCES	2019 (\$'000's)	2018 (\$'000's)
Opening carrying value	4,675	5,060
Additions at cost	654	991
Less amortisation	(1,544)	(1,376)
Closing carrying value	3,785	4,675

The amortisation rate for business critical software has been changed from 33% to 20%.

NOTE 9: Assets held for sale

	2019 (\$'000's)	2018 (\$'000's)
Opening carrying value	1,750	-
Transfer at cost from property, plant and equipment	960	1,750
Disposals	-	-
Closing carrying value	2,710	1,750

NOTE 10: Investment properties

	2019 (\$'000's)	2018 (\$'000's)
Opening carrying value	42,693	40,264
Additions at cost	221	1,649
Fair value adjustment	(1,351)	780
Closing carrying value	41,563	42,693

The investment properties included here are for Dalkeith Heights Retirement Village with a total 121 units.

NOTE 11: Accounts payable and other payables

CURRENT	2019 (\$'000's)	2018 (\$'000's)
Accounts payable	2,380	924
Other current payables	10,551	13,278
Prepaid income	8,980	9,342
Resident trust accounts	68	44
Residential Entry contributions, RADs, accommodation bonds & leases	155,341	132,226
Non Residential Entry contributions, accommodation bonds & leases	35,151	31,885
	212,471	187,699

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. Interest is required to be paid at two different rates:

- at the 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. Base interest for the year ended 30 June 2019 was 3.75% (2018: 3.75%);
- at the maximum permissible interest rate for the period after the end of the legislated time frame (or the time set out in the Formal Agreement) until the balance is refunded. Maximum permissible interest for the year ended 30 June 2019 ranged between 5.94% - 5.96% (2018: 5.7% - 5.77%).

Both interest rates are legislated on a quarterly basis.

NOTE 12: Provisions

CURRENT	2019 (\$'000's)	2018 (\$'000's)
Short-term employee benefits		
expected to be paid in 12 months	6,368	4,913
expected to be paid greater than 12 months	2,477	1,910
	8,845	6,823
NON-CURRENT		
Long-term employee benefits	2,500	1,982

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 13: Capital and leasing commitments**a. Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2019 (\$'000's)	2018 (\$'000's)
Payable – minimum lease payments		
not later than 12 months	681	836
later than 12 months but not later than 5 years	2,526	201
	3,207	1,037

b. Capital Commitments

The company has a capital commitment at balance date for the completion of refurbishment of one existing residential aged care facility.

	2019 (\$'000's)	2018 (\$'000's)
Capital Commitments - residential		
Property plant and equipment	2,918	11,145
	2,918	11,145

NOTE 14: Contingent liabilities

There are no contingent liabilities in relation to 2019 and 2018.

NOTE 15: Events after the reporting period

Unless otherwise disclosed, there are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected, or may affect, the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

NOTE 16: Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

The following persons were directors during the year;

- Michael Urwin
- Susan Campbell
- Deborah Law
- Associate Professor Michael Murray AM
- Associate Professor Deirdre Fetherstonhaugh
- Helen Phillips
- Helen Bloustein
- Sean Balding
- Julia Pryor (appointed on 3rd February 2019)
- David Percival (retired on 7th December 2018)

There have been no director related transactions during the financial year.

Key Management Personnel remuneration includes the following expenses:

	2019 (\$'000's)	2018 (\$'000's)
Total Key Management Personnel remuneration	1,512	1,407

NOTE 17: Financial instruments

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables, and lease liabilities. The carrying amounts 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:

FINANCIAL ASSETS	NOTE	2019 (\$'000's)	2018 (\$'000's)
Cash and cash equivalents	4	39,397	43,441
Accounts receivable and other debtors		10,542	8,668
Financial assets at amortised cost - interest bearing deposits	6	66,280	65,555
Financial assets (fair value through other comprehensive income)	6	63,216	56,238
Total financial assets		179,435	173,902
FINANCIAL LIABILITIES		2019 (\$'000's)	2018 (\$'000's)
Financial liabilities at amortised cost			
accounts payable and other payables		169,022	147,261
Total financial liabilities at amortised cost		169,022	147,261
Financial liabilities at fair value			
Lease liability		34,469	31,096
Total financial liabilities at fair value		34,469	31,096
Total financial liabilities		203,491	178,357

NOTE 18: Reserves**a. Investment Revaluation Reserve**

The investment revaluation reserve of \$859,000 (2018: \$18,112,000) represents revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as financial assets measured at fair value through other comprehensive income.

b. Major Maintenance Fund Reserve

The Major Maintenance Fund Reserve of \$1,115,000 (2018: \$917,000) provides funding from Retirement Village residents for Major Maintenance expenditure within the Retirement Village.

NOTE 19: Business Combination**a. Acquisitions and Disposals****i. Acquisition of Macedon Ranges Health operations**

On 1st July 2018, the company amalgamated with Macedon Ranges Health (MRH). Nil consideration was paid.

The details of the business combination are as follows:

	(\$'000's)
Fair value of consideration	Nil
Recognised amounts of identifiable net assets	
Property, plant & equipment	8,535
Bed licences	1,125
Trade and other receivables	518
Cash	6,449
Trade and other payables	(824)
Employee provisions	(1,714)
Other provisions	(770)
Accommodation bonds and resident liabilities	(9,562)
Other contributed equity	3,758

NOTE 20: Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the company. At 30 June 2019 the number of members was 9. As at 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$450 (2018 \$450).


Directors' declaration

The Directors of the Anglican Aged Care Services Group
T/A Benetas declare that:

1. 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:
 - a. comply with Accounting Standards- Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Act 2012; and
 - b. give a true and fair view of the financial position of the company as at 30 June 2019 and its performance for the year ended on that date.
2. 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.

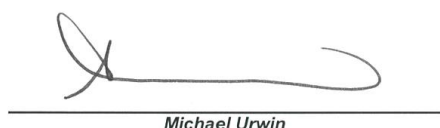
This declaration is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

Director



Sean Balding

Director



Michael Urwin

Dated this 7th day of October 2018



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Independent Auditor's Report

To the Members of Anglican Aged Care Services Group T/A Benetas

Report on the audit of the financial report

Opinion

We have audited the financial report of Anglican Aged Care Services Group T/A Benetas (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of the Anglican Aged Care Services Group T/A Benetas has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional 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 for the other information. The other information obtained at the date of this auditor's report is information included in the Company's Directors' Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report 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.

Responsibility of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not for Profits Commissions Act 2012. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

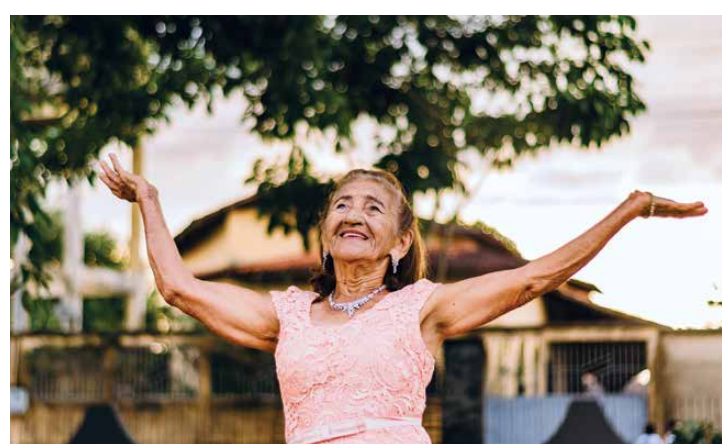
Auditor's Responsibilities for the Audit of the Financial Report

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

B L Taylor
Partner – Audit & Assurance
Melbourne, 7 October 2019



**Founded by the Anglican
Diocese of Melbourne in 1948**
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