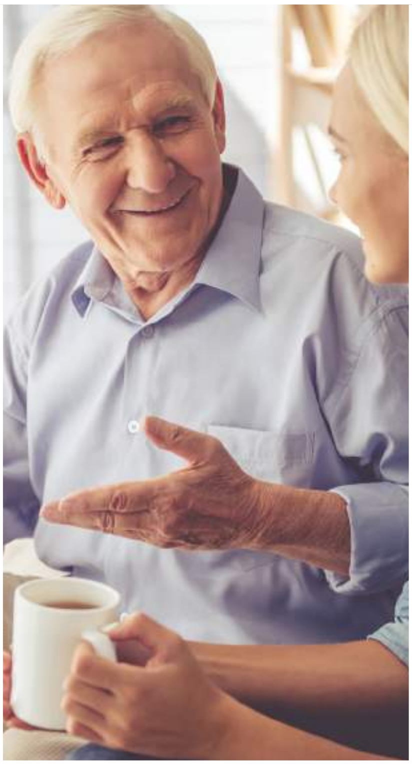
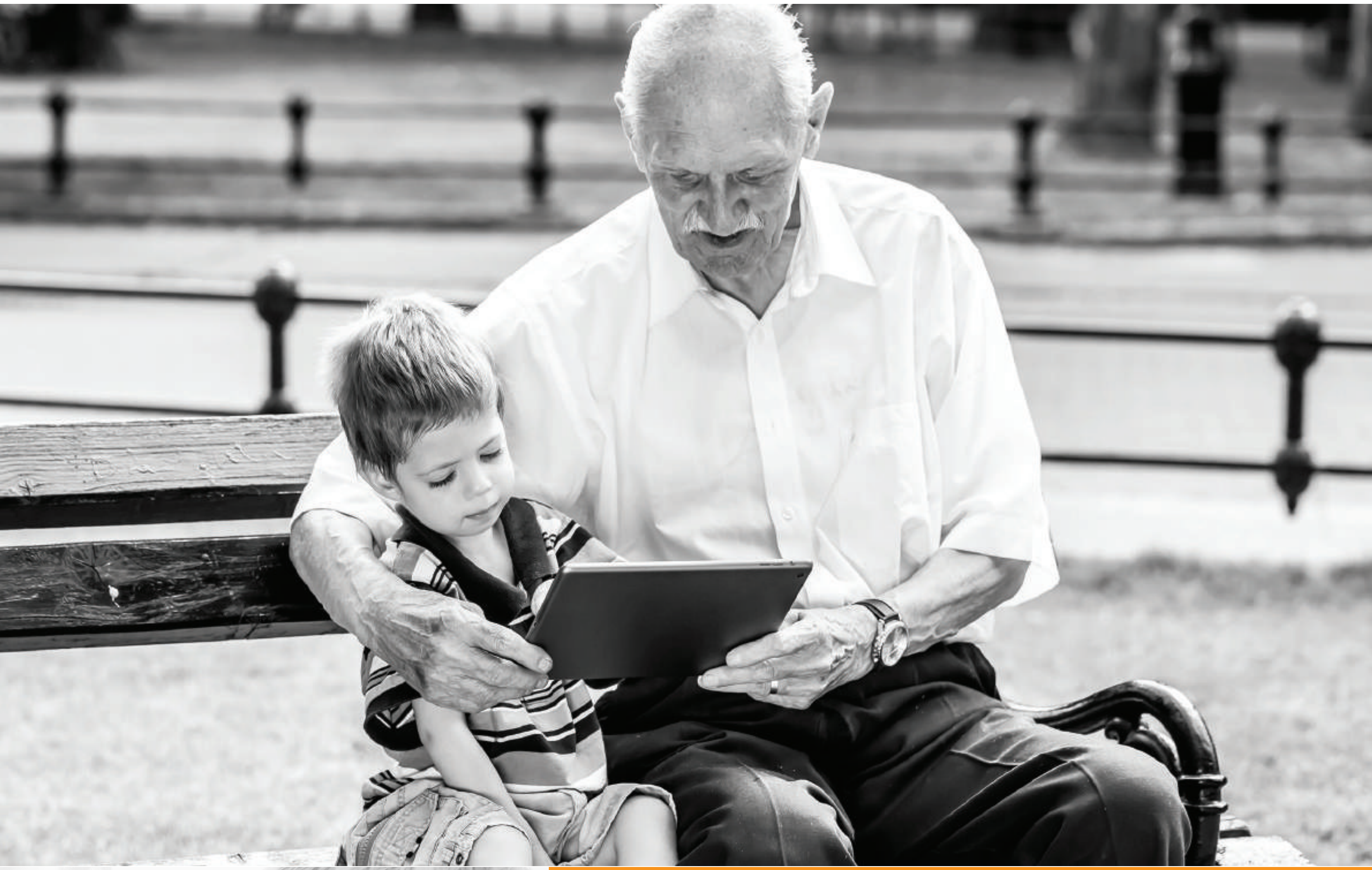
Towards **Transformation**

FINANCIAL SUMMARY 2020-2021





Contents

Our Board of Directors

Michael Urwin

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

Former Brighton Grammar School Headmaster, Michael Urwin is an active member of the Anglican Church, having been a member of the Diocese of Melbourne Archbishop Council and served as the Vicar's Warden at his local parish, St Silas in Albert Park. He has also served as the Registrar of the Diocese.

During his time as Headmaster at BGS, Michael filled a number of external roles including Chair of the Associated Public Schools, Chair of the Victorian Branch of the Australian Heads of Independent Schools Association, and Trustee of the International Boys Schools Coalition.

With an aim to contribute wherever he can, Michael understands it is a demanding time to be involved in aged care and wishes to support Benetas to continue to be the best aged care provider possible. The COVID-19 pandemic has thrown up significant challenges in aged care, as has the Royal Commission. He sees these challenges leading to significant change and improvement in the sector.

Michael was blessed with a number of inspirational mentors both as a student and a teacher. He believes in the power of strong, ethical leadership on younger professionals and the importance of creating a culture that allows all staff to be valued and to developed.

Sean Balding

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

Sean Balding is currently the Chief Operating Officer of boutique insurer Eric Insurance, with over 30 years' experience in financial consulting. He has also previously been a partner at Ernst and Young and involved in a number of significant transactions.

With significant experience in the financial sector, Sean is focused on applying that expertise at Benetas. Sean believes his experience in financial consulting and enabling business growth will be of benefit to Benetas adapting and thriving in its sector. Sean is interested to see where the changes in the aged care industry will take Benetas and the steps that the business will take to go forward in the changing environment.

Like many successful professionals, Sean believes in the wisdom of taking all opportunities presented. He accredits his career to a combination of having some great mentors as well as being an inquisitive individual with a curiosity in emerging trends. Sean enjoys following innovative companies who are seeking to transform their sectors.

Helen Bloustein

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

Helen Bloustein brings 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.

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

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

Susan brings to Benetas a range of skills in risk and finance, and many years of experience in governance, having recently retired as a long serving board member with Heritage Bank. Her consulting company was also active in training in risk and finance for financial services companies. Her previous employment has included working with global banks in Melbourne and London, corporate treasuries, CPA Australia and as a senior lecturer at RMIT University and LaTrobe Graduate School.

In addition, Susan is also author of a number of books on the topic of risk and is a regular contributor of articles to professional magazines.

Susan is very proud of the way Benetas staff and residents have handled 2020. She sincerely hopes that whilst the staff have done an amazing job, we will build an even better aged care system and a stronger organisation.

Susan is also a member of the Finance, Audit & Risk Committee, and the Investment & Funds Management Committee.

Professor Deirdre Fetherstonhaugh

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

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, measuring performance in aged care and clinical risk in residential aged care. She is also currently involved in delivering three-day education and training workshops on 'comprehensive health assessment of the older person' for enrolled and registered nurses.

Deirdre is dedicated to raising the profile of care staff in residential aged care, strongly believing that they deserve greater recognition and understanding of the work they do. With many years' experience in the aged care sector, Deirdre brings invaluable research skills and understanding of the environment of residential aged care, including quality and safety in aged care, to the Benetas Board.

Throughout her life, Deirdre has always been grateful for the opportunity to keep learning. She recommends to always look for opportunity and that it's more about what you can do, not what you can't do.

Deborah Law

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

Deborah Law is a retired specialist in health service and workforce reform and policy, focusing her work on strengthening the interface between acute health, primary health and community care and aged care. She has also worked on numerous committees at a state and national level, including the promotion of primary health care development, improving aged care, and better chronic disease management and prevention.

With a strong focus on quality systems, Deborah hopes to work toward Benetas being even more inclusive of diverse opinion and backgrounds. Deborah is excited by the approaches to care that Benetas is taking. She believes that Benetas is a vibrant and energetic organisation that can continue to adapt future models of aged care for the benefit of all older generations.

Deborah feels she has been fortunate to have worked with a number of people throughout her career, who have been fearless, compassionate and courageous, with a high degree of emotional intelligence. It is these attributes that she has tried to emulate and encourages young professionals to strive for something similar and seek out every opportunity where they present themselves.

Our Board of Directors continued

Assoc. Prof. Michael Murray AM

Appointed to the Board in July 2016
MB, BS, MPH, FRACP, AFRACMA, FAAG, FANZSGM, 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 Divisional Medical Director of Continuing Care and Director of Geriatric Medicine Austin Health.

With nearly 30 years' involvement in geriatric care, Michael's career highlights include extensive research in continence, public health and public policy, as well as working in education and service development and most recently, his appointment as the interim Chief Clinical Advisor to the first Aged Care Quality and Safety Commissioner.

Michael holds several board and committee positions with a variety of health and educational institutions and is the president of the National Ageing Research Institute and President of the Continence Foundation of Australia among others. Michael was recently appointed to the Aged Care Advisory Group of the AHPPC.

As a former Head Scout, Michael lives by the words "Good, better, best. Never let it rest, till your good is better and your better is the best."

The Venerable Helen Philips

Appointed to the Board in June 2017
BTheol, DipMin, CertBowenFamSystems

Archdeacon Helen Phillips brings over 25 years' experience in governance, management, training and leadership in the Anglican Church and educational institutions in both Victoria and Queensland.

She is currently Vicar of Mornington and Mount Martha Anglican Church and Archdeacon of Frankston. Helen is passionate about training and empowering others to reach their God- given potential, especially as leaders, and loves to play a part in shaping people and organisations for a healthy and resilient future.

Helen's contributions to the Anglican community are many and varied, and her extensive understanding of spirituality and faith in practice plays a key role in Benetas' vision to deliver meaningful services to older people, regardless of background.

With a strong connection to the values of Benetas' Anglican foundations, Helen helps to sharpen the organisations' strategic focus within the changing context of aged care.

Julia Pryor

Appointed to the Board in February 2019
B.A. Law, B.HIS&Classics, ExecM.A. (Leadership&Mgt)

Julia is presently the Chief Risk Officer, Superannuation, Retirement and Platforms at AMP and brings and brings over 20 years' experience in governance, risk and compliance to her role on the Benetas Board.

Julia has expertise in areas of financial and corporate governance, as well as a tactical and pragmatic approach to overcoming obstacles. Julia is passionate about the superannuation outcomes of all Australians.

She has a strong customer focused approach which fits in well with the organisation's Next Generation Strategy.

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.

She endeavours to apply the motto 'have courage and be kind' to everything she does in life.

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 management’s 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 surplus of $5,740,000 (2020 surplus of $2,422,000).

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. During the year the Company put in place a range of measures to combat the impact of COVID-19. These include access to and granting of leave where required, and restrictions on discretionary spending. In addition, working from home and social distancing measures have been implemented to protect staff. There have been increased costs associated with infection control and prevention of COVID-19. These costs have been captured separately in order to claim back from government grants and insurances where applicable. There remains significant uncertainty around the breadth and duration of business disruptions related to COVID-19, however any potential impacts will continue to be closely monitored.

Meetings attended by Directors

Financial year ending 30 June 2021

	Directors meetings		Quality and Compliance Committee	Financial Audit and Risk Management Committee	Investment Funds Management Committee	Governance Committee
	Meetings held (10)		Meetings held (6)	Meetings held (9)	Meetings held (6)	Meetings held (4)
Current Directors	Eligible	Attended	Attended	Attended	Attended	Attended
Michael Urwin	10	10	5	9	5	4
Susan Campbell	10	9	-	7	6	-
Deborah Law	10	10	6	-	-	3
A/Prof Michael Murray AM	10	10	6	-	-	-
Prof Deirdre Fetherstonhaugh	10	8	6	-	-	-
Archdeacon Helen Phillips	10	10	3	-	-	4
Helen Bloustein	10	9	-	-	6	-
Sean Balding	10	10	-	9	-	-
Julia Pryor	10	10	-	8	-	-
Paul McGlinn (External Advisor)	-	-	-	-	6	-
Dr Graeme Blackman AO (External Advisor)	-	-	-	9	-	3
Keith Dickie (External Advisor)	-	-	-	-	5	-
Diane Pardo (External Advisor) (note1)	-	-	-	-	3	-
John McKenzie OAM (External Advisor) (note 2)	-	-	-	-	-	2
David Percival (External Advisor)	-	-	-	8	-	-
Dr Therese Riley (External Advisor)	-	-	6	-	-	-
Elizabeth Loftus (External Advisor) (note 3)	-	-	-	-	3	-
James Smith (External Advisor) (note 4)	-	-	-	-	3	-
Sandra Hills OAM (Non-Director)	-	10	6	9	6	4
Neil Fawcett (Non-Director) (note 5)	-	10	-	9	6	-

Please note:

1. Diane Pardo retired as an External Advisor on 4th December 2020.
2. John McKenzie OAM retired as an External Advisor on 29th October 2020.
3. Elizabeth Loftus was appointed as an External Advisor to the Investment & Funds Management Committee on 10th February 2021.
4. James Smith was appointed as an External Advisor to the Investment & Funds Management Committee on 10th February 2021.
5. Neil Fawcett was appointed to the Investment & Funds Management Committee on 7th June 2021.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 6 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 8th day of November 2021

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8 November 2021

The Directors
Anglican Aged Care Services Group
Level 1, 789 Toorak Road
Hawthorn VIC 3122

Dear Directors

Auditor's Independence Declaration to Anglican Aged Care Services Group

In accordance with Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Directors of Anglican Aged Care Services Group.

As lead audit partner for the audit of the financial statements of Anglican Aged Care Services Group for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Sandra Lawson

Sandra Lawson
Partner
Chartered Accountants

Statement of profit or loss and other comprehensive income for the year ended 30 June 2021

INCOME FROM CONTINUING OPERATIONS	NOTE	2021 ($'000's)	2020 ($'000's)
Revenue	2	148,630	139,685
Other Income	2	10,026	12,677
Total revenue and income		158,656	152,362

EXPENSES FROM CONTINUING OPERATIONS			
Employee expense	3	(86,737)	(85,354)
Depreciation and amortisation expense	3	(11,116)	(10,678)
Client specific expense		(13,605)	(14,277)
Catering expense		(10,323)	(10,257)
Cleaning expense		(5,265)	(4,377)
Repairs, maintenance and vehicle running expense		(5,533)	(5,667)
Rental expense	3	(356)	(563)
Utilities, rates and insurance expense		(3,819)	(4,101)
Other expenses		(5,523)	(5,369)
Interest paid	3	(9,180)	(7,904)
Net surplus before impairment of assets and fair value of investment property		7,199	3,815
Fair value of investment property	10	1,851	(354)
Fair value of lease liabilities		(2,617)	(966)
Impairment of property, plant and equipment	7	(693)	(73)
Net surplus after impairment of assets and fair value of investment property and before tax		**5,740**	**2,422**
Tax expense	1(m)	-	-
Net surplus for the year		5,740	2,422
Other comprehensive income (or loss):			
Items that will not be reclassified to profit or loss			
- Fair value movement of investments (financial assets)		13,707	(11,836)
Total other comprehensive income (or loss) for the year		13,707	(11,836)
Total comprehensive income (or loss) for the year		**19,447**	**(9,414)**

Statement of financial position as at 30 June 2021

ASSETS CURRENT ASSETS	NOTE	2021 ($'000's)	2020 ($'000's)
Cash and cash equivalents	4	48,178	45,050
Accounts receivable and other debtors	5	10,835	9,597
Financial assets	6	63,293	84,839
Assets held for sale	9	-	2,943
Total Current Assets		122,306	142,429
NON-CURRENT ASSETS			
Financial assets	6	85,067	60,395
Property, plant and equipment	7	196,689	189,489
Right of use assets	19	3,708	3,794
Intangibles	8	27,806	26,081
Investment properties	10	58,286	42,283
Total Non-Current Assets		371,556	322,042
Total Assets		**493,862**	**464,471**
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	11	246,661	238,117
Lease liabilities	19	1,260	658
Employee provisions	12	11,128	10,224
Total Current Liabilities		259,049	248,999
NON-CURRENT LIABILITIES			
Lease liabilities	19	2,823	3,184
Employee provisions	12	3,150	2,895
Total Non-Current Liabilities		5,973	6,079
Total Liabilities		**265,022**	**255,078**
Net Assets		**228,840**	**209,393**
EQUITY			
Retained earnings		213,681	213,924
Other contributed equity		3,793	3,793
Reserves	18	11,366	(8,324)
Total Equity		**228,840**	**209,393**

Statement of changes in equity for the year ended 30 June 2021

	Retained Earnings $'000's	Other Contributed Equity $'000's	TOTAL RESERVES Major Maintenance Fund $'000's	Investment Revaluation Reserve $'000's	Total Reserves $'000's	Total Equity $'000's
Balance at 1 July 2019	213,040	3,758	1,115	859	1,974	218,772
Comprehensive Income Surplus for the year						
Surplus for the year attributable to members of the entity	2,422	-	-	-	-	2,422
Other comprehensive income						
Investments (financial assets) revaluation	-	-	-	(11,836)	(11,836)	(11,836)
Other contributed equity	-	35	-	-	-	35
Total comprehensive income attributable to members of the entity	2,422	35	-	(11,836)	(11,836)	(9,379)
Transfer from reserves						
Major maintenance fund provision	(215)	-	215	-	215	-
Realised gain/(losses) on disposal of investments	(1,323)	-	-	1,323	1,323	-
Restated total transfers from reserves	(1,538)	-	215	1,323	1,538	-
Balance at 30 June 2020	213,924	3,793	1,330	(9,654)	(8,324)	209,393
Comprehensive Income Surplus for the year						
Surplus for the year attributable to members of the entity	5,740	-	-	-		5,740
Other comprehensive income						
Investments (financial assets) revaluation	-	-	-	13,707	13,707	13,707
Other contributed equity	-	-	-	-	-	-
Total comprehensive income attributable to members of the entity	5,740	-	-	13,707	13,707	19,447
Transfer from reserves						
Major maintenance fund provision	(217)	-	217	-	217	-
Realised gain on disposal of investments	(5,766)	-	-	5,766	5,766	-
Total transfer from reserves	(5,983)	-	217	5,766	5,983	-
Balance at 30 June 2021	**213,681**	**3,793**	**1,547**	**9,819**	**11,366**	**228,840**

Statement of cash flows for the year ended 30 June 2021

CASH FLOW FROM OPERATING ACTIVITIES	NOTE	2021 ($'000's)	2020 ($'000's)
Commonwealth, State and Local Government grants and client income		139,961	134,514
Receipts from donations, bequests and raffles		158	62
Payments to suppliers and employees		(135,352)	(126,368)
Interest received		543	1,358
Dividends received		1,644	3,255
Interest paid		(282)	(417)
Net cash generated from operating activities		6,672	12,404

CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		9,269	9,286
Payments for business combinations	20	(11,285)	-
Payment for property, plant and equipment - residential aged care		(2,490)	(8,008)
Payment for property, plant and equipment - non residential aged care		(1,206)	(2,655)
Proceeds from sale of investments (financial assets)		67,723	35,140
Payment for investments (financial assets)		(57,143)	(62,714)
Payment for intangibles		(27)	(78)
Payments for investment property development		(10,263)	(1,074)
Net cash used in investing activities		(5,422)	(30,103)

CASH FLOW FROM FINANCING ACTIVITIES			
Refunds of residential RADs, accommodation bonds and entry contributions		(48,979)	(50,781)
Refunds of non residential accommodation bonds and entry contributions		(41)	(234)
Proceeds from residential RADs, accommodation bonds and entry contributions		50,893	73,358
Payments for leases		(442)	(584)
Refunds of retirement village leases		(2,404)	(4,179)
Proceeds from retirement village leases		2,851	5,772
Net cash generated from financing activities		1,878	23,352
Net increase in cash held		3,128	5,653
Cash on hand at the beginning of the financial year	4	45,050	39,397
Cash and cash equivalents at end of the financial year		48,178	45,050

Notes to the Financial Statement

The financial statements cover ANGLICAN AGED CARE SERVICES GROUP T/A BENETAS (the 'company') as an individual entity, incorporated and domiciled in Australia. The company is a public 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 8 November 2021 by the Directors of the company.

Accounting Policies

a. 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.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and makes consequential amendments to several other pronouncements and publications. The company has adopted these amendments for the first time in the current year. The amendments make the definition of material in AASB 101 easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency. There was no material impact to the financial statements as a result of the adoption of this standard.Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Change in accounting policy

Implementation of IFRIC agenda decision and new accounting policy

During the year, the company revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing SaaS arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The impact of the interpretation was not material.

b. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ending 30 June 2021.

At the date of these financial statements, the standards listed below are yet to come into effect. The Directors are still assessing the likely impact of their adoption.

c. Revenue and Income

Government subsidies

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

STANDARD/AMENDMENT	Effective for annual reporting periods
AASB 1060 – General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities	1 July 2021
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date.	1 July 2023
AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities	1 July 2021
AASB 2020-3 Amendments to Australian accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 July 2022
AASB 2020-7 Amendments to Australian accounting Standards – COVID-19-Related rental concessions Tier 2 Disclosures	1 July 2021
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 July 2023

Resident and client fees
Resident and client fee revenue is recognised over time as performance obligations are satisfied, which is as the services are provided. Fees received in advance of services being performed are recognised as contract liabilities.

Deferred management fees
Under AASB 15, deferred management fees are recognised over the expected length of stay of a retirement living resident. The expected length of stay of a resident is estimated based on historical tenure data and expectations of future trends, noting age of resident, gender and other specified characteristics. The unearned revenue is recognised as a contract liability.

Grant income without sufficiently specific and enforceable performance obligations
Grant funds received by the company that do not have sufficiently specific and enforceable performance obligations are recognised as income when the company gains control of the funds.

Grant revenue with sufficiently specific and enforceable performance obligations
Grant funds received by the company that have sufficiently specific and enforceable performance obligations, in accordance with AASB 15, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the company satisfies its performance obligations.

Donations and bequests
Donation and bequest income is recognised when the company gains control of the funds and when the funds provided do not give rise to an obligation.

Interest income
Interest income is recognised on an accrual basis using the effective interest method.

Investment income
Dividend and distribution income is recognised when dividends are received

d. 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.

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

Villages under construction are carried at fair value. Units are transferred from villages under construction to operational villages once residents have entered the property. Villages under construction, include consideration of the recognition of development margin, deferred management fees, consider stage of completion and development risk associated with the development.

e. 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	Depreciation Rate
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.

f. Leases

Leases in which the Company is a lessee

The company leases various offices and vehicles. Rental contracts are typically made for fixed periods of 2 to 5 years, but may have extension options.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the company under residual value guarantees
- The exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Leases in which the Company is a lessor

Contracts with residents includes provisions for room details, fees, charges and payments. The company has concluded that its accommodation arrangements relating to the provision of residential aged care and retirement living accommodation contains a lease, being the exclusive right to the use of an identified room/unit by a resident.

From the adoption of AASB 16 Leases it was concluded that Benetas is a lessor in the arrangement where a resident has chosen a RAD or Bond arrangement under which to receive residential aged care services. The arrangement is accounted for by recognising a non-cash increase in income, with a corresponding non-cash increase in finance costs on the outstanding RAD liability with no net impact on the result in the period. The imputed interest income is calculated on the MPIR rates applicable at the date of entry for each resident from the date of adoption of the standard.

g. 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 whoseobjective 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.

h. 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.

i. 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.

j. 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.

k. 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.

l. 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 net 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.

m. 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.

n. 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 purchased cost if acquired as single assets in a business combinations, 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(g) with further details of the current year calculation detailed in Note 8.

In response to the Royal Commission into Aged Care Quality and Safety, the Federal Government has announced from now until 1 July 2024, it will implement changes to the current aged care system that assigns places directly to senior Australians. This means that the Aged Care Approvals Round (ACAR) will be discontinued following the 2020 round and 'bed licences' will no longer exist. In the event that this occurs, the company will derecognise the associated assets in an appropriate manner in line with Australian Accounting Standards. Given the preliminary and unsubstantive nature of the announcement as at reporting date, no adjustment has been made to these balances during the year.

Until further announcement and passing of such legislation the company will continue to, on an annual basis perform an impairment test whereby 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 2021 (2020: $Nil). Fair value has been determined for operational licences and current inactive licences have been assessed with reference to value in use calculations.

Software

Acquired computer software is 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.

o. 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.

p. 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.

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.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.

(iv) Business Combination

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. The company has taken into account independent valuations in determining fair values at acquisition date.

(v) Right of use assets and lease liabilities

In applying AASB 16, the company has made the following judgements.

In determining the lease term used to ascertain total future lease payments, the company considers all facts and circumstances that create an economic benefit to exercise an extension option. Renewal options are only considered to be part of the lease term if the lease is reasonably certain to be extended. The company has included renewal periods as part of the lease term for all leases it is reasonably certain will be extended.

Where the company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to calculate the present value of future lease payments. The IBR is the interest rate that the company would have to pay to borrow over a similar term of each lease. To determine the IBR, the company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third party financing, and
- Makes adjustments specific to the lease, e.g. term and security.

q. 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.

r. 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.

s. Working Capital Deficiency

The company discloses a working capital deficiency of $136,743,000 (2020: $106,570,000). The deficiency arises as a result of resident accommodation deposits, accommodation bond liabilities and resident lease liabilities of $222,103,000 (2020: $212,855,000) 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 $85,067,000 (2020: $60,395,000) 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	2021 ($'000's)	2020 ($'000's)
Revenue from government grants and other grants		
State/Federal government grants	107,642	99,581
Other revenue		
Client service revenue	32,285	32,843
Imputed interest revenue on RAD and bond balances (AASB 16)	8,703	7,261
Total revenue	**148,630**	**139,685**
OTHER INCOME		
Other	923	889
Rental income	686	538
Interest received from corporations	543	1,358
Dividends received from corporations	1,644	3,255
Donations and bequests received	158	62
Gain on disposal of non-current assets	6,072	6,575
Total other Income	**10,026**	**12,677**
Total revenue and other income	**158,656**	**152,362**

Note 3: Expenses

EXPENSES	2021 ($'000's)	2020 ($'000's)
Employee benefits expense:		
Contributions to defined contribution superannuation funds	6,730	6,600
Employee benefits expense	80,007	78,754
Total employee benefits expense	**86,737**	**85,354**
Depreciation and amortisation:		
Land and buildings	3,917	3,933
Motor vehicle	275	296
Furniture and equipment	1,741	1,768
Software	1,452	1,547
Plant and equipment	2,962	2,502
Right of use assets (AASB 16)	769	632
Total depreciation and amortisation	**11,116**	**10,678**
Interest expense:		
imputed interest cost on RAD and bond balance (AASB 16)	8,703	7,261
interest expense on lease liabilities (AASB 16)	82	68
interest expense on RAD and bond for departed residents	395	575
Total interest expense	**9,180**	**7,904**
Rental expense on short-term and low-value leases:		
short term lease payments - property	296	493
low-value lease payments - office equipment	60	70
Total rental expense	**356**	**563**

Note 4: Cash and cash equivalents

CURRENT	2021 ($'000's)	2020 ($'000's)
Cash at bank - unrestricted	30,735	34,186
Term deposits< 3 Months	17,443	10,864
Total cash and cash equivalents as stated in the statement of financial position	**48,178**	**45,050**

Note 5: Accounts Receivable and Other Debtors

CURRENT	NOTE	2021 ($'000's)	2020 ($'000's)
Accounts receivable		1,257	1,079
Expected credit losses	5(a)	(119)	(56)
		1,138	**1,023**
Residential refundable deposits receivable, accommodation bonds receivable and entry contributions receivable		4,396	5,469
Other debtors		3,395	1,225
Accrued Income		1,100	992
Prepayments		806	888
Total current accounts receivable and other debtors		**10,835**	**9,597**

(a) Allowance for credit losses	2021 ($'000's)	2020 ($'000's)
Movement in the allowance for credit losses is as follows:		
Allowance for credit losses as at 1 July	(56)	(62)
Reversal of allowance from last year	21	37
Charge for the year	(84)	(47)
Written off	-	16
Allowance for credit losses as at 30 June	**(119)**	**(56)**

Note 6: Financial Assets

CURRENT	NOTE	2021 ($'000's)	2020 ($'000's)
Financial assets at amortised cost - interest bearing deposits	17	63,293	84,839
NON-CURRENT			
Financial assets (fair value through other comprehensive income)	17	85,067	60,395
		148,360	**145,234**

Note 7: Property, Plant and Equipment

LAND AND BUILDINGS	2021 ($'000's)	2020 ($'000's)
Freehold land at cost:	70,696	68,212
Less accumulated impairment losses	-	(229)
Total land	**70,696**	**67,983**
Buildings at cost:	132,773	122,070
Less accumulated depreciation	(29,304)	(27,620)
Less accumulated impairment losses	(214)	(1,122)
Total buildings	**103,255**	**93,328**
Assets under construction		
At cost	1,969	4,465
Less accumulated impairment losses	(693)	-
Total assets under construction	**1,276**	**4,465**
Total land and buildings	**175,227**	**165,776**

PLANT AND EQUIPMENT	2021 ($'000's)	2020 ($'000's)
Plant and equipment		
At cost	33,065	32,128
Less accumulated depreciation	(20,619)	(18,122)
Less accumulated impairment losses	(165)	(365)
	12,281	**13,641**
Furniture and fittings		
At cost	18,639	18,289
Less accumulated depreciation	(10,173)	(8,793)
Less accumulated impairment losses	-	(53)
	8,466	**9,443**
Motor vehicles		
At cost	2,165	2,062
Less accumulated depreciation	(1,450)	(1,433)
	715	**629**
Total plant and equipment	**21,462**	**23,713**
Total property, plant and equipment	**196,689**	**189,489**

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:

2021	Assets Under Construction $'000's	Freehold Land $'000's	Buildings $'000's	Plant and Equipment $'000's	Motor Vehicles $'000's	Furniture & Fittings $'000's	Total $'000's
Balance at the beginning of the year	4,465	67,983	93,328	13,641	629	9,443	189,489
Additions	193	-	1,264	1,482	384	643	3,966
Additions from business combinations		4,050	12,580	120	10	123	16,883
Disposals	-	(75)	-	-	(33)	(2)	(110)
Impairment #	(693)	-	-	-	-	-	(693)
Transfer to Investment Properties	(2,689)	(1,262)	-	-	-	-	(3,951)
Depreciation expense	-	-	(3,917)	(2,962)	(275)	(1,741)	(8,895)
Carrying amount at end of year	**1,276**	**70,696**	**103,255**	**12,281**	**715**	**8,466**	**196,689**
# Impairment of Doncaster Project Development Costs							

Assets under construction will be completed:	2021 ($'000's)	2020 ($'000's)
Residential Aged Care		
not later than 12 months	222	-
later than 12 months	1,276	2,938
	1,276	**2,938**
Non Residential Aged Care		
not later than 12 months	-	-
later than 12 months	-	1,527
	-	**1,527**
Total Assets under construction	**1,276**	**4,465**

Note 8: Intangibles

	NOTE	2021 ($'000's)	2020 ($'000's)
Bed licences	8(i)	26,911	23,761
Software	8(ii)	895	2,320
Carrying amount at end of year		**27,806**	**26,081**
(I) BED LICENCES			
Opening Carrying value		23,761	23,761
Additions			
business combinations	20	3,150	-
Closing carrying value		**26,911**	**23,761**

The company's bed licences were initially recognised at fair value which was considered to be the deemed cost, if acquired for nil consideration, or in a business combination. 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 2021 (2020: $Nil).

Impairment Testing

For annual impairment testing of bed licences, 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
2021	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 2021 (2020: 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. In addition, during the current period external valuations were obtained for each of the facilities which supported the carrying value of the assets held.

Note 8: Intangibles

(II) SOFTWARE	2021 ($'000's)	2020 ($'000's)
Opening carrying value	2,320	3,785
Additions at cost	27	82
Less amortisation	(1,452)	(1,547)
Closing carrying value	**895**	**2,320**

Note 9: Assets Held for Sale

	2021 ($'000's)	2020 ($'000's)
Opening carrying value	2,943	2,710
Additions at cost	10	-
Transfer at cost from property, plant and equipment	-	1,983
Disposals	(2,953)	(1,750)
Closing carrying value	**-**	**2,943**

Note 10: Investment Properties

	2021 ($'000's)	2020 ($'000's)
Investment property - operational		
Opening carrying value	41,183	40,463
Additions at cost	991	1,074
Fair value adjustment	1,518	(354)
Closing carrying value	**43,692**	**41,183**
Investment property - under construction		
Opening carrying value	1,100	1,100
Transfer from Property, Plant and Equipment	3,951	-
Additions at cost	9,210	-
Fair value adjustment	333	-
Closing carrying value	**14,594**	**1,100**

The investment properties included here are for 1) Operational: Dalkeith Heights Retirement Village stage1&2; 2) Under construction: St John's Rise Retirement Village and Dalkeith Heights Retirement Village stage3.

Note 11: Accounts Payable and Other Payables

	2021 ($'000's)	2020 ($'000's)
CURRENT		
Accounts payable	3,658	3,073
Other current payables	7,591	11,778
Prepaid revenue	13,246	10,335
Resident trust accounts	63	76
Residential Entry contributions, RAD's, accommodation bonds & leases	184,413	176,665
Non Residential Entry contributions, accommodation bonds & leases	37,690	36,190
	246,661	**238,117**

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 2021 was 2.25% (2020: 2.25%);
- 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 2021 ranged between 4.01% - 4.10% (2020: 4.89% - 5.54%). Both interest rates are published by the Department of Health on a quarterly basis.

Note 12: Provisions

	2021 ($'000's)	2020 ($'000's)
CURRENT		
Short-term employee benefits		
expected to be paid in 12 months	8,012	7,361
expected to be paid greater that 12 months	3,116	2,863
	11,128	**10,224**
NON-CURRENT		
Long-term employee benefits	**3,150**	**2,895**

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 Commitments and Commitments for low-value and short-term leases

(a) LOW-VALUE AND SHORT-TERM LEASES LEASE COMMITMENTS	2021 ($'000's)	2020 ($'000's)
Payable – minimum lease payments		
short-term leases (offices on month to month leases)	54	72
low value leases (printers)	70	129
	124	**201**

(b) CAPITAL COMMITMENTS

The company has a capital commitment at balance date for the development of retirement villages.

	2021 ($'000's)	2020 ($'000's)
Capital Commitments		
Property plant and equipment	**12,260**	**12,496**

Note 14: Contingent Liabilities

There are no contingent liabilities in relation to 2021

Note 15: Events After the Reporting Period

As acknowledged in Note 1(n) of the financial statements, in the May 2021 Federal Budget, the Australian Government announced its intention to remove bed licences by 1 July 2024 with the current system remaining in place until 30 June 2024. As the scope and content of the reforms remained unknown at 30 June 2021, there has been no change to the accounting treatment of bed licences for the year ended 30 June 2021.

On 29 September 2021 the Department of Health released a discussion paper Improving Choice in Residential Aged Care – ACAR Discontinuation on the key issues about improving choice in residential aged care. The Australian Securities and Investments Commission (ASIC) simultaneously released a FAQ that covers potential accounting implications of the discontinuation of bed licences.

The Board will consider these 2 publications, together with future developments and clarification of potential legislation changes, in their determination of the accounting treatment of bed licences for the year ending 30 June 2022. As a result, the accounting for bed licences as an indefinite life asset may change and result in accelerated amortisation of the carrying values to write these down to nil by 30 June 2024. The amortisation is a non-cash item and would have no impact on the operations or cash flows of the business.

No other matter or circumstance has arisen since 30 June 2021 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.

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
- Professor Deirdre Fetherstonhaugh
- Archdeacon Helen Phillips
- Helen Bloustein
- Sean Balding
- Julia Pryor

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

Key Management Personnel remuneration includes the following expenses:

	2021 ($'000's)	2020 ($'000's)
Total Key Management Personnel remuneration	**2,344**	**2,149**

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:

	NOTE	2021 ($'000's)	2020 ($'000's)
FINANCIAL ASSETS			
Cash and cash equivalents	4	48,178	45,050
Accounts receivable and other debtors		10,029	8,709
Financial assets at amortised cost - interest bearing deposits	6	63,293	84,839
Financial assets (fair value through other comprehensive income)	6	85,067	60,395
Total financial assets		**206,567**	**198,993**
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
accounts payable and other payables		196,132	192,040
Total financial liabilities at amortised cost		**196,132**	**192,040**
Financial liabilities at fair value			
Lease liability		37,283	35,742
Total financial liabilities at fair value		37,283	35,742
Total financial liabilities		**233,415**	**227,782**

Note 18: Reserves

a. Investment Revaluation Reserve

The investment revaluation reserve of $9,819,000 (2020: -$9,654,000) 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 $1,547,000 (2020: $1,330,000) provides funding from Retirement Village residents for Major Maintenance expenditure within the Retirement Village.

	2021 ($'000's)	2020 ($'000's)
Investment Revaluation Reserve	9,819	(9,654)
Major Maintenance Fund Reserve	1,547	1,330
Total Key Management Personnel remuneration	**11,366**	**(8,324)**

Note 19: Leases

The balance sheet shows the following amounts relating to leases:

	Property $'000's	Vehicles $'000's	Total $'000's
RIGHT OF USE ASSETS			
Recognised at 1 July 2020	3,719	75	3,794
Additions	586	97	683
Depreciation	(705)	(64)	(769)
Carrying value at 30 June 2021	**3,600**	**108**	**3,708**
LEASE LIABILITIES			
Current lease liabilities	1,260		658
Non-current lease liabilities	2,823		3,184
	4,083		**3,842**

Note 20: Business Combination

i. Acquisition of Clarinda on the Park operations

On 9th April 2021, the company acquired residential aged care facility Clarinda on the Park. $11.3m consideration was paid.

The details of the business combination are as follows:

	$ (000)
FAIR VALUE OF CONSIDERATION	**11,285**
Recognised amounts of identifiable net assets	
Property, plant & equipment	16,883
Bed licences	3,150
Employee provisions	(1,346)
Accommodation bonds and resident liabilities	(7,402)
Identifiable net assets	**11,285**

Note 21: 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. As at 30 June 2021 the number of members was 9 and the total amount that members of the company are liable to contribute if the company is wound up is $450 (2020 $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:

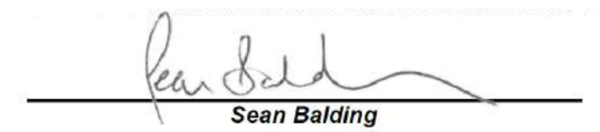
   a. comply with Accounting Standards- Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Act 2012; and

   b. give a true and fair view of the financial position of the company as at 30 June 2021 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:

Director



Director

Dated this 8th day of November 2021

Deloitte.

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Independent Auditor's Report to the Members of Anglican Aged Care Services Group

Opinion

We have audited the financial report of Anglican Aged Care Services Group (the "Entity") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

(i) giving a true and fair view of the Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

Deloitte.

Directors' Responsibilities for the Financial Report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the ACNC Act and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Entity 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 Entity or to cease operations, or has no realistic alternative but to do so.

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 Entity's internal control.

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

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

Deloitte.

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Sandra Lawson

Sandra Lawson
Partner
Chartered Accountants
Melbourne, 8 November 2021

Founded by the Anglican Diocese of Melbourne in 1948
Anglican Aged Care Services Group Trading as Benetas
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