FINANCIAL REPORT

30 JUNE 2023
BENEVOLENT AGED CARE LTD
ABN 14 650 323 599
NAPS ID: 79

benevolent Living

CONTENTS

benevolent Living

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue	4	14,273,084	11,985,220
Other income	4	1,649,705	1,324,250
		15,922,789	13,309,470
Expenses			
Administration and other expenses		(779,117)	(827,871)
Project Expenses		(299,426)	(599,797)
Depreciation and amortisation	5	(1,013,025)	(637,203)
Cleaning and laundry		(103,684)	(117,125)
Catering costs		(671,165)	(469,215)
Fair value loss on financial assets	5	(193,633)	(1,833,346)
Finance costs	5	(126,369)	(119,245)
Insurance		(143,752)	(95,279)
Loss on sale of financial assets	5	(67,306)	-
Loss on sale of property, plant and equipment	5	-	(2,586,514)
Repair and maintenance costs		(394,030)	(326,699)
Resident expenses		(538,660)	(563,992)
Salaries and employee benefits		(9,916,482)	(8,081,581)
Utilities		(419,527)	(358,113)
		(14,666,176)	(16,615,980)
Surplus (deficit) before income tax		1,256,613	(3,306,510)
Income tax expense		-	-
Surplus (deficit) for the year		1,256,613	(3,306,510)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		1,256,613	(3,306,510)

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 $	2022 $
ASSETS			
Cash and cash equivalents	6	20,152,519	16,447,072
Trade and other receivables	7	1,008,316	697,471
Inventories	8	7,219	10,263
Financial assets	9	16,843,730	23,776,563
Capital work in progress	10	16,805,190	2,471,250
Property, plant and equipment	11	34,074,332	35,048,799
TOTAL ASSETS		88,891,306	78,451,418
LIABILITIES			
Trade and other payables	12	5,352,273	4,021,377
Refundable loans expected to be paid within 12 months	13	8,662,195	5,205,992
Employee benefits expected to be paid within 12 months	14	1,297,938	1,106,782
Refundable loans expected to be paid after 12 months	13	14,749,142	10,569,740
Employee benefits expected to be paid after 12 months	14	107,439	81,821
TOTAL LIABILITIES		30,168,987	20,985,712
NET ASSETS		**58,722,319**	**57,465,706**
FUNDS			
Accumulated funds		51,109,357	49,852,744
Reserves	15	7,612,962	7,612,962
TOTAL FUNDS		**58,722,319**	**57,465,706**

STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Funds	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2021	53,159,254	7,612,962	60,772,216
Comprehensive income			
Surplus (deficit) for year	(3,306,510)	-	(3,306,510)
Other comprehensive income	-	-	-
Total comprehensive income (loss) for the year	(3,306,510)	-	(3,306,510)
Balance at 30 June 2022	49,852,744	7,612,962	57,465,706
Balance at 1 July 2022	49,852,744	7,612,962	57,465,706
Comprehensive income			
Surplus (deficit) for year	1,256,613	-	1,256,613
Other comprehensive income	-	-	-
Total comprehensive income (loss) for the year	1,256,613	-	1,256,613
Balance at 30 June 2023	51,109,357	7,612,962	58,722,319

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers and government		15,604,342	13,530,241
Payments to suppliers and employees		(14,778,179)	(13,028,891)
Investment income received		1,537,243	983,283
Interest paid		(55,305)	(37,476)
Net cash flows from operating activities		2,308,101	1,447,157
Cash flows from investing activities			
Proceeds from sale of financial assets		9,653,276	7,272,065
Purchase of financial assets		(2,981,382)	(11,679,983)
Purchase of property, plant and equipment		(38,558)	(126,573)
Purchase of capital work in progress		(12,923,334)	(15,134,491)
Net cash flows from investing activities		(6,289,998)	(19,668,982)
Cash flows from financing activities			
Proceeds from refundable accommodation deposits		14,214,858	6,241,337
Repayment of refundable accommodation deposits		(6,527,514)	(4,108,361)
Net cash flows from financing activities		7,687,344	2,132,976
Net increase (decrease) in cash and cash equivalents		3,705,447	(16,088,849)
Cash and cash equivalents at the beginning of the financial year		16,447,072	32,535,921
Cash and cash equivalents at the end of the financial year	6	**20,152,519**	**16,447,072**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 - CORPORATE INFORMATION

The financial report includes the financial statements and notes of Benevolent Aged Care Ltd as an individual entity. Benevolent Aged Care Ltd is registered as a company limited by guarantee and not having a share capital under the provisions of the Australian Charities and Not-for-profits Commission Act 2012.

Benevolent Aged Care Ltd provides accommodation and care services to vulnerable and frail elderly people.

The registered address and principal place of business of the company is:
60 West Steet
Rockhampton QLD 4700

The financial statements were approved by the Board of Directors on 30 October 2023.

NOTE 2 - BASIS OF PREPARATION

Statement of compliance

These general purpose financial statements have been prepared in compliance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and *Australian Accounting Standards - Simplified Disclosures.* The company is a not-for-profit entity for the purposes of preparing these financial statements.

Basis of measurement

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.

Comparatives

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2 - BASIS OF PREPARATION (CONTINUED)

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.

Key estimates
Impairment
The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

New and revised standards that are effective for these financial statements
Several amendments to Australian Accounting Standards and interpretations are mandatory for the 30 June 2023 reporting period. These include:
- AASB 2022-3 Amendments to AASs – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15 (effective for the year ending 30 June 2023)
- AASB 2020-3 Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use (effective for the year ending 30 June 2023)
- AASB 2020-3 Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract (effective for the year ended 30 June 2023)

New and revised standards that are effective for these financial statements (continued)

The application of the amendments to AASB 15, AASB 116 and AASB 137 have not had a material impact on the carrying values of the company's asset, liability or equity balances; nor a material impact on the disclosures in the financial report nor the recognition and measurement of the company's revenue or expenses.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the company. These include:

- AASB 2020-1: Amendments to AASs – Classification of Liabilities as Current or Non-current (effective for the year ending 30 June 2024)
- AASB 2021-2- and AASB 2021-6: Amendments to AASs – Disclosure of Accounting Policies (effective for the year ending 30 June 2024)
- AASB 2021-2: Amendments to AASB 108 – Definition of Accounting Estimates (effective for the year ending 30 June 2024)

NOTE 2 - BASIS OF PREPARATION (CONTINUED)

New and revised standards that are effective for these financial statements (continued)

The application of the amendments to AASB 15, AASB 116 and AASB 137 have not had a material impact on the carrying values of the company's asset, liability or equity balances; nor a material impact on the disclosures in the financial report nor the recognition and measurement of the company's revenue or expenses.

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- AASB 2021-2: Amendments to AASB 108 – Definition of Accounting Estimates (effective for the year ending 30 June 2024)

It is not expected that AASB 2020-1, AASB 2021-2 or AASB 2021-6 will have a material impact on the company in future reporting periods.

Presentation of Statement of Financial Position on a liquidity basis

The Directors have taken the view that in complying with the requirements of AASBs, the treatment of refundable loans (accommodation bonds and refundable accommodation deposits) as current liabilities does not reflect the true liquidity of the entity as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, in the current year the Directors have chosen to present its statement of financial position under the liquidity presentation method (AASB 101 Presentation of Financial Statements) on the basis that it presents a more reliable and relevant view.

Note 3 - Significant accounting policies
The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Income tax
Benevolent Aged Care Ltd is a not-for-profit charity and is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goods and Services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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.

Revenue recognition
Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Resident fees, daily accommodation payments and recurrent government subsidies
Revenue from residents' fees, daily accommodation payments and related government subsidies are recognised on a proportional basis to take account of the delivery of service to or occupancy by residents.

Grants, donations and bequests
Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:
(a) the company obtains control of the contribution or the right to receive the contribution;
(b) it is probable that the economic benefits comprising the contribution will flow to the company; and
(c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest and investment revenue
Revenue from interest is recognised on an accrual's basis. Investment revenue is recognised when the right to receive investment income has been established.

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

Inventories

Inventories are measured at the lower of cost and net realisable value at balance date.

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Land and buildings

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the Directors conduct Directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

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

<u>Plant and equipment</u>
Plant and equipment are measured on the cost basis less depreciation and impairment losses. Impairment Property, plant and equipment including land and buildings are subject to the company's policy for impairment review whereby an asset is tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

<u>Depreciation and amortisation</u>
The depreciable amount of all property, plant and equipment including buildings but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The estimated useful lives in the current and comparative periods are as follows:

Buildings	2.5%
Buildings (Demountable)	5.0%
Equipment and fittings	12.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Financial instruments
<u>Initial recognition and measurement</u>
Financial assets and financial liabilities are recognised when the company 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. 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 expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Classification and subsequent measurement

Financial assets

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- Amortised cost
- Equity instruments at fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:

- The contractual cash flow characteristics of the financial asset
- The business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- The financial asset is managed solely to collect contractual cash flows
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Equity instruments at fair value through other comprehensive income

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward-looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Directors consider a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- Financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”. The third category relates to an impairment loss processed through the Profit or Loss.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Income received in advance
Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

Leases
The company does not recognise leases that have a lease term of 12 months or less or meet the definition of a “peppercorn” lease. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

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

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

Refundable accommodation deposits and resident accommodation bonds
Refundable accommodation deposits (RADs) and resident accommodation bonds are non-interest-bearing deposits made by aged care facility clients to the company upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident. Resident accommodation bonds are measured at the principal amount net of any retentions, or any other amounts deducted from the bond at the election of the resident.

Fair value of assets and liabilities
The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value of assets and liabilities (continued)

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the company at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

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

The fair value of liabilities and the company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Segment reporting

The approved provider delivers only residential aged care services, and this general purpose financial report therefore relates only to such operations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $
Note 4 - Revenue and other income		
Residential aged care services		
Government subsidies and funding	9,966,239	8,535,153
Resident fees and charges	4,115,913	3,404,066
	14,082,152	11,939,219
Other services		
Donations	2,679	4,309
Grants - other	44,891	-
Rent received	24,620	12,771
Other revenue	118,742	28,921
	190,932	46,001
Total revenue	14,273,084	11,985,220
Other income		
Finance income		
Interest income	496,555	102,962
Investment income	1,040,688	880,321
Gain on sale of financial assets	-	130,487
Total net finance income	1,537,243	1,113,770
Government grants - non recurrent (COVID-19)	112,462	210,480
Total other income	1,649,705	1,324,250
Total revenue and other income	15,922,789	13,309,470
Note 5 - Expenses		
Depreciation and amortisation		
Buildings	773,602	464,217
Equipment and fittings	230,763	164,325
Motor vehicles	8,660	8,661
Total depreciation and amortisation	1,013,025	637,203
Finance costs	126,369	119,245
Fair value loss on financial assets	193,633	1,833,346
Loss on sale of financial assets	67,306	-
Loss on sale of property, plant and equipment	-	2,586,514
Note 6 - Cash and cash equivalents		
Cash at bank and on hand	7,152,519	7,428,551
Deposits at call	13,000,000	9,018,521
Total cash and cash equivalents	20,152,519	16,447,072
Note 7 - Trade and other receivables		
Expected to be recovered within 12 months		
Resident debtors and Government funding	101,528	154,207
Accrued income	185,286	21,246
Other receivables	506,286	333,957
Prepayments	215,216	188,061
Total trade and other receivables	1,008,316	697,471

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 8 - Inventories

	2023 $	2022 $
Stock on hand	7,219	10,263
Total inventories	7,219	10,263

Note 9 - Financial assets

	2023 $	2022 $
Expected to be settled after 12 months		
Financial assets at fair value through profit and loss		
Managed funds	16,843,730	23,776,563
Total financial assets	16,843,730	23,776,563
Movements in carrying amount		
Opening net carrying amount	23,776,563	21,071,504
Additions	2,981,382	11,679,983
Disposals	(9,720,582)	(7,141,578)
Fair value gain (loss)	(193,633)	(1,833,346)
Closing net carrying amount	16,843,730	23,776,563

Note 10 - Capital WIP

	Residential $	Other $	Total $
At 30 June 2022			
Cost	392,113	2,079,137	2,471,250
Net carrying amount	392,113	2,079,137	2,471,250
Movements in carrying amounts			
Opening net carrying amount	392,113	2,079,137	2,471,250
Additions	2,112,655	12,221,285	14,333,940
Closing net carrying amount	2,504,768	14,300,422	16,805,190
At 30 June 2023			
Cost	2,504,768	14,300,422	16,805,190
Net carrying amount	2,504,768	14,300,422	16,805,190

Note 11 - Property, plant and equipment

	Land $	Buildings $	Equipment and Fittings $	Motor Vehicles $	Total $
At 30 June 2022					
Cost or fair value	3,310,000	30,749,097	3,554,344	69,283	37,682,724
Accumulated depreciation	-	(220,121)	(2,379,615)	(34,189)	(2,633,925)
Net carrying amount	3,310,000	30,528,976	1,174,729	35,094	35,048,799
Movements in carrying amounts					
Opening net carrying amount	3,310,000	30,528,976	1,174,729	35,094	35,048,799
Additions - residential	-	-	38,558	-	38,558
Depreciation charge for the year	-	(773,602)	(230,763)	(8,660)	(1,013,025)
Closing net carrying amount	3,310,000	29,755,374	982,524	26,434	34,074,332
At 30 June 2023					
Cost or fair value	3,310,000	30,749,097	3,592,902	69,283	37,721,282
Accumulated depreciation	-	(993,723)	(2,610,378)	(42,849)	(3,646,950)
Net carrying amount	3,310,000	29,755,374	982,524	26,434	34,074,332

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $
Note 12 - Trade and other payables		
Expected to be payable within 12 months		
Trade payables	329,553	482,337
Income in advance	70,555	58,135
Liabilities to employees	183,304	129,002
Refundable accommodation deposits payable	2,542,389	2,623,039
Other payables	2,226,472	728,864
Total trade and other payables	5,352,273	4,021,377

Note 13 - Refundable loans

	2023 $	2022 $
Expected to be payable within 12 months		
Refundable accommodation deposits	8,662,195	5,205,992
	8,662,195	5,205,992
Expected to be payable after 12 months		
Refundable accommodation deposits	14,749,142	10,569,740
	14,749,142	10,569,740
Total refundable loans	23,411,337	15,775,732
Movement in carrying amounts		
Opening carrying amount	15,775,732	14,823,527
Opening accommodation deposits payable *(note 12)*	2,623,039	1,563,557
RADs received	14,214,858	6,241,337
Allowable deductions	(132,389)	(121,289)
RADs refunded	(6,527,514)	(4,108,361)
	25,953,726	18,398,771
Refundable accommodation deposits payable *(note 12)*	(2,542,389)	(2,623,039)
Closing carrying amount	23,411,337	15,775,732

Terms and conditions

Refundable accommodation deposits and accommodation bonds (loans) are repayable on the following basis:-

(i) If the resident gives notice more than 14 days prior to departure then the loan is payable on the date of departure;

(ii) If the resident gives notice less than 14 days prior to departure the loan is payable within 14 days after notice is given;

(iii) If the resident gives no notice the loan is repayable 14 days after departure; and

(iv) If the resident dies, the loan is repayable within 14 days from the date that notice is received of the granting of probate or letters of administration.

	2023 $	2022 $
Note 14 - Employee benefits		
Expected to be payable within 12 months		
Annual leave	768,502	647,728
Long service leave	529,436	459,054
	1,297,938	1,106,782
Expected to be payable after 12 months		
Long service leave	107,439	81,821
	107,439	81,821
Total employee benefits	1,405,377	1,188,603

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	$	$

Note 15 - Reserves

Asset revaluation reserve	7,612,962	7,612,962
Total reserves	7,612,962	7,612,962

Nature and purpose of reserves

The asset revaluation reserve records changes in the fair value of non-current assets.

Note 16 - Key management personnel

Remuneration of key management personnel

The aggregate amount of compensation paid to directors and other members of key management personnel during the year was:	911,514	835,266

Note 17 - Auditor's remuneration

Fees paid to StewartBrown, Chartered Accountants:		
Audit of the financial report	24,500	23,400
Preparation of the financial report	2,300	2,200
Other advisory services	6,850	1,940
Total auditor's remuneration	33,650	27,540

Note 18 - Commitments

Capital commitments

Capital expenditure relating to building construction contracted for at the reporting date but not recognised as liabilities is as follows:	10,423,480	24,130,784

Benevolent Aged Care LTD has continued construction progress on a staged development plan on site, called Rhythms of Life Project (ROL). Building construction commenced in April 2021 and the overall project has a board approved budget of $48M. Construction of a new Residential Aged Care building "The Terraces" was completed in June 2022 and during FY2023 further constrution efforts have been focused on a new Independent Living Unit building on site (5 Levels), plus a new Kitchen and Laundry Building. These 2 new significant items, plus a refurbished Administration section are due for completion during the first half of FY2024. Funding of the project has been internal throughout, and no external debt has been taken on. It is noted that a portion of RAD balances held have been utilised for the Residential Aged Care Building and also New Kitchen and Laundry Building. Consistent with Prudential requirements, no RAD balances have been used to fund the constrution of the ILU Building, nor the Administration refurbishment. The project is expected to be completed and new ILU business operational during FY2024.

Note 19 - Related party transactions

Related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

The following transactions occurred with entities controlled by related parties during the year:	2023 $	2022 $
Purchases of goods and services		
Rimrock Agencies Pty Ltd	488	765
Centacare CQ	-	1,682

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 20 - Economic dependency

The Directors consider that the company is economically dependent on revenue received from the Commonwealth Government Department of Health and Aged Care with respect to its residential aged care facility. The Directors believe that this revenue will continue to be made available to the company for the foreseeable future.

Note 21 - Limitation of members' liability

The company is registered as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed $100 per member. At 30 June 2023 the number of members of this company was 8 (2022: 8).

Note 22 - Events occurring after balance date

No material events have occurred after balance date.

DIRECTORS' DECLARATION

The Directors of Benevolent Aged Care Ltd declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

   (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and

   (b) give a true and fair view of the financial position of the company as at 30 June 2023 and of its performance for the year ended on that date.

2. In the opinion of the Directors, 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 Board of Directors.

KHogan

Kevin Thomas Hogan
Chairperson

Robert Stephen Sims
Treasurer

30 October 2023

StewartBrown
Integrity + Quality + Clarity
CHARTERED ACCOUNTANTS

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BENEVOLENT AGED CARE LTD
ABN 14 650 323 599

FINANCIAL REPORT - 30 JUNE 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40
OF THE *AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012*
TO THE MEMBERS OF BENEVOLENT AGED CARE LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

(a) no contraventions of the auditor independence requirements as set out in 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.

StewartBrown

StewartBrown
Chartered Accountants

Justin Weiner
Partner

30 October 2023

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BENEVOLENT AGED CARE LTD
ABN 14 650 323 599

FINANCIAL REPORT - 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENEVOLENT AGED CARE LTD

Opinion
We have audited the financial report of Benevolent Aged Care Ltd which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In our opinion, the accompanying financial report of Benevolent Aged Care Ltd is in accordance with 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 2023 and of its financial performance for the year then ended, and

b) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Directors' Responsibility for the Financial Report
The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

BENEVOLENT AGED CARE LTD
ABN 14 650 323 599

FINANCIAL REPORT - 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENEVOLENT AGED CARE LTD

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.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is http://www.auasb.gov.au/Home.aspx

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.

StewartBrown

StewartBrown
Chartered Accountants

Justin Weiner
Partner

30 October 2023