

**RESTHAVEN INCORPORATED**

**ABN 79 976 580 833**

**FINANCIAL REPORT**

**YEAR ENDED 30 JUNE 2022**

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**RESTHAVEN INCORPORATED**  
**BOARD'S REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

Your Board Members submit the financial report of Resthaven Incorporated for the financial year ended 30 June 2022

**BOARD MEMBERS**

The names of Board Members throughout the year and at the date of this report are:-

M Porter	President
S Rozokos	Deputy President
M Haydon	Treasurer
R Clarke	
G Vawser	
G Malone	
A Fabig	
J O'Connor	
J Clarke	
B Sarre	Resigned 9 October 2021

**PRINCIPAL ACTIVITIES**

The principal activities of Resthaven Incorporated during the year were to support older people and their carers through the provision of residential, home care and respite services, retirement accommodation, promotion of healthy and active ageing and to advocate for the needs of older people.

**SIGNIFICANT CHANGES**


No significant change in the principal activities occurred during the year.

**OPERATING RESULT**

Resthaven Incorporated recorded a Surplus of \$4,285,117 for the year (2021: \$16,627,408).

Signed in accordance with a resolution of the Members of the Board.

  
\_\_\_\_\_  
M Porter  
President

  
\_\_\_\_\_  
S Rozokos  
Deputy President

Signed this 15<sup>th</sup> day of September 2022

**RESTHAVEN INCORPORATED**  
**STATEMENT OF SURPLUS OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>INCOME</b>			
Revenue	3	219,710,241	197,492,454
Investment income	3	87,760	12,962,477
Other income	3	9,481,689	5,854,004
<b>TOTAL INCOME</b>		<u>229,279,690</u>	<u>216,308,935</u>
<b>EXPENSES</b>			
Employee expense	3	158,959,423	139,915,447
Repairs and maintenance		11,405,370	9,657,895
Depreciation, amortisation and loss on disposal	3	12,338,603	12,515,611
Food, housekeeping and medical expense		12,188,389	11,781,529
Interest expense on RADs	2 (t)	8,975,146	8,658,776
Other expenses	3	21,127,642	17,152,269
<b>TOTAL EXPENSES</b>		<u>224,994,573</u>	<u>199,681,527</u>
<b>SURPLUS FOR THE YEAR</b>		<b>4,285,117</b>	<b>16,627,408</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified subsequently to surplus or deficit:			
Gain / (Loss) on revaluation of land and buildings		33,191,580	(2,024,774)
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<u>33,191,580</u>	<u>(2,024,774)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>37,476,697</b></u>	<u><b>14,602,635</b></u>

The accompanying notes form part of these financial statements

**RESTHAVEN INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Note</b>	<b>2022</b> \$	<b>2021</b> \$
<b>ASSETS</b>			
Cash and cash equivalents	4	17,067,795	38,072,820
Trade and other receivables	5	37,523,167	9,371,036
Financial assets	6	190,624,893	194,005,984
Property, plant and equipment	7	341,793,568	327,809,462
Intangible Assets	8	2,051,581	3,063,908
Right of Use Assets	7	3,280,662	1,688,331
Investment Property	9	161,934,453	-
<b>TOTAL ASSETS</b>		<b>754,276,119</b>	<b>574,011,542</b>
<b>LIABILITIES</b>			
Trade and other payables	10	13,276,854	9,196,206
Employee benefits	11	23,304,239	21,176,776
Refundable loans	12	361,271,732	231,827,177
Deferred income	13	22,484,579	17,047,157
Lease Liability	13	3,419,067	1,721,276
<b>TOTAL LIABILITIES</b>		<b>423,756,471</b>	<b>280,968,592</b>
<b>NET ASSETS</b>		<b>330,519,648</b>	<b>293,042,950</b>
<b>EQUITY</b>			
Accumulated funds		193,760,881	183,140,467
Reserves	15	136,758,767	109,902,483
<b>TOTAL EQUITY</b>		<b>330,519,648</b>	<b>293,042,950</b>

The accompanying notes form part of these financial statements

**RESTHAVEN INCORPORATED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
<b>2021</b>				
<b>Balance at 1 July 2020</b>		166,513,060	111,927,256	278,440,316
Surplus for year		16,627,408	-	16,627,408
Other Comprehensive Income for the year	15			
Change in fair value of land and buildings		-	(2,024,774)	(2,024,774)
Total Other Comprehensive Income for the year		-	(2,024,774)	(2,024,774)
Total Comprehensive Income for the year		16,627,408	(2,024,774)	14,602,635
<b>Balance at 30 June 2021</b>		<u>183,140,468</u>	<u>109,902,482</u>	<u>293,042,950</u>
<b>2022</b>				
<b>Opening Balance at 1 July 2021</b>		183,140,468	109,902,482	293,042,951
Adjustment for change in accounting policy		6,335,296	(6,335,296)	-
Surplus for year		4,285,117	-	4,285,117
Other Comprehensive Income for the year	15			
Change in fair value of land and buildings		-	33,191,580	33,191,580
Total Other Comprehensive Income for the year		-	33,191,580	33,191,580
Total Comprehensive Income for the year		4,285,117	33,191,580	37,476,697
<b>Balance at 30 June 2022</b>		<u>193,760,881</u>	<u>136,758,767</u>	<u>330,519,648</u>

The accompanying notes form part of these financial statements

**RESTHAVEN INCORPORATED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 Inflows (Outflows) \$	2021 Inflows (Outflows) \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Government subsidies		171,165,437	166,411,248
Investment income received			
Dividends Received		2,434,262	1,995,428
Interest Received		1,050,614	1,719,221
Other Investment income received		435,050	1,669,006
Receipts from customers		41,276,541	41,318,348
Interest and other finance costs paid		-	(1,484)
Payments to suppliers and employees		(200,528,147)	(184,038,023)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<u>15,833,757</u>	<u>29,073,744</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property plant and equipment		(18,910,318)	(8,889,455)
Proceeds from sale of property plant and equipment		1,041,463	891,473
Purchase of investments		(75,735,530)	(107,233,685)
Proceeds from investments		75,271,884	109,398,514
Purchase of Investment Property		(25,240,345)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(43,572,846)</u>	<u>(5,833,153)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	(450,000)
Proceeds of loans from residents		73,164,084	71,184,899
Repayment of loans from residents		(65,425,532)	(67,801,680)
Repayment of lease liabilities		(1,004,488)	(274,435)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<u>6,734,064</u>	<u>2,658,784</u>
<b>NET INCREASE / DECREASE IN CASH HELD</b>		(21,005,025)	25,899,375
CASH AT THE BEGINNING OF THE YEAR		38,072,820	12,173,445
<b>CASH AT THE END OF THE YEAR</b>	<b>4</b>	<u>17,067,795</u>	<u>38,072,820</u>

The accompanying notes form part of these financial statements

**RESTHAVEN INCORPORATED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1 CORPORATE INFORMATION**

The financial report of Resthaven Incorporated for the year ended 30th June 2022 was authorised for issue on 1st September 2022 in accordance with a resolution of the Board. Resthaven is incorporated under the Associations Incorporation Act (SA) 1985 and is a not-for-profit entity for the purpose of preparing this financial report.

The financial report is presented in Australian dollars and the amounts presented have been rounded to the nearest dollar.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

The financial report of the Association is a general purpose financial report prepared in accordance with Australian Accounting Standards - Simplified Disclosures requirements, other authoritative pronouncements of the Australian Accounting Standards Board, the Associations Incorporation Act (SA) 1985 and the Australian Charities and Not-for-profits Commission Act 2012.

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

The entity has adopted AASB 1060 from 1 July 2021. The standard provides a new tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties and auditor remuneration.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (AASB) has concluded will result in financial reports providing relevant information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this report are presented below and have been consistently applied unless stated otherwise.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs, except for land and buildings and financial assets which have been measured at fair value.

**(a) Income Tax**

The activities of Resthaven Incorporated are exempt from income tax.

**(b) Property Plant and Equipment**

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation and any impairment in value.

*Depreciation*

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis over the estimated remaining useful life of the asset as follows:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.17 to 8.53%
Computer hardware	5.0 to 33.4%
Motor vehicles	12.5 to 25.0%
Plant and furniture	5.0 to 33.4%

*Repairs and maintenance*

Expenditure is classified as repairs and maintenance when it does not result in an increase in the value of the building / asset, or does not result in an increase in the life of the building / asset.

*Revaluations*

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

A revaluation surplus is credited to other comprehensive income (asset revaluation reserve) unless it reverses a revaluation decrease on the same class of asset previously recognised in surplus or loss.

A revaluation deficit is recognised in surplus or loss unless it directly offsets a previous revaluation surplus on the same class of asset in the asset revaluation surplus.

In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the asset disposal proceeds and the carrying amount of the item) is included in surplus or loss in the year the item is derecognised.

**RESTHAVEN INCORPORATED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) Investment Property - Retirement Villages**

The entity has Retirement Villages that are investment properties held to earn deferred management fee revenues and capital appreciation over the long-term, comprising of independent living units, common facilities and integral plant and equipment.

The retirement villages are classified as Investment Property at fair value. The fair value has been derived by a independent and certified practising valuer using a discounted cash flow actuarial model of valuation to determine the fair value of the village every three years. An Internal directors valuations will be undertaken annually. The movement in fair value is taken to surplus or loss.

An independent valuation of these villages was undertaken as at 30 June 2022 for the year ended 30 June 2022 by an external valuer, Health Valuation & Advisory Services (HVAS).

Resthaven has adopted this policy effective from 1 July 2021 as a result of retirement village acquisitions during the year and a change in the use of the retirement villages as a class of properties.

**(d) Capital Works in Progress**

Capital works in progress continue to be measured at cost. Amounts relating to capital improvements and significant refurbishment projects are capitalised into capital works in progress until the completion of the project. At the end of each reporting period an assessment is made to determine amounts which should be expensed.

**(e) Leases**

*Leases and Right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Resthaven has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Resident loans are also treated using the principles of lease accounting because Resthaven Incorporated has assessed that residents enter a lease to occupy a room within residential aged care facilities. Refer to note 2 (l).

**(f) Impairment**

At each reporting date, Resthaven assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, Resthaven makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount of each individual asset is the greater of fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, Resthaven estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when Resthaven 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 an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**(g) Financial Assets**

*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Financial Assets at Amortised Cost (Fixed Term)*

Financial Assets at Amortised Cost are investments that are non-derivative financial assets with fixed or determinable payments and fixed maturities that are measured at amortised cost subsequent to initial recognition using the effective interest method. Assets in this category are classified as financial assets expected to settle within 12 months in the statement of financial position if they mature within 12 months, otherwise they are classified as financial assets expected to settle after 12 months.



**RESTHAVEN INCORPORATED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Financial Assets (continued)**

*Financial Assets at Fair Value Through Profit or Loss (FVTPL)*

Financial Assets at FVTPL comprise investments in listed Investment Companies, Hybrid Securities and any non-derivatives that are not classified as any other category of financial asset, and are classified as financial assets expected to settle after 12 months unless the conversion date requires management to make a decision to redeem, convert to shares or roll into a new issue within 12 months of the balance sheet date. After initial recognition, these investments are measured at fair value with gains or losses recognised in surplus or deficit.

The fair value of quoted investments are determined by reference to quoted market bid prices at the close of business at the end of the reporting period.

*Income*

Interest income is recognised in surplus or loss on an accrual basis taking into account the rates applicable to the financial asset. Distributions and dividends from Listed Investment Companies are brought to account as income when received.

**(h) Trade and other receivables**

Receivables are recognised and carried at original invoice or contract amount less any allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. All other trade and other receivables are non-interest bearing.

**(i) Refundable Accommodation Deposits/Contributions**

Refundable Accommodation Deposits/Contributions are recognised upon receipt as per the amount received. Amounts received are repaid upon the resident vacating their accommodation and are settled in accordance with legislative requirements. The accounting treatment for resident loans is described in 2(l) below. Un-refunded resident's loans (under the Aged Care Act) incur interest.

**(j) Cash and cash equivalents**

For the purpose of the statement of cash flows, cash includes cash on hand and at bank, deposits held at call with financial institutions and bank overdrafts.

**(k) Employee Benefits**

Provision is made for annual leave for all employees in accordance with relevant awards. Long service leave is provided for all employees who have completed one or more years of service. Superannuation is paid in accordance with the requirements of the Superannuation Guarantee Charge Act 1992.

**(l) Trade and other creditors**

Trade creditors and accruals represent liabilities for goods and services provided to Resthaven prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid in the month following purchase. All other trade and other payables are non interest bearing.

**(m) Resident loans**

Resident loans are recorded as refundable loans. The total liability is recorded in note 12 on the basis of the likelihood that they will be repaid before or after 12 months.

Resident loans comprise retirement living unit loans, which are subject to the Retirement Villages Act 1987 and Refundable Accommodation Deposits/Contributions and Accommodation Bonds, which are subject to the Aged Care Act 1997.

*Retirement living unit loans - Retirement Villages Act 1987*

Interest free loans which are initially recorded at fair value.

*Resident loans - Aged Care Act 1997*

Lump sum amounts received from residents in payment of their accommodation expense (prior to 01/07/2014: Accommodation Bonds, from 01/07/2014: Refundable Accommodation Deposits (RAD)).

From December 2005 repayment to the resident is guaranteed by the Australian Government.

RADs and Bonds fall within the scope of AASB 16: Leases, in that there is a contract conveying to the resident the right to use an asset for a period of time, in exchange for consideration.

Resthaven Incorporated estimated the fair value of the consideration by reference to the Daily Accommodation Payment (DAP) that the resident would have paid if they had not chosen to provide a RAD. This results in the recognition of a rental income amount, and corresponding interest expense.

**(n) Borrowing costs**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed when incurred.

**(o) Provisions**

Resthaven is self insured under the Return to Work SA scheme. A provision for current and future obligations arising as a self insured entity is recorded on the basis of an annual independent actuarial review.

**RESTHAVEN INCORPORATED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(p) Revenue recognition - Receivable and deferred revenue**

Revenue is recognised for the major business activities as follows:

*Government subsidies*

Resthaven recognises revenue as it is earned based on the provision of services to residents and clients. Residential Aged Care Subsidies are received in advance based on actual amounts for previous periods. Adjustments, subsequent to the completion of monthly claims, are generally received within two months of the initial advance payment.

*Resident revenue*

Resident fees are billed in advance and any amount for a future accounting period is treated as a liability in the statement of financial position. Payments are received from resident bank accounts or from resident pension entitlements. Resident payments, which are made by cheque or cash, are normally settled within seven days. The accounting treatment for revenue from resident loans is described in 2(l) above.

*Deferred management fees*

Deferred management fees (DMF) are recognised using an actuarial approach taking into account an expected length of stay per resident discounted to present value and recognised over time.

**(q) Government grants**

Grant revenue is recognised in surplus or loss when Resthaven satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before Resthaven is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied. If there are no conditions attached to the grant, the grant will be recognised as income upon receipt.

**(r) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense of an item. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

**(s) Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Resthaven and that are believed to be reasonable under the circumstances.

The fair value of land and buildings is a significant source of estimation. The policy is described at note 2 (b) and the amount is disclosed in note 8.

*Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on Resthavens financial performance. Minimising the risk that the pandemic poses to the Resthaven community (residents, clients, staff and volunteers), has required additional capital and recurrent expenditure. The Commonwealth Government has provided additional financial assistance. It is anticipated that additional expenditure will continue to be incurred, however it is not expected to have a material impact upon Resthaven's financial position.

**(t) Presentation of Statement of Financial Position on a Liquidity Basis**

The Board has taken the view that in complying with the requirements of the AASB, the treatment of refundable loans (accommodation bonds, refundable accommodation deposits and ingoing contributions) as liabilities expected to be paid within 12 months does not reflect the true liquidity of the entity because a proportion of these liabilities are not likely to be repaid within 12 months.

Accordingly, the Board has 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. A reconciliation of the allocation of the refundable loans is provided in note 12.

**(u) New or amended Accounting Standards and Interpretations adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods. Resthaven's assessment is that these new standards and interpretations will have no material impact on the financial reporting obligations of the entity when they are adopted.

**RESTHAVEN INCORPORATED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3 INCOME AND EXPENSES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Direct Commonwealth Subsidies	93,712,121	89,220,843
Community Services Programs	79,421,889	64,851,116
Resident Contributions	37,601,085	34,761,720
Rental Revenue on RADs	8,975,146	8,658,776
	<u>219,710,241</u>	<u>197,492,454</u>
<b>Investment Income</b>		
Interest received - Investments	1,704,142	2,391,504
Dividend income	2,434,262	1,995,428
Other Investment income	424,964	2,031,438
Net gain (loss) on disposal/revaluation of financial assets through profit or loss	(3,971,974)	6,926,225
	<u>591,394</u>	<u>13,344,595</u>
<u>Less</u> Interest offset against expense costs	<u>(9,134)</u>	<u>(10,585)</u>
	582,260	13,334,010
Interest received - RADs / Accommodation Bonds	952	3,902
Interest payable - RADs / Accommodation Bonds	(495,452)	(375,435)
	<u>87,760</u>	<u>12,962,477</u>
<b>Other Income</b>		
Donations and legacies	25,581	52,636
Other income	2,893,650	5,801,368
Net gain on revaluation of Investment Property	6,562,457	-
	<u>9,481,689</u>	<u>5,854,004</u>
<b>Depreciation / Amortisation</b>		
Depreciation of buildings	8,810,004	9,417,804
Depreciation of plant & equipment	2,215,518	2,484,734
Amortisation of intangible assets	406,905	306,748
Amortisation of leasehold improvements	44,912	14,483
Depreciation of right to use asset	484,526	257,123
	<u>11,961,865</u>	<u>12,480,893</u>
Loss on sale of assets	376,738	34,718
	<u>12,338,603</u>	<u>12,515,611</u>
<b>Employee Expense</b>		
Provision for annual leave increase	1,104,498	1,027,264
Provision for long service leave increase / (decrease)	722,964	(70,374)
Salaries and wages	141,077,313	125,443,098
Staff training	413,362	214,640
Superannuation	12,131,008	10,555,035
Workers compensation costs / provisions	3,510,277	2,745,784
	<u>158,959,423</u>	<u>139,915,447</u>
<b>Other Expenses</b>		
Fuel, light and power	2,341,490	2,298,167
Motor vehicle and travelling	4,254,681	3,618,208
Printing, stationery, postage and telephone	2,254,150	1,769,233
Rates, taxes and other property expenses	1,006,495	914,953
Other expenses	11,270,828	8,551,708
	<u>21,127,642</u>	<u>17,152,269</u>

**4 CASH AND CASH EQUIVALENTS**

<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the		
Cash on hand	17,523	15,558
Cash at bank	17,050,272	38,057,261
	<u>17,067,795</u>	<u>38,072,820</u>

**5 TRADE AND OTHER RECEIVABLES**

Trade receivables / subsidies / GST	8,689,782	9,332,835
Other receivables	179,526	38,201
Deferred Management Fee (DMF) receivable from residents	28,653,859	-
	<u>37,523,167</u>	<u>9,371,036</u>

**6 FINANCIAL ASSETS**

<b>Financial assets expected to be settled within 12 months</b>		
Financial Assets at Amortised Cost (Fixed Term)	48,102,633	62,462,255
Financial Assets at Fair Value Through Profit or Loss (FVTPL)	-	5,616,010
	<u>48,102,633</u>	<u>68,078,265</u>
<b>Financial assets expected to be settled after 12 months</b>		
Financial Assets at Amortised Cost (Fixed Term)	6,965,537	7,500,000
Financial Assets at Fair Value Through Profit or Loss (FVTPL)	135,556,723	118,427,719
	<u>142,522,260</u>	<u>125,927,719</u>
	<u>190,624,893</u>	<u>194,005,984</u>

Financial Assets at Amortised Cost Investments include deposits, bonds and debentures bearing interest rates between 0.30% and 3.3% and have maturity dates between July 2022 and July 2024. Financial Assets at Fair Value Through Profit or Loss Investments include investments in listed companies, managed share funds and other tradeable securities. Refer Note 2(g).

**RESTHAVEN INCORPORATED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**7 PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Plant	Capital Works in Progress	Total
	\$	\$	\$	\$	\$
<b>2022</b>					
Cost or fair value	114,035,000	207,570,462	33,247,755	18,045,132	372,898,349
Accum Dep'n or Impairment	-	(9,200,462)	(21,904,319)	-	(31,104,781)
WDV at 30 June 2022	<u>114,035,000</u>	<u>198,370,000</u>	<u>11,343,436</u>	<u>18,045,132</u>	<u>341,793,568</u>
<i>Movements in carrying value:</i>					
Cost or fair value	107,342,000	224,721,459	30,893,144	4,749,357	367,705,961
Accum Dep'n or Impairment	-	(20,150,940)	(19,745,557)	-	(39,896,497)
WDV at 1 July 2021	<u>107,342,000</u>	<u>204,570,519</u>	<u>11,147,587</u>	<u>4,749,357</u>	<u>327,809,463</u>
Additions	416,800	673,549	3,428,519	16,512,019	21,030,887
Disposals	-	-	(1,041,463)	-	(1,041,463)
Transfers between asset classes	-	2,326,394	495,463	(2,821,857)	-
Expensed as repairs & maintenance	-	-	-	(394,387)	(394,387)
Depreciation charge for year	-	(8,810,004)	(2,975,179)	-	(11,785,183)
Depreciation Written back on disposals	-	-	288,509	-	288,509
Revaluation L&B at 30 June 2022	16,410,200	16,781,380	-	-	33,191,580
Reclassified to Investment Property	(10,134,000)	(17,171,837)	-	-	(27,305,837)
WDV at 30 June 2022	<u>114,035,000</u>	<u>198,370,000</u>	<u>11,343,436</u>	<u>18,045,132</u>	<u>341,793,568</u>
<b>2021</b>					
Cost or fair value	107,342,000	224,721,459	30,893,144	4,749,357	367,705,961
Accum Dep'n or Impairment	-	(20,150,940)	(19,745,558)	-	(39,896,498)
WDV at 30 June 2021	<u>107,342,000</u>	<u>204,570,519</u>	<u>11,147,586</u>	<u>4,749,357</u>	<u>327,809,462</u>

**Right of Use Asset**

	<b>2022</b>	<b>2021</b>
	\$	\$
ROU Assets at Cost	3,978,939	1,905,213
Accumulated Depreciation ROU Assets	(698,277)	(216,882)
WDV at 30 June	<u>3,280,662</u>	<u>1,688,331</u>

*Valuation*

Land and Buildings have been revalued at 30 June 2022 adopting Level 2 inputs as quoted prices are not available. Resthaven engaged an independent valuer, Health Valuation & Advisory Services (HVAS), to assist in determining the fair value. Residential care facilities are traded infrequently and in most cases, the price remains confidential. Accordingly observable inputs regarding the price at which comparable assets are transacted are not readily accessible. However, inputs to the depreciated replacement cost methodology are observable and accessible, for example:

- . Replacement cost - new asset market - observable direct
- . Asset utilisation - observable direct
- . Allocation of asset life - observable direct
- . Determination of residual life - observable indirect

The Board has considered the current state of the property market, observed that it remains stable and is satisfied that the values at which Resthaven's property assets are currently recorded, are consistent with their current fair values.

The assessment of fair value has also had regard to the extensive capital works in progress with the objective of upgrading and replacing older accommodation stock.

**8 INTANGIBLE ASSETS**

	Technology	Total
	\$	\$
<b>2022</b>		
Cost or Fair Value	2,627,064	2,627,064
Accum Amortisation	(575,483)	(575,483)
WDV at 30 June 2022	<u>2,051,581</u>	<u>2,051,581</u>
Cost or fair value	3,470,813	3,470,813
Accum Amortisation	(406,905)	(406,905)
WDV at 1 July 2021	<u>3,063,908</u>	<u>3,063,908</u>
Disposal HRMS project	(665,246)	(665,246)
Amortisation expense	(347,081)	(347,081)
WDV at 30 June 2022	<u>2,051,580</u>	<u>2,051,580</u>
<b>2021</b>		
Cost or fair value	3,470,813	3,470,813
Accum Amortisation	(406,905)	(406,905)
WDV at 30 June 2021	<u>3,063,908</u>	<u>3,063,908</u>

Resthaven is investing in the upgrade / replacement of primary information technology applications. Once a formal commitment to acquire and implement new applications (software) is executed, implementation costs are capitalised and subsequently amortised over an estimated useful life of ten years. Amortisation adopts the straight line method and is included within depreciation and amortisation expense in the Statement of Surplus or Loss and Other Comprehensive Income.

**RESTHAVEN INCORPORATED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>9 INVESTMENT PROPERTY</b>		
Balance at beginning of year	-	-
Reclassification from Land and Buildings	27,305,838	-
Additions	117,915,658	-
Gross up of Property Value for Resident Loans	10,150,500	-
Revaluation increment recognised in profit and loss	6,562,457	-
	<b>161,934,453</b>	<b>-</b>

**10 TRADE AND OTHER PAYABLES**

Trade, sundry creditors & accruals	10,458,276	5,376,429
Resident Funds	498,424	484,868
Salary accruals	2,320,154	3,334,909
	<b>13,276,854</b>	<b>9,196,206</b>

**11 EMPLOYEE BENEFITS**

**Employee benefits expected to be paid within 12 months**

Annual leave	10,742,038	9,637,540
Long service leave	3,796,930	3,227,100
Workers claims provision	1,379,000	1,217,000
	<b>15,917,968</b>	<b>14,081,640</b>

**Employee benefits expected to be paid after 12 months**

Long service leave	4,565,270	4,412,136
Workers claims provision	2,821,000	2,683,000
	<b>7,386,270</b>	<b>7,095,136</b>
	<b>23,304,239</b>	<b>21,176,776</b>

**Provision for Employee Entitlements**

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 2 (j).

**Provision for Workers Claims**

Resthaven Incorporated self insures for workers compensation claims. The provision for claims is based on existing claims outstanding, probability of future claims and actuarial assessments of benefits that will be required to be paid under these claims, reduced for any actual payment of benefits made.

The provision balance of \$4,200,000 at 30th June 2022 is higher than the actuary assessment, adopting a more conservative view of risk.

**12 REFUNDABLE LOANS**

**Refundable loans expected to be paid within 12 months**

Refundable accommodation deposits and accommodation bonds	56,300,000	53,000,000
Retirement living unit resident funded loans	6,340,000	900,000
	<b>62,640,000</b>	<b>53,900,000</b>

**Refundable loans expected to be paid after 12 months**

Refundable accommodation deposits and accommodation bonds	169,061,432	165,340,429
Retirement living unit resident funded loans	129,570,300	12,586,748
	<b>298,631,732</b>	<b>177,927,177</b>
	<b>361,271,732</b>	<b>231,827,177</b>

Residents loans (Residential Care and Retirement Village Living) are controlled by individual contracts and government legislation. The Australian Government guarantees the repayment of accommodation payments (Bonds / RADs) upon vacating residential care.

Amounts expected to be repaid within 12 months have been reported separately from the amounts expected to be paid after 12 months, consistent with the liquidity principles. Amounts have been determined on the basis of historical repayment profiles applying a proportionate method.

Retirement Living resident funded loans are not recognised in the accounts as a liability until such time as the loan is received by Resthaven. The balance of \$331,200 as at 30 June 2022 (\$1,601,600 at 30 June 2021) represents the amounts that are expected to be received after the cooling off period.

**RESTHAVEN INCORPORATED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>13 OTHER LIABILITIES</b>		
<b>Deferred income</b>	<u>12,004,822</u>	<u>17,047,157</u>
Deferred income represents unspent Government grants, subsidies and Consumer Directed Care client fees and the proportion of resident fees received in advance for services expected to be delivered within 12 months.		
<b>Unearned Deferred Management Fee (DMF) income</b>		
Unearned DMF income to be recognised within 12 months	2,078,616	-
Unearned DMF income to be recognised after 12 months	<u>8,401,141</u>	<u>-</u>
	<u>10,479,758</u>	<u>-</u>
<b>Lease liabilities</b>	<u>3,419,067</u>	<u>1,721,276</u>
Future lease payments are due as follows:		
Within 1 year	536,524	311,430
1 to 5 years	1,658,954	902,350
More than 5 years	<u>1,667,851</u>	<u>688,772</u>
	<u>3,863,329</u>	<u>1,902,552</u>

Lease liabilities represents the right of use present value of lease commitments under AASB 16 Leases.

**14 AUDITORS REMUNERATION**

Audit of financial statements	49,500	48,150
Other audit services	38,400	5,560
	<u>87,900</u>	<u>53,710</u>

**15 RESERVES**

	<b>General</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Asset Revaluation Reserve</b>		
<b>2022</b>		
At 1 July 2021	109,902,482	109,902,482
Adjustment for change in accounting policy	(6,335,296)	(6,335,296)
Revised balance at 1 July 2021	<u>103,567,187</u>	<u>103,567,187</u>
Change in fair value of land and buildings	33,191,580	33,191,580
At 30 June 2022	<u>136,758,766</u>	<u>136,758,766</u>
<b>2021</b>		
At 1 July 2020	111,927,256	111,927,256
Change in fair value of land and buildings	(2,024,774)	(2,024,774)
At 30 June 2021	<u>109,902,482</u>	<u>109,902,482</u>

The Asset Revaluation Reserve records the revaluation / impairment of land & building assets.

**16 FINANCIAL INSTRUMENTS**

**Net Fair Value of Financial Assets and Liabilities**

The net fair value of financial assets and financial liabilities of Resthaven Incorporated approximates their carrying value.

**Financial Instruments Measured at Fair Value**

The Board Members consider that the carrying amount of financial instruments recorded in the financial statements approximates their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value in the financial statements.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Financial Assets</i>		
Financial Assets at Fair Value Through Profit or Loss (FVTPL)	135,556,723	124,043,729
Financial Assets held at amortised costs	109,659,132	117,406,111
Financial Liabilities at amortised cost	13,276,854	9,196,206

**RESTHAVEN INCORPORATED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

<b>17 COMMITMENTS AND CONTINGENCIES</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Capital Commitments</b>		
Land & Building and Equipment contracts	62,142,000	25,729,000

Capital commitments relate to residential site upgrades for Westbourne Park and Bellevue Heights.

**Contingent Liabilities**

*Capital Grants*

The \$500,000 capital grant received (\$100,000 in 2005 and \$400,000 in 2004) for the building of the Craigmore site is conditional on Resthaven using or continuing to use the property for the purpose of residential aged care services for a period of not less than twenty years from the completion date of the project, with a decreasing liability over time. This grant was fully expended by 30 June 2005. It is expected that Resthaven will meet this obligation and therefore the liability is unlikely to be realised.

*Resident loans - Aged Care Act 1997*

The Australian Government guarantees the repayment of Resident loans. A condition of this guarantee is that the Australian Government could recover from all Aged Care Providers, on a proportional basis the amount of any repayments that they have made. The Australian Government has made repayments relating to resident loans of other aged care providers. Whether or not the Australian Government recover these repayments is uncertain.

*Workers Compensation*

Resthaven is an exempt Return to Work SA employer administering its own workers compensation claims. The expected liability is based upon an actuary assessment, which has been fully provided for, refer to Note 10 above. In addition there is a bank guarantee in place in favour of Return to Work SA for the amount of \$2,966,000 (2021 \$2,578,500). It is expected that Resthaven will meet this obligation and therefore the liability is unlikely to be realised.

**18 SUBSEQUENT EVENTS**

There have been no events that have occurred since 30 June 2022 that require adjustment or disclosure in this financial report.

**19 BOARD AND EXECUTIVE DISCLOSURES**

**(a) Remuneration of Board Members and Executives**

Board members receive a modest level of fee remuneration for their services. The members of the Board use Resthaven's services under terms and conditions no more favourable than the terms and conditions available to members of the community generally.

The Executives are full time employees of Resthaven Incorporated and received payments of salary and other benefits in accordance with contracts of employment.

**(b) Key Management Personnel Compensation**

Key Management Personnel includes Board Members and the Executive Team.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Total compensation	2,448,041	2,257,315


**RESTHAVEN INCORPORATED**  
**STATEMENT BY MEMBERS OF THE BOARD**

In the opinion of the members of the Board the Financial Report as set out on pages 3 to 15:-

- (a) The accompanying Statement of Surplus or Loss and Other Comprehensive Income is drawn up so as to present a true and fair view of the results of Resthaven Incorporated for the year ended 30 June 2022,
- (b) The accompanying Statement of Financial Position is drawn up so as to present a true and fair view of the state of affairs of Resthaven Incorporated as at 30 June 2022,
- (c) The accompanying Statement of Cash Flows is drawn up so as to present a true and fair view of the cash flows of Resthaven Incorporated for the year ended 30 June 2022,
- (d) At the date of this Statement there are reasonable grounds to believe that Resthaven Incorporated will be able to pay its debts as and when they fall due,
- (e) During the year ended 30 June 2022, no
  - (i) officer of Resthaven Incorporated,
  - (ii) firm of which the officer is a member, or
  - (iii) body corporate in which the officer has a substantial financial interest,has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and Resthaven Incorporated, other than as disclosed in Note 19.
- (f) During the year ended 30 June 2022, Officers have received fee payments consistent with Resthaven's Governance Policy as approved by the Board, and Executive Officers employed by Resthaven Incorporated are paid salaries determined in accordance with general market conditions.
- (e) The accounts of Resthaven Incorporated have been made out in accordance with Australian Accounting Standards - Simplified Disclosure Requirements and other mandatory professional reporting requirements, the requirements of the Associations Incorporation Act (SA) 1985 and the Australian Charities and Not-for-profits Commission Act 2012.

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

  
\_\_\_\_\_  
M Porter  
President

  
\_\_\_\_\_  
S Rozokos  
Deputy President

Signed this 1<sup>st</sup> day of SEPTEMBER 2022





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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RESTHAVEN INCORPORATED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Resthaven Incorporated (the registered entity), which comprises the statement of financial position as at 30 June 2022, the statement of surplus 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 report, including a summary of significant accounting policies, and statement by members of the board.

In our opinion the accompanying financial report of Resthaven Incorporated, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) **Giving a true and fair view of the registered entity's financial position as** at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures 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 registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and 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 responsible entities of the registered entity are responsible for the other information. The other **information obtained at the date of this auditor's report is information included in the registered entity's board's report, 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 accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this **auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.** We have nothing to report in this regard.



### **Responsibilities of responsible entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'BDO'.

**BDO Audit Pty Ltd**

A handwritten signature in blue ink that reads 'Andrew Tickle'.

Andrew Tickle  
Director

Adelaide, 5 September 2022