

Financial Report

2022/2023



RESTHAVEN INCORPORATED

ABN 79 976 580 833

FINANCIAL REPORT

YEAR ENDED 30 JUNE 2023

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RESTHAVEN INCORPORATED
BOARD'S REPORT
FOR THE YEAR ENDED 30 JUNE 2023

Your Board Members submit the financial report of Resthaven Incorporated for the financial year ended 30 June 2023

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
G Malone	
G Vawser	
A Fabig	Resigned 8 February 2023
J Clarke	
J O'Connor	
R Clarke	Resigned 31 December 2022
S Headland	Commenced 1 July 2022
F Bartlett	Commenced 1 October 2022
J Howard	Commenced 4 May 2023
G Philips	Commenced 1 June 2023

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 \$7,005,951 for the year (2022: \$1,299,744).

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


M Porter
President


S Rozokos
Deputy President

Signed this 7th day of September 2023

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

	Note	2023 \$	Restated 2022 \$
INCOME			
Revenue	3	247,641,464	219,710,241
Investment income	3	7,936,855	87,760
Other income	3	6,891,836	9,481,689
TOTAL INCOME		262,470,155	229,279,690
EXPENSES			
Employee expense	3	172,131,063	158,959,423
Property expenses		21,233,954	14,753,354
Depreciation, amortisation and (gain) / loss on disposal	3	11,102,223	12,338,603
Food, housekeeping and medical expense		13,331,305	12,188,389
Interest expense on Refundable Accommodation Deposits	2 (l)	15,004,555	8,975,146
Other expenses	3	22,661,104	20,765,031
TOTAL EXPENSES		255,464,204	227,979,946
SURPLUS FOR THE YEAR		7,005,951	1,299,744
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings		-	33,191,580
TOTAL OTHER COMPREHENSIVE INCOME		-	33,191,580
TOTAL COMPREHENSIVE INCOME		7,005,951	34,491,324

The accompanying notes form part of these financial statements

RESTHAVEN INCORPORATED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	Restated 2022 \$
ASSETS			
Cash and cash equivalents	4	22,667,698	17,067,795
Trade and other receivables	5	42,328,024	37,523,167
Financial assets	6	177,040,556	190,624,893
Property, plant and equipment	7	345,317,912	336,537,494
Right of Use assets	7	2,926,236	3,280,662
Investment property	8	203,955,800	161,934,453
TOTAL ASSETS		794,236,225	746,968,464
LIABILITIES			
Trade and other payables	9	14,738,391	13,276,854
Employee benefits	10	25,353,088	23,304,239
Refundable loans	11	398,377,543	361,271,732
Deferred income	12	21,464,030	22,082,832
Lease liabilities	12	3,131,772	3,419,067
Other liabilities	12	953,456	401,747
TOTAL LIABILITIES		464,018,281	423,756,471
NET ASSETS		330,217,944	323,211,993
EQUITY			
Accumulated funds		193,459,177	186,453,226
Reserves	14	136,758,767	136,758,767
TOTAL EQUITY		330,217,944	323,211,993

The accompanying notes form part of these financial statements

RESTHAVEN INCORPORATED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
2022				
Balance at 1 July 2021		183,140,468	109,902,483	293,042,951
Adjustment for change in accounting policy		6,335,296	(6,335,296)	-
Correction of prior period misstatement		(4,322,282)	-	(4,322,282)
Surplus for year		1,299,744	-	1,299,744
Other Comprehensive Income for the year	14	-	33,191,580	33,191,580
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		1,299,744	33,191,580	34,491,324
Balance at 30 June 2022		186,453,226	136,758,767	323,211,993
2023				
Opening Balance at 1 July 2022		186,453,226	136,758,767	323,211,993
Surplus for year		7,005,951	-	7,005,951
Other Comprehensive Income for the year	14	-	-	-
Change in fair value of land and buildings		-	-	-
Total Other Comprehensive Income for the year		-	-	-
Total Comprehensive Income for the year		7,005,951	-	7,005,951
Balance at 30 June 2023		193,459,177	136,758,767	330,217,944

The accompanying notes form part of these financial statements

RESTHAVEN INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 Inflows (Outflows) \$	2022 Inflows (Outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Government subsidies		191,605,225	171,165,437
Investment income received			
Dividends Received		2,673,574	2,434,262
Interest Received		4,119,147	1,050,614
Other Investment income received		455,708	435,050
Receipts from customers		47,632,253	41,276,541
Interest and other finance costs paid		-	-
Payments to suppliers and employees		(232,095,873)	(200,528,147)
NET CASH PROVIDED BY OPERATING ACTIVITIES		14,390,034	15,833,757
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property plant and equipment		(18,775,649)	(18,910,318)
Proceeds from sale of property plant and equipment		799,043	1,041,463
Purchase of investments		(87,064,210)	(75,735,530)
Proceeds from investments		100,492,480	75,271,884
Purchase of Investment Property		(16,038,404)	(25,240,345)
NET CASH USED IN INVESTING ACTIVITIES		(20,586,740)	(43,572,846)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of loans from residents		96,550,048	73,164,084
Repayment of loans from residents		(84,261,364)	(65,425,532)
Repayment of lease liabilities		(492,075)	(1,004,488)
NET CASH PROVIDED BY FINANCING ACTIVITIES		11,796,609	6,734,064
NET INCREASE / DECREASE IN CASH HELD		5,599,903	(21,005,025)
CASH AT THE BEGINNING OF THE YEAR		17,067,795	38,072,820
CASH AT THE END OF THE YEAR	4	22,667,698	17,067,795

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 2023

1 CORPORATE INFORMATION

The financial report of Resthaven Incorporated for the year ended 30th June 2023 was authorised for issue on 7th September 2023 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report of Resthaven 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 (AASB), the Associations Incorporation Act (SA) 1985 and the Australian Charities and Not-for-profits Commission Act 2012.

Resthaven adopted AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* from 1 July 2021.

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.

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

(a) Income Tax

The activities of Resthaven 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:

Class of Fixed Asset	Depreciation Rate
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 gain is credited to other comprehensive income (asset revaluation reserve) unless it reverses a revaluation decrease on the same class of asset previously recognised in profit or loss.

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

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 at every three years intervals 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 2023

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 is determined by an independent and certified practising valuer using a discounted cashflow technique every three years. In the intervening years, an internal valuation is undertaken and adopted by the Resthaven Board. The movement in fair value is taken to profit or loss.

(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

A right of use (ROU) asset is recognised at the commencement date of a lease. The ROU 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.

ROU 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. ROU assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Resthaven has elected not to recognise a ROU 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.

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

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.

Financial Assets at Fair Value Through Profit or Loss

Financial Assets at Fair Value Through Profit or Loss 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 profit or loss.

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 profit 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.

RESTHAVEN INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) 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.

(j) 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.

(k) 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.

(l) Resident loans

Resident loans are recorded as refundable loans. The total liability is recorded in note 11 on the basis of the likelihood that they will be repaid before or after 12 months.

Resident loans comprise retirement living resident funded loans, which are subject to the Retirement Villages Act 2016 and Refundable Accommodation Deposits/Contributions and Accommodation Bonds, which are subject to the Aged Care Act 1997.

Retirement living resident funded loans - Retirement Villages Act 2016

Interest free loans which are initially recorded at fair value.

Resident loans - Aged Care Act 1997

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. Un-refunded resident's loans (under the Aged Care Act 1997) incur interest.

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

(m) 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.

(n) Workers Compensation Provision

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

(o) 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 fee

Deferred management fee is recognised using an actuarial approach taking into account an expected length of stay per resident discounted to present value and recognised over time.

RESTHAVEN INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) 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.

(q) 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). 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, ATO are classified as operating cash flows.

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

(r) 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, and investment property is a significant source of estimation. Refer notes 2(b), 2(c), 7 and 8.

(s) 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 11.

(t) New or amended Accounting Standards and Interpretations adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 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.

(u) Correction of Prior Period Misstatement

During the preparation of the financial report for the year ended 30 June 2023 Resthaven became aware of misstatements in the prior year comparatives caused by incorrect asset capitalisation of cloud computing implementation costs which did not give rise to an intangible asset. The correct accounting treatment is to expense the costs and the misstatements have been retrospectively corrected as follows:

	30 June 2021	Correction	30 June 2021
	Previously		Restated
	stated		amount
	\$	\$	\$
Property, plant and equipment	327,809,462	(2,270,701)	325,538,761
Intangible asset - software	3,063,908	(2,051,581)	1,012,327
Total expenses	199,681,527	4,322,282	204,003,809
Total Comprehensive Income	14,602,635	(4,322,282)	10,280,353
Accumulated Surplus	183,140,468	(4,322,282)	178,818,186
	30 June 2022	Correction	30 June 2022
	Previously		Restated
	stated		amount
	\$	\$	\$
Property, plant and equipment	339,522,867	(2,985,373)	336,537,494
Total expenses	224,994,573	2,985,373	227,979,946
Total Comprehensive Income	37,476,697	(2,985,373)	34,491,324
Accumulated Surplus	189,438,599	(2,985,373)	186,453,226

RESTHAVEN INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3 INCOME AND EXPENSES

	2023	Restated 2022
	\$	\$
Revenue		
Commonwealth Government residential care funding	99,543,350	93,712,121
Community Services programs	92,061,875	79,421,889
Resident contributions	41,031,684	37,601,085
Rental revenue on Refundable Accommodation Deposits	15,004,555	8,975,146
	<u>247,641,464</u>	<u>219,710,241</u>
Investment Income		
Interest received - Investments	5,041,585	1,704,142
Dividend income	2,673,574	2,434,262
Other investment income	1,288,265	424,964
Net (loss) on disposal/revaluation of financial assets through profit or loss	(405,036)	(3,981,108)
Interest payable - Refundable Accommodation Deposits / Accommodation Bonds	(661,533)	(494,500)
	<u>7,936,855</u>	<u>87,760</u>
Other Income		
Donations and legacies	463,768	25,581
Commonwealth Government COVID-19 grants	4,773,898	1,281,780
Other income	1,844,081	1,611,870
Net gain / (loss) on revaluation of Investment Property	(189,911)	6,562,457
	<u>6,891,836</u>	<u>9,481,689</u>
Depreciation / Amortisation		
Depreciation of buildings	8,350,340	8,810,004
Depreciation of plant & equipment	2,222,814	2,215,518
Amortisation of intangible assets	-	406,905
Amortisation of leasehold improvements	108,406	44,912
Depreciation of right of use asset	561,678	484,526
	<u>11,243,238</u>	<u>11,961,865</u>
(Gain) / Loss on sale of assets	(141,015)	376,738
	<u>11,102,223</u>	<u>12,338,603</u>
Employee Expense		
Provision for annual leave	1,152,103	1,104,498
Provision for long service leave	1,596,747	722,964
Salaries and wages	151,855,309	141,490,675
Superannuation	14,845,540	12,131,008
Workers compensation costs / provisions	2,681,364	3,510,277
	<u>172,131,063</u>	<u>158,959,423</u>
Other Expenses		
Community contracted services	11,006,812	5,599,101
Motor vehicle and travelling	5,471,064	4,254,681
Administration expenses	2,257,122	2,254,150
Other expenses	3,926,106	8,657,099
	<u>22,661,104</u>	<u>20,765,031</u>

4 CASH AND CASH EQUIVALENTS

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows :-

Cash on hand	15,963	17,523
Cash at bank	22,651,735	17,050,272
	<u>22,667,698</u>	<u>17,067,795</u>

5 TRADE AND OTHER RECEIVABLES

Trade receivables / subsidies / GST	12,240,515	8,689,782
Other receivables	71,776	179,526
Deferred management fee receivable from residents	30,015,733	28,653,859
	<u>42,328,024</u>	<u>37,523,167</u>

6 FINANCIAL ASSETS

Financial assets expected to be settled within 12 months

Financial Assets at Amortised Cost	83,333,049	48,102,633
Financial Assets at Fair Value Through Profit or Loss	3,684,296	-
	<u>87,017,345</u>	<u>48,102,633</u>

Financial assets expected to be settled after 12 months

Financial Assets at Amortised Cost	22,459,931	6,965,537
Financial Assets at Fair Value Through Profit or Loss	67,563,280	135,556,723
	<u>90,023,211</u>	<u>142,522,260</u>
	<u>177,040,556</u>	<u>190,624,893</u>

Financial Assets at Amortised Cost Investments include deposits, bonds and debentures bearing interest rates between 3.10% and 5.91% and have maturity dates between July 2023 and August 2027. 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 2023

7 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant	Capital Works in Progress	Total
	\$	\$	\$	\$	\$
2023					
Cost or fair value	115,732,310	200,739,234	34,465,678	26,264,539	377,201,761
Accumulated depreciation or Impairment	-	(8,350,340)	(23,533,509)	-	(31,883,849)
Carrying value at 30 June 2023	<u>115,732,310</u>	<u>192,388,894</u>	<u>10,932,169</u>	<u>26,264,539</u>	<u>345,317,912</u>
<i>Movements in carrying value:</i>					
Carrying value at 1 July 2022	114,035,000	198,370,000	11,343,437	12,789,057	336,537,494
Additions	1,697,310	1,148,702	3,026,210	14,737,986	20,610,208
Disposals	-	-	(658,028)	-	(658,028)
Transfers between asset classes	-	1,220,531	41,973	(1,262,504)	-
Depreciation charge for year	-	(8,350,340)	(2,821,422)	-	(11,171,762)
Carrying value at 30 June 2023	<u>115,732,310</u>	<u>192,388,894</u>	<u>10,932,170</u>	<u>26,264,539</u>	<u>345,317,912</u>
2022					
Cost or fair value	114,035,000	207,570,462	33,247,755	12,789,057	367,642,274
Accumulated depreciation or Impairment	-	(9,200,462)	(21,904,318)	-	(31,104,780)
Carrying value at 30 June 2022	<u>114,035,000</u>	<u>198,370,000</u>	<u>11,343,437</u>	<u>12,789,057</u>	<u>336,537,494</u>
Right of Use Asset				2023	2022
				\$	\$
Right of Use Assets at Cost				4,180,409	3,978,939
Accumulated depreciation Right of Use Assets				(1,254,173)	(698,277)
Carrying value at 30 June				<u>2,926,236</u>	<u>3,280,662</u>

Valuation

Land and Buildings have been assessed at 30 June 2023 by the Resthaven Board adopting Level 2 inputs as quoted prices are not available. Most recently Resthaven engaged an independent valuer, Health Valuation & Advisory Services (HVAS), to assist in determining the fair value at 30 June 2022. 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 INVESTMENT PROPERTY

Balance at beginning of year	161,934,453	-
Reclassification from land and buildings	-	27,305,838
Additions	41,851,258	117,915,658
Gross up of property value for resident loans	360,000	10,150,500
Fair value movement	(189,911)	6,562,457
	<u>203,955,800</u>	<u>161,934,453</u>

9 TRADE AND OTHER PAYABLES

Trade, sundry creditors & accruals	11,114,013	10,458,276
Resident funds	543,197	498,424
Salary accruals	3,081,181	2,320,154
	<u>14,738,391</u>	<u>13,276,854</u>

RESTHAVEN INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

10 EMPLOYEE BENEFITS	2023	2022
	\$	\$
Employee benefits expected to be paid within 12 months		
Annual leave	11,894,141	10,742,039
Long service leave	4,693,660	3,796,930
Workers compensation provision	691,000	1,379,000
	<u>17,278,801</u>	<u>15,917,969</u>
Employee benefits expected to be paid after 12 months		
Long service leave	5,265,287	4,565,270
Workers compensation provision	2,809,000	2,821,000
	<u>8,074,287</u>	<u>7,386,270</u>
	<u>25,353,088</u>	<u>23,304,239</u>

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

The provision balance of \$3,500,000 at 30th June 2023 is higher than the actuary assessment, adopting a more conservative view of risk.

11 REFUNDABLE LOANS

Refundable loans expected to be paid within 12 months		
Refundable accommodation deposits and accommodation bonds	67,700,000	56,300,000
Retirement living unit resident funded loans	8,058,000	6,340,000
	<u>75,758,000</u>	<u>62,640,000</u>
Refundable loans expected to be paid after 12 months		
Refundable accommodation deposits and accommodation bonds	170,701,270	169,061,432
Retirement living unit resident funded loans	151,918,273	129,570,300
	<u>322,619,543</u>	<u>298,631,732</u>
	<u>398,377,543</u>	<u>361,271,732</u>

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 (Bond / RAD) 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 \$529,200 as at 30 June 2023 (\$331,200 at 30 June 2022) represents the amounts that are expected to be received after the cooling off period.

12 OTHER LIABILITIES

Deferred income	9,142,771	12,004,822
Deferred income comprises Home Care Package funds advanced by the Government held on behalf of clients or revenue received in advance.		
Deferred management fee		
Deferred management fee to be recognised within 12 months	2,671,373	2,078,616
Deferred management fee to be recognised after 12 months	9,649,887	7,999,394
	<u>12,321,260</u>	<u>10,078,010</u>
Total deferred income	<u>21,464,030</u>	<u>22,082,832</u>
Retirement village capital reserves	<u>953,456</u>	<u>401,747</u>
Lease liabilities	<u>3,131,772</u>	<u>3,419,067</u>
Future lease payments are due as follows:		
Within 1 year	618,344	536,524
1 to 5 years	2,025,490	1,658,954
More than 5 years	1,720,658	1,667,851
	<u>4,364,492</u>	<u>3,863,329</u>

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

13 AUDITORS REMUNERATION

Audit of financial statements	57,500	49,500
Other audit services	12,650	38,400
	<u>70,150</u>	<u>87,900</u>

RESTHAVEN INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14 RESERVES

Asset Revaluation Reserve	2023	2022
	\$	\$
Opening balance	136,758,767	103,567,187
Change in fair value of land and buildings	-	33,191,580
Closing balance	<u>136,758,767</u>	<u>136,758,767</u>

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

15 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.

Financial Assets held at amortised cost	170,788,702	109,659,132
Financial Assets at Fair Value Through Profit or Loss	71,247,576	135,556,723
Financial Liabilities at amortised cost	14,738,391	13,276,854

16 COMMITMENTS AND CONTINGENCIES

Capital Commitments

Land & Building and Equipment contracts	<u>48,719,000</u>	<u>62,142,000</u>
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Capital commitments relate to residential site upgrades for Westbourne Park and Bellevue Heights, and installing solar panels on the buildings.

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 ReturnToWorkSA 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 ReturnToWorkSA for the amount of \$3,468,000 (2022 \$2,966,000). It is expected that Resthaven will meet this obligation and therefore the liability is unlikely to be realised.

17 SUBSEQUENT EVENTS

There have been no events that have occurred since 30 June 2023 that require adjustment or disclosure in this financial report.

18 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.

Total compensation	<u>2,563,847</u>	<u>2,448,041</u>
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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 Profit 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 2023,
- (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 2023,
- (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 2023,
- (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 2023, 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 18.
- (f) During the year ended 30 June 2023, 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 7th day of September 2023

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 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

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 2023 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 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 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

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, 11 September 2023