

Boroondara Aged Services Society (Trading as BASScare)

ACN: 004 574 547

Financial report

For the year ended 30 June 2022

Pitcher Partners

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**BOROONDARA AGED SERVICES SOCIETY
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DIRECTORS' REPORT

The directors present their report together with the financial report of BASScare for the year ended 30 June 2022 and auditor's report thereon.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Bernard Corser

Marie Curlis

Pam Davey

Trevor Gorman

Nicholas Jackson

Paul Lewis

Kate Metcalf

Jeff Oughton

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

Results

The loss of the group for the year after providing for income tax amounted to \$8,215,927 (2021: \$6,285,987 surplus).

The deficit while significant is largely underpinned by the unrealised losses on financial investments of \$2.8m, an impairment on owned properties held of \$10.0M offset by a fair value gain of investment properties of \$5.2M.

The prior year surplus included an unrealised gain on financial investments of \$6.8M.

Significant changes in state of affairs

There were no significant changes in the group's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

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DIRECTORS' REPORT

Principal activities

The principal activities of the organisation during the financial year were the provision of residential aged care, independent living units, and community services; which include meals services, dementia day care, social support and transport for the socially isolated, and club facilities for senior citizens.

No significant change in the nature of these activities occurred during the year.

Objectives and strategies

The objectives are to:

- To provide a range of support services appropriate to a broad spectrum of the elderly in Boroondara.

To achieve its objectives, BASScare has adopted the following strategy:

- The strategy for achieving these objectives is based on operating a financially strong and sustainable business. Developing a caring employment culture is equally critical to our strategy since it is our people who deliver our services and provide the care. We aim to obtain, train and retain staff and volunteers who relish coming to work thus making our clients and residents lives more enjoyable.
- To carry out the strategies and to achieve its objectives, BASScare engaged in the principal activities of residential aged care, independent living unit housing and community services, which include meals services, dementia day care, social support and transport for the socially isolated and club facilities for senior citizens.
- BASScare's residential aged care activity achieves their objectives by enhancing the final years of life. The community services enable clients to stay in their own homes for as long as possible and the independent living units provide housing to individuals in a mutually supportive environment.

After balance date events

No matters or circumstances have arisen since the end of the financial year which has significantly affected or which may significantly affect:

- a) The operations, in financial years subsequent to 30 June 2022,
- b) The results of those operations, or
- c) State of affairs, in financial years subsequent to 30 June 2022.

Information on directors

Bernard Corser	Director 2002 - present
Experience	Principal, Bernard Corser Property Consulting
Special responsibilities	Member, Building Committee

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DIRECTORS' REPORT

Information on directors (Continued)

Marie Curlis	Director 2006 - present
Experience	RN Div 1 (retired) Distinguished member - Aust. Assoc of Gerontology Inc (Vic Div)
Special responsibilities	Member, Building Committee, Risk Committee
Pam Davey	Director 2005 - present (Chair November 2012 - present)
Experience	Pathology Medical Scientist/Chief Medical Scientist Senior State and National management roles in Pathology, Diagnostic Imaging and medical centres across Dorevitch Pathology, Mayne Health, Healthscope and ARL CEO ARL Pathology Consults nationally to private and public Pathology groups
Special responsibilities	Board Chairperson, Member, Risk Committee
Trevor Gorman	Director 2001 - present
Experience	Chartered Accountant Chairman, MPG Funds Management Ltd, January 2020 - present
Special responsibilities	Convenor / Member, Building Committee
Nicholas Jackson	Director 2010 - present
Experience	Self-employed management consultant former equity partner of Hay Group Pty Ltd - a global management consultancy. Director of Casterton Memorial Hospital that provides Acute Care, Primary Care, Aged Care and Allied Health Services for the community of Casterton.
Special responsibilities	Convenor / Member, Risk Committee
Paul Lewis	Director August 2017- present
Experience	Partner, PricewaterhouseCoopers and Registered Company Auditor
Special responsibilities	Member and Chair of the Finance & Audit Committee
Kate Metcalf	Director 2014 - present
Experience	Member VCAT Principal, K.A Metcalf Solicitors Director, Baker Heart and Diabetes Institute Trustee Baker Foundation
Special responsibilities	

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DIRECTORS' REPORT

Information on directors (Continued)

Jeff Oughton	Director June 2017 - present
Experience	Non-Executive Director, Giles Wade Deputy Chair Investment Committee, Giles Wade Fellow, Macquarie University Applied Finance Centre
Special responsibilities	Member of the Finance & Audit Committee

Meetings of directors

Directors	Directors' meetings		Risk committee meetings		Finance & audit meetings		Building committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Bernard Corser	11	11	-	-	-	-	4	4
Marie Curlis	11	11	4	4	-	-	4	4
Pam Davey	11	11	4	3	-	-	-	-
Trevor Gorman	11	11	-	-	-	-	4	4
Nicholas Jackson	11	11	4	4	-	-	-	-
Paul Lewis	11	9	-	-	10	10	-	-
Kate Metcalf	11	10	-	-	-	-	-	-
Jeff Oughton	11	10	-	-	10	8	-	-

Members guarantee

The parent company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$20 each towards meeting any outstandings and obligations of the company. At 30 June 2022 the number of members was 16. The combined total amount that members of the company are liable to contribute if the company is wound up is \$320 (2021: \$320).

Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer of the group.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the group.

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DIRECTORS' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.


Likely developments

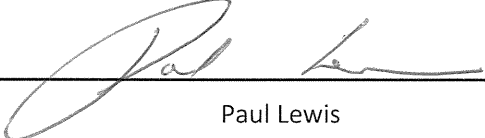
The group expects to maintain the present status and level of operations.

The operational changes as a consequence of COVID-19 resulting from reduced residential occupancy, reduced client activity and additional COVID-19 costs, are likely to impact the timing and level of the BASScare's surplus over the foreseeable future.

The full impact of the pandemic on the group will not be fully quantifiable for some time, however, in the short term the group continues to operate largely at its normal capacity, and is working with the government, and current residents to do everything possible to adapt to the current environment.

Signed on behalf of the board of directors.

Director: 
Pam Davey

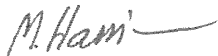
Director: 
Paul Lewis

Dated this 29th day of SEPTEMBER 2022

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BASSCARE**

In relation to the independent audit for the year ended 30 June 2022, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



M J Harrison

Partner



PITCHER PARTNERS

Melbourne

Date: 29 September 2022

BOROONDARA AGED SERVICES SOCIETY
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue and other income			
Services revenue	3	17,375,264	16,109,339
Other revenue	4	9,926,523	6,838,509
Other income	4	<u>5,373,367</u>	<u>10,533,140</u>
		<u>32,675,154</u>	<u>33,480,988</u>
Less: expenses			
Administration expenses		(5,307,057)	(3,841,999)
Occupancy expenses		(2,191,454)	(1,771,017)
Borrowing costs	5	(2,318,815)	(2,348,477)
Direct care expenses		(12,036,930)	(11,136,310)
Catering, cleaning & laundry expenses		(4,276,388)	(3,768,189)
Bond settlement charges		(130,539)	(133,369)
Unrealised loss on investments		(2,003,430)	-
Impairment of intangible asset		-	(2,382,360)
Unrealised loss on property carrying value		(10,242,366)	-
Other expenses		<u>(2,384,102)</u>	<u>(1,813,280)</u>
		<u>(40,891,081)</u>	<u>(27,195,001)</u>
Surplus/(deficit) before income tax expense		(8,215,927)	6,285,987
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income/(deficit)		<u><u>(8,215,927)</u></u>	<u><u>6,285,987</u></u>

The accompanying notes form part of these financial statements.

BOROONDARA AGED SERVICES SOCIETY
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	7	4,212,474	9,194,215
Receivables	8	560,903	1,260,519
Other financial assets	9	<u>1,597,318</u>	<u>1,663,247</u>
Total current assets		<u>6,370,695</u>	<u>12,117,981</u>
Non-current assets			
Other financial assets	9	37,460,192	43,955,495
Investment properties	10	159,223,046	148,145,693
Property, plant and equipment	11	25,595,342	34,460,485
Other assets	12	<u>8,596,823</u>	<u>5,915,448</u>
Total non-current assets		<u>230,875,403</u>	<u>232,477,121</u>
Total assets		<u>237,246,098</u>	<u>244,595,102</u>
Current liabilities			
Payables	13	1,957,946	2,109,007
Borrowings	14	14,966,308	29,540,561
Provisions	15	2,552,267	2,328,268
Other liabilities	16	<u>104,132,529</u>	<u>88,822,788</u>
Total current liabilities		<u>123,609,050</u>	<u>122,800,624</u>
Non-current liabilities			
Provisions	15	<u>736,351</u>	<u>677,854</u>
Total non-current liabilities		<u>736,351</u>	<u>677,854</u>
Total liabilities		<u>124,345,401</u>	<u>123,478,478</u>
Net assets		<u>112,900,697</u>	<u>121,116,624</u>
Equity			
Reserves	17	662,620	437,929
Accumulated Surplus		<u>112,238,077</u>	<u>120,678,695</u>
Total equity		<u>112,900,697</u>	<u>121,116,624</u>

The accompanying notes form part of these financial statements.

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

	Reserves \$	Accumulated Surplus \$	Total equity \$
Balance as at 1 July 2020	382,083	114,448,554	114,830,637
Surplus for the year	<u>-</u>	<u>6,285,987</u>	<u>6,285,987</u>
Total comprehensive income for the year	<u>-</u>	<u>6,285,987</u>	<u>6,285,987</u>
Transfers	<u>55,846</u>	<u>(55,846)</u>	<u>-</u>
Balance as at 30 June 2021	<u><u>437,929</u></u>	<u><u>120,678,695</u></u>	<u><u>121,116,624</u></u>
Balance as at 1 July 2021	437,929	120,678,695	121,116,624
Deficit for the year	<u>-</u>	<u>(8,215,927)</u>	<u>(8,215,927)</u>
Total comprehensive income for the year	<u>-</u>	<u>(8,215,927)</u>	<u>(8,215,927)</u>
Transfers	<u>224,691</u>	<u>(224,691)</u>	<u>-</u>
Balance as at 30 June 2022	<u><u>662,620</u></u>	<u><u>112,238,077</u></u>	<u><u>112,900,697</u></u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Cash flow from operating activities			
Receipts from customers and government funding		19,902,559	17,155,372
Payments to suppliers and employees		(25,227,730)	(20,493,797)
Interest received		8,868	82,754
JobKeeper subsidy received		<u>-</u>	<u>4,241,190</u>
Net cash provided by / (used in) operating activities		<u>(5,316,303)</u>	<u>985,519</u>
Cash flow from investing activities			
Payment for property, plant and equipment		(2,735,701)	(3,055,825)
Payment for investment property		(5,889,088)	(31,482,213)
Net redemptions of held investments		6,127,620	13,816,979
Dividends received		<u>2,096,243</u>	<u>2,268,450</u>
Net cash used in investing activities		<u>(400,926)</u>	<u>(18,452,609)</u>
Cash flow from financing activities			
Proceeds from accommodation bonds		12,230,541	9,158,496
Repayment of accommodation bonds		(15,382,979)	(17,510,022)
Net proceeds / (repayments) of ILU resident loans		18,462,179	765,000
(Repayment of) / proceeds from borrowings		<u>(14,574,253)</u>	<u>29,540,561</u>
Net cash provided by financing activities		<u>735,488</u>	<u>21,954,035</u>
Reconciliation of cash			
Cash at beginning of the financial year	7	9,194,215	4,707,270
Net increase / (decrease) in cash held		<u>(4,981,741)</u>	<u>4,486,945</u>
Cash at end of financial year	19(a)	<u><u>4,212,474</u></u>	<u><u>9,194,215</u></u>

The accompanying notes form part of these financial statements.

**BOROONDARA AGED SERVICES SOCIETY
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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

This financial report is the first financial report of the group prepared in accordance with Australian Accounting Standards - Simplified Disclosures. The prior year financial report was prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected the group's reported financial position, financial performance and cash flows.

In accordance with the requirements of AASB 1053 *Application of Tiers of Australian Accounting Standards*, the group has not disclosed comparative information in the notes to the financial statements if the information was not disclosed in the prior year financial report (prepared under the previous financial reporting framework).

The financial report covers BASScare as an individual entity and controlled entities. BASScare is a group limited by guarantee, incorporated and domiciled in Australia. BASScare is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de-recognised from the date that control ceases.

(c) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors note that current liabilities exceed current assets by \$117,407,134 (2021: \$110,682,643) due to the requirements to classify all resident bonds and accommodation deposits as current liabilities, however the accommodation assets are classified as non current assets. The organisation retains cash and investments to manage the redemption of these liabilities while seeking new residents.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue from contracts with customers

Revenue

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Boroondara Aged Services Society receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other income

Other income is recognised on an accruals basis when the group is entitled to it.

Accommodation receipts

Upon admission, residents are required to pay to the group an accommodation deposit. This can be in the form of a Refundable Accommodation Deposit and/or Daily Accommodation Payment.

Refundable Accommodation Deposit: is a standard accommodation bond price determined on the quality, location and features of the accommodation and can vary from bed to bed. Proceeds received are recognised as a current liability in the statement of financial position.

Daily Accommodation Payment: is equivalent to the refundable accommodation deposit however is paid periodically. It is calculated by multiplying the determined refundable accommodation deposit by the current government interest rate and divided by the number of days in the year.

(e) Income tax

No provision for income tax has been raised as the group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(f) Going concern

The group incurred a deficit from ordinary activities of \$8,215,927 during the year ended 30 June 2022 (2021: Surplus of \$6,285,987).

The Directors are of the opinion that the basis of accounting is appropriate given forecast trading performance and the net asset position of the group.

(g) Deferred Management Fees

Functional deferred management fees (DMF), is a fee retained by the Company on exit of the resident from the ILU (independent living unit). The DMF is calculated based on the terms included in the licence agreement. DMF receivables are recorded at present value based on the expected occupancy period until termination of the licence agreement.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the nature of the item and the purpose for which the instruments are held.

Initial recognition and measurement

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

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

Fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking, are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable fair value performance evaluation by key management personnel. Investments in listed securities are carried at fair value through profit or loss. They are measured at their fair value at each reporting date and any increment or decrement in fair value from the prior period is recognised in profit or loss of the current period. Fair value of listed investments are based on closing bid prices at the reporting date.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and the group intends to hold the investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

Donated financial assets

Financial assets donated to the group are recognised at fair value at the date the group obtains the control of the assets.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers, contract assets and lease receivables.

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The group consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the group to have a strong financial position and no history of past due amounts from previous transactions with the group.

The group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The group determines expected credit losses using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

The group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the group. Recoveries, if any, are recognised in profit or loss.

(i) Property, plant and equipment

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the Initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (Continued)

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Residential Care Buildings	4%	Straight line
Motor vehicles at cost	15%	Straight line
Furniture, fixtures and fittings at cost	10% - 33%	Straight line

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(j) Investment properties

Investment properties comprises land and buildings held for the purpose of earning rental income or for capital appreciation, or both.

Investment property is initially recorded at cost. Where investment property was acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

After initial measurement, the group adopts the fair value model and investment properties are carried at fair value. Fair values of investment properties are determined bi-annually by independent valuers who hold recognised and relevant qualifications and have recent experience in the location and category of the investment properties being valued. Gains or losses arising from a change in the fair value of investment properties are recognised immediately in profit or loss.

(k) Intangible assets

Intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same class of asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same class of asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Leases

The group as lessor

Contracts with customers contain provisions for accommodation and provision of care and other services. The group has determined that its contractual arrangements relating to the provision of residential aged care and retirement living accommodation are an operating lease pursuant to AASB 16.

For residential aged care accommodation arrangements where the resident has elected to pay a Refundable Accommodation Deposit (RAD), the group receives a financing benefit, being non-cash consideration in the form of an interest free loan. On adoption of AASB 16, the fair value of this non-cash consideration is required to be recognised as income (reflecting the interest free loan financing benefit received from the RAD), and a corresponding interest expense (recording the financial liability associated with the RAD at fair value), with no net impact on profit or loss.

The application of AASB 16 for the year ended 30 June 2022 has been calculated based on:

Operating leases

Underlying assets subject to operating leases are presented in the statement of financial position according to the nature of the underlying asset.

Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis (if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished).

Finance leases

At the commencement date of a finance lease, the group recognises a receivable (for assets held under the finance lease) at an amount equal to the net investment in the lease. The net investment in finance leases is the sum of the lease payments receivable by the group under the finance lease and the estimated unguaranteed residual value of the underlying asset at the end of the lease term, discounted at the interest rate implicit in the lease.

Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in finance leases.

(n) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (Continued)

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(o) Goods and services tax (GST)

Revenues, expenses and purchased 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 an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the group's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The following outlines the major judgements made by management in applying the group's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) Valuation of Land and Buildings

Independent valuations were obtained for all properties owned as at 30 June 2022 and were performed by m3property Pty Ltd. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for the land and buildings in the area and recent sales data for similar properties.

(b) Deferred Management Fee

As described in the accounting policies, DMF receivable is measured at management's best estimate of the revenue expected to receive from the resident upon exiting from the ILU (Independent Living Unit). The estimate made takes into account the expected occupancy period until termination of the licence agreement and will vary as further information is obtained.

	2022	2021
	\$	\$
NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from contracts with customers		
Service income		
Operating grants	10,882,278	10,813,407
Service revenue	4,991,394	4,090,557
Sale of goods	462,745	402,101
Accommodation charges	<u>1,038,847</u>	<u>803,274</u>
	<u>17,375,264</u>	<u>16,109,339</u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
NOTE 4: OTHER REVENUE AND OTHER INCOME			
Other revenue			
Dividend income		2,096,243	2,268,450
Interest income			
Lease income on refundable RAD/bonds		2,079,922	2,296,313
Other interest income		<u>8,868</u>	<u>82,754</u>
		<u>2,088,790</u>	<u>2,379,067</u>
Donations		28,882	66,049
Rental income		180,970	170,668
Hire of centre		23,711	19,068
Other grant income		1,105,951	-
Deferred management fees		3,726,926	1,721,423
Other trading revenue		<u>675,050</u>	<u>213,784</u>
		<u>5,741,490</u>	<u>2,190,992</u>
		<u>9,926,523</u>	<u>6,838,509</u>
Other Income			
Realised gain on investment properties		185,100	78,000
Realised gain on investments		-	6,780,950
Unrealised gain on investment properties		<u>5,188,267</u>	<u>-</u>
		<u>5,188,267</u>	<u>6,780,950</u>
JobKeeper income		<u>-</u>	<u>3,674,190</u>
		<u>5,373,367</u>	<u>10,533,140</u>

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
NOTE 5: OPERATING SURPLUS/(DEFICIT)			
Surplus/(deficit) has been determined after:			
Gain on fair value adjustments			
- Investment properties		5,188,267	-
Finance costs			
- Other interest expenses		238,893	52,164
- RAD/bond settlement interest expense		<u>2,079,922</u>	<u>2,296,313</u>
		2,318,815	2,348,477
Depreciation			
- buildings		476,341	210,138
- motor vehicles		34,951	25,192
- office furniture and equipment		<u>847,188</u>	<u>523,689</u>
		1,358,480	759,019
Bad and doubtful debts		7,857	534
Impairment losses		-	2,382,360
Employee benefits		18,255,687	16,102,220
Loss on fair value adjustments			
- Property, plant and equipment		10,242,366	-
Unrealised loss on financial investments		<u>2,003,430</u>	<u>-</u>
		12,245,796	-

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Total compensation paid or payable to key management personnel	<u>1,294,827</u>	<u>1,006,067</u>
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NOTE 7: CASH AND CASH EQUIVALENTS

Cash on hand	3,790	3,790
Cash at bank	<u>4,208,684</u>	<u>9,190,425</u>
	<u>4,212,474</u>	<u>9,194,215</u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
NOTE 8: RECEIVABLES			
CURRENT			
Receivables from contracts with customers		215,923	1,095,280
Allowance for credit losses		<u>(10,000)</u>	<u>(3,000)</u>
		205,923	1,092,280
		-	-
Other receivables			
Deposits		3,060	19,500
Other Receivables		36,989	-
Prepayments		187,233	54,771
GST Receivable		70,888	93,968
Home Care Packages Funding		<u>56,810</u>	<u>-</u>
		<u>354,980</u>	<u>168,239</u>
		<u>560,903</u>	<u>1,260,519</u>
NOTE 9: OTHER FINANCIAL ASSETS			
CURRENT			
<i>Financial assets at fair value through profit or loss</i>			
Distribution receivable from investments		<u>1,569,818</u>	<u>1,643,715</u>
Total financial assets at fair value through profit or loss		<u>1,569,818</u>	<u>1,643,715</u>
<i>Financial assets measured at amortised cost</i>			
Financial instruments		<u>27,500</u>	<u>19,532</u>
		<u>1,597,318</u>	<u>1,663,247</u>
NON CURRENT			
<i>Financial assets at fair value through profit or loss</i>			
Financial assets at fair value though profit or loss		<u>37,460,192</u>	<u>43,955,495</u>

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
NOTE 10: INVESTMENT PROPERTIES			
<i>Investment property at fair value</i>			
Opening carrying amount		148,145,693	
Purchases		5,889,086	
		-	
Revaluation increment on investment properties		<u>5,188,267</u>	
Closing carrying amount		<u><u>159,223,046</u></u>	
 (a) Investment property measured at fair value			
As at 30 June 2022, BASScare obtained property valuation advice from m3property Pty Ltd. This valuation is an estimate provided by an expert, and should be considered in line with other available information.			
 NOTE 11: PROPERTY, PLANT AND EQUIPMENT			
Land			
At fair value		<u>20,940,000</u>	<u>20,200,000</u>
 Buildings			
At fair value		140,000	11,866,821
Accumulated depreciation		<u>-</u>	<u>(332,377)</u>
		<u>140,000</u>	<u>11,534,444</u>
Total land and buildings		<u>21,080,000</u>	<u>31,734,444</u>
 Plant and equipment			
Motor vehicles at cost		545,227	423,337
Accumulated depreciation		<u>(401,503)</u>	<u>(366,552)</u>
		143,724	56,785
Furniture, fixtures and fittings at cost		7,123,640	4,574,090
Accumulated depreciation		<u>(2,752,022)</u>	<u>(1,904,834)</u>
		<u>4,371,618</u>	<u>2,669,256</u>
Total plant and equipment		<u>4,515,342</u>	<u>2,726,041</u>
Total property, plant and equipment		<u><u>25,595,342</u></u>	<u><u>34,460,485</u></u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)			
(a) Reconciliations			
<i>Land and buildings</i>			
Opening carrying amount		20,200,000	
Net revaluation increments		<u>740,000</u>	
Closing carrying amount		<u><u>20,940,000</u></u>	
<i>Buildings</i>			
Opening carrying amount		11,534,444	
Additions		64,262	
Net revaluation decrements		(10,982,365)	
Depreciation expense		<u>(476,341)</u>	
Closing carrying amount		<u><u>140,000</u></u>	
<i>Motor vehicles</i>			
Opening carrying amount		56,785	
Additions		121,890	
Depreciation expense		<u>(34,951)</u>	
Closing carrying amount		<u><u>143,724</u></u>	
<i>Furniture, fixtures and fittings</i>			
Opening carrying amount		2,669,256	
Additions		2,549,550	
Depreciation expense		<u>(847,188)</u>	
Closing carrying amount		<u><u>4,371,618</u></u>	
<i>Total property, plant and equipment</i>			
Carrying amount at 1 July		34,460,485	
Additions		2,735,702	
Net revaluation increments / decrements		(10,242,365)	
Depreciation expense		<u>(1,358,479)</u>	
Carrying amount at 30 June		<u><u>25,595,343</u></u>	
NOTE 12: OTHER ASSETS			
NON CURRENT			
Deferred Management Fee Receivable		<u><u>8,596,823</u></u>	<u><u>5,915,448</u></u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
NOTE 13: PAYABLES			
CURRENT			
<i>Unsecured liabilities</i>			
Trade creditors		885,622	978,700
Sundry creditors and accruals		<u>1,072,324</u>	<u>1,130,307</u>
		<u><u>1,957,946</u></u>	<u><u>2,109,007</u></u>
NOTE 14: BORROWINGS			
CURRENT			
<i>Secured liabilities</i>			
Bank loans		<u>14,966,308</u>	<u>29,540,561</u>
NOTE 15: PROVISIONS			
CURRENT			
Annual leave		1,730,695	1,510,325
Long service leave		<u>821,572</u>	<u>817,943</u>
		<u><u>2,552,267</u></u>	<u><u>2,328,268</u></u>
NON CURRENT			
Long service leave		<u>736,351</u>	<u>677,854</u>
NOTE 16: OTHER LIABILITIES			
CURRENT			
ILU resident loans		54,614,869	36,152,690
RADs / accommodation bond liabilities		<u>49,517,660</u>	<u>52,670,098</u>
		<u><u>104,132,529</u></u>	<u><u>88,822,788</u></u>

ILU resident loans

ILU (independent living unit) resident loans are non-interest bearing loans made by ILU residents to the group upon entering into a loan/licence agreement to occupy an independent living unit or apartment operated by the group.

ILU resident loans are liabilities which fall due and payable when a resident leaves the unit. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current. Australian Accounting Standards regard this type of a financial liability as having a demand feature and consequently are required to be disclosed as a current liability irrespective of the historical trend of the liability.

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**NOTES TO FINANCIAL STATEMENTS
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Note	2022	2021
	\$	\$

NOTE 16: OTHER LIABILITIES (CONTINUED)

Despite the classification of the ILU resident loans as required by Australian Accounting Standards as a current liability, the group has determined that in the ordinary course of business, it requires approximately 10% (2021: 10%) of the ILU resident loans to be held as a current liability to meet its ongoing obligations. The determination of 10% was based on the ageing profile of the residents.

RAD's / accommodation bonds

Pursuant to the provisions of the Retirement Villages Act 1986 payments made to the group as contributions or interest free loans by or on behalf of residents in the group's hostel or housing units are secured by way of statutory first charge on the land used for those purposes.

RADs / accommodation bonds are non-interest bearing deposits made by aged care facility residents to the group upon their admission to a residential aged care facility.

The group has provided each resident that has entered into a RAD / accommodation bond agreement with the group and/or paid a RAD / accommodation bond to the group with a written guarantee of future refund of the RAD / accommodation bond balance in accordance with the RAD / accommodation bond agreement and in compliance with the prudential requirements set out under the Aged Care Act 1997.

RAD / accommodation bond liabilities are classified as a current liability as the entity does not have the unconditional right to defer the settlement of the liability in the event that a resident decides to vacate the facility. Australian Accounting Standards regard this type of financial liability as having a demand feature and consequently are required to be disclosed as a current liability irrespective of the historical trend of the liability.

Despite the classification of the RAD / accommodation bond liability as required by Australian Accounting Standards as a current liability, the group has determined that in the ordinary course of business, it requires approximately 15% of the liability to be held as a current liability to meet its ongoing obligations.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
NOTE 17: RESERVES			
General reserve	17(a)	<u>662,620</u>	<u>437,929</u>
		<u>662,620</u>	<u>437,929</u>

(a) General reserve

The general reserve is used to record the long term maintenance funds raised from the Hester resident loans.

Movements in reserve

Opening balance	437,929	382,083
Transfers	<u>224,691</u>	<u>55,846</u>
Closing balance	<u>662,620</u>	<u>437,929</u>

NOTE 18: RELATED PARTY TRANSACTIONS

(a) Transactions with entities with joint control or significant influence over the entity

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

The following transactions occurred with related parties:

Corser Property - Bernard Corser (Director) - Property advice	<u>9,500</u>	<u>-</u>
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(b) Interests in subsidiaries

BASScare controls Airdrie House Society Incorporated which has been dormant during the financial year.

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**NOTES TO FINANCIAL STATEMENTS
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Note	2022 \$	2021 \$
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NOTE 19: CASH FLOW INFORMATION

(a) 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	3,790	3,790
Cash at bank	<u>4,208,684</u>	<u>9,190,425</u>
	<u>4,212,474</u>	<u>9,194,215</u>

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2022, of the group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2022, of the group.

NOTE 21: MEMBERS' GUARANTEE

The parent company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$20 each towards meeting any outstandings and obligations of the company. At 30 June 2022 the number of members was 16. The combined total amount that members of the company are liable to contribute if the company is wound up is \$320.

NOTE 22: GROUP DETAILS

The registered office of the group is:

Boroondara Aged Services Society
27 Shierlaw Avenue
Canterbury Vic 3126

BOROONDARA AGED SERVICES SOCIETY
(TRADING AS BASScare)
ACN: 004 574 547

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
NOTE 23: REMUNERATION OF AUDITORS			
Remuneration of auditors for:			
<i>Pitcher Partners (Melbourne)</i>			
Audit and assurance services			
- Audit of the financial report		<u>42,000</u>	<u>39,000</u>
Total remuneration of auditors		<u>42,000</u>	<u>39,000</u>

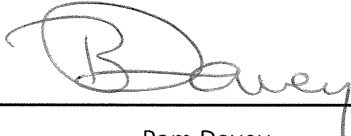
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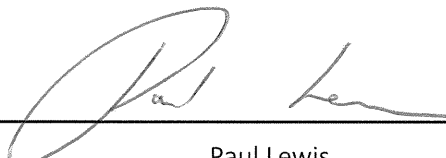
DIRECTORS' DECLARATION

The directors declare that:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director: 
Pam Davey

Director: 
Paul Lewis

Dated this 29th day of SEPTEMBER 2022

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BASSCARE**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of BASScare, "the Company" and its subsidiaries, "the group", which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) 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 group in accordance with 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.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BASSCARE**

Other Information

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2022, 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, 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 Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the ACNC Act and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the group's financial reporting process.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BASSCARE**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

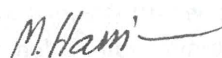
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BASSCARE**

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



M J Harrison
Partner



PITCHER PARTNERS
Melbourne

Date 29 September 2022