Helping Hand Aged Care Inc

Financial Report

For the Year Ended

30 June 2023

70 Years Together

Helping Hand
new aged care

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Helping Hand provides services across many lands, traditionally owned by the Kaurna, Narangga, Ngadjuri, Nukunu, Banggarla, and Peramangk people. Helping Hand acknowledges the Traditional Owners of the land on which we work and provide services. We pay respect to their culture and heritage, and Elders past, present and emerging.

Board of Directors Report

For the year ended 30 June 2023

Your Board of Directors submit the financial report of Helping Hand Aged Care Inc for the year ended 30 June 2023.

Board Members

The names of the board members throughout the year and at the date of this report are:

Erica Benn	Jason Cattonar
Julie Cooper (ceased 30 November 2022)	Janet Finlay
Dr. John Harvey	Jarrad Haynes (commenced 12 August 2023)
Prof. Angela Scarino	Chris Stewart
Prof. Craig Whitehead	Prof. Brenda Wilson AM (ceased 30 June 2023)

Principal Activities

The principal activities of the Association during the financial year were to provide facilities and services for aged residents and clients.

Significant Changes

Helping Hand Aged Care Inc. acquired the assets and operations of Whyalla Aged Care Inc on 25 November 2022.

No other significant changes to these activities occurred during the year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included within this financial report and forms part of the Responsible Entities' Report.

Operational Results

The deficit from ordinary activities for 2023 amounted to $0.2m. (2022 deficit $6.1m).

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

....	....
BOARD MEMBER	**BOARD MEMBER**

Dated this ......24th...... **day of** ......October...... **2023**

70 Years Together

Helping Hand new aged care

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
OPERATING INCOME			
Revenue from Services	2	141,175	115,060
Other Income	2	13,172	9,797
Total Operating Income		**154,347**	**124,857**
OPERATING EXPENDITURE			
Employee expenses		109,133	94,284
Finance costs		186	97
Administration expenses		3,431	3,309
Depreciation and amortisation		8,082	7,639
Repairs and maintenance		2,971	2,360
Other expense	3	21,146	17,813
Refundable Accommodation Deposit Lease Expense		9,570	5,472
Total Operating Expenditure		**154,519**	**130,974**
Net Surplus/(Deficit) from Operations		**(172)**	**(6,117)**
Other Comprehensive Income			
Whyalla Aged Care Inc Acquisition		(998)	-
Total Comprehensive Surplus/(Deficit) for the year		**(1,170)**	**(6,117)**

Notes 1-26 form part of these financial statements.

70 Years Together Helping Hand new aged care

Statement of Financial Position

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Assets			
Current Assets			
Cash and Cash Equivalents	4	29,157	20,010
Trade and Other Receivables	5	2,700	6,956
Financial Assets	6	11,237	1,200
Total Current Assets		**43,094**	**28,166**
Non-current Assets			
Other Financial Assets	7	2,656	1,689
Investments Accounted for Using the Equity Method	8	5,108	4,108
Resident Funded Units	9	26,765	24,855
Property, Plant and Equipment	10	238,695	237,201
Right-of-use Assets	17	1,283	1,693
Total Non-current Assets		**274,507**	**269,546**
Total Assets		**317,601**	**297,711**
Liabilities			
Current Liabilities			
Trade and Other Payables	11	8,700	10,665
Subsidies Received in Advance	12	10,457	11,949
Provisions	14	14,556	12,414
Lease Liability - Current	17	393	379
Refundable Accommodation Deposits (RAD)	16	152,675	132,958
Resident Funded Units (RFU) Licenses	15	13,522	10,844
Total Current Liabilities		**200,303**	**179,209**
Non-current Liabilities			
Provisions	14	3,636	3,246
Lease Liability - Non Current	17	890	1,314
Total Non-current Liabilities		**4,527**	**4,560**
Total Liabilities		**204,829**	**183,769**
Net Assets		**112,772**	**113,942**
Accumulated Funds		37,659	18,993
Asset Revaluation Reserve		75,113	75,113
Capital Grants Reserve		-	17,396
Trust and ID Funds		-	2,440
Total Equity		**112,772**	**113,942**

Notes 1-26 form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2023

	Accumulated Funds	Reserves: Asset Revaluation Reserve	Reserves: Trust and ID Funds	Reserves: Capital Grants Reserve	Reserves: Whyalla Acquisition Reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2021	**25,110**	**75,113**	**2,440**	**17,396**	**-**	**120,059**
(Deficit) / Surplus for the year	(6,117)	-	-	-	-	(6,117)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income for the year	(6,117)	-	-	-	-	(6,117)
Transfer to Reserves	-	-	-	-	-	-
Balance at 30 June 2022	**18,993**	**75,113**	**2,440**	**17,396**	**-**	**113,942**
(Deficit) / Surplus for the year	(172)		-	-	-	(172)
Other Comprehensive Income		-	-	-	(998)	(998)
Total Comprehensive Income for the year	(172)	-	-	-	(998)	(1,170)
Transfer to Reserves	18,838	-	(2,440)	(17,396)	998	-
Balance at 30 June 2023	**37,659**	**75,113**	**-**	**-**	**-**	**112,772**

Notes 1-26 form part of these financial statements.

Statement of Cashflows

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities		141,517	114,744
Interest and dividends received		1,313	190
Bequests, donations and fundraising		24	29
Payments to suppliers		(134,841)	(120,629)
Interest paid		(7)	-
Net cash Provided / (Used in) by Operating Activities		**8,006**	**(5,666)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for purchases of property, plant and equipment		(3,131)	(3,646)
Proceeds from sale of Property, Plant & Equipment		264	433
Proceeds from sale of shares		181	-
Payment for Resident Funded Unit Upgrades		(324)	(558)
Payments for purchase of shares		(1,103)	-
Net Cash Used in Investing Activities		**(4,113)**	**(3,771)**
CASH FLOW FROM FINANCING ACTIVITIES			
Accomodation Bond / Refundable Deposits Received		56,120	34,567
Accomodation Bond / Refundable Deposits Refunded		(41,251)	(32,347)
Payment of lease liability		(518)	(396)
Money received from Resident Funded Unit entrants		2,031	845
Refunds of Resident Funded Units		(1,091)	(1,555)
Net Cash Provided by Financing Activities		**15,291**	**1,114**
NET (DECREASE) / INCREASE IN CASH HELD		**19,184**	**(8,323)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**21,210**	**29,533**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**40,394**	**21,210**

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. For the purposes of the Statement of Cash Flows, cash includes cash on hand, at bank, on deposit and investments in equities, property trusts and income securities.

Notes 1-26 form part of these financial statements.

Statement of Significant Accounting Policies

For the year ended 30 June 2023

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – General Purpose Financial Statements Simplified Disclosures and the Association Incorporations Act (SA) 1985 and the Australian Charities and Not-for-Profit Commission Act 2012. Helping Hand Aged Care Inc is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2023 were approved and authorised for issue by the Board on 24 October 2023.

The financial report covers Helping Hand Aged Care Inc. as an individual entity. Helping Hand Aged Care Inc. is an Association incorporated in South Australia under the Associations Incorporation Act 1985.

The financial report has been prepared on an accrual basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Amounts in this report have been rounded off to the nearest thousand dollars. Amounts are presented in Australian dollars.

New Accounting Standards and Interpretations

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Going Concern

The Statement of Financial Position for the Association discloses a working capital deficiency of $158m (2022: $151m). The financial statements have been prepared on a going concern basis as the deficiency only arises because of the disclosure of resident accommodation deposits and resident liabilities as current liabilities. Resident accommodation deposits and resident liabilities for the Association amounting to $153m (2022: $133m) as per Note 16, are shown as current liabilities on the basis they are repayable to residents when they leave the facility or unit, which can be at any time.

RAD refunds are guaranteed by the Commonwealth Government under the Prudential Standards and providers are required to have sufficient liquidity to ensure that they can refund RAD balances as they fall due in the following 12 months. In order to achieve this, providers are required to implement and maintain a liquidity management strategy. The Association has an established liquidity management strategy which has not been breached in the year and is in compliance with the Prudential Standards.

Based on the cash flow model for the next twelve months, the Association will be able to pay its debts as and when they become due and payable. In addition, the Association has access to bank facilities totaling $20,000,000. Accordingly, the financial report has been prepared on a going concern basis.

Notes to the Financial Statements

For the year ended 30 June 2023

1. Whyalla Aged Care Inc Assets & Operations Acquisition

On 25 November 2022, the Association acquired the business assets of Whyalla Aged Care Inc. The transaction is a business combination in accordance with AASB 3 'Business Combinations' as the Association obtained control of the processes and operations of the Whyalla Aged Care Inc business.

The Association has been deemed to have gained control of the Whyalla Aged Care Inc business for no consideration. Consequently, in accordance with AASB 3 'Business Combinations', the acquisition-date fair value of the business acquired has been recognised directly into equity through the acquisition reserve.

Whyalla Aged Care Inc provides aged care services and retirement living to the Whyalla community.

Details of the acqusition are as follows	**$'000**
Cash and cash equivalents	1,349
Trade and other receivables	211
Other current assets	209
Land	1,078
Buildings	6,285
Plant & Equipment	599
Trade and other payables	(3,497)
Provisions	(1,346)
Refundable Accommodation Deposits	(4,912)
Resident Funded Unit Licences	(973)
Net assets/liabilites acquired	**(998)**
Acquisition-date fair value of the total consideration transferred	**(998)**

2. Revenue

	Note	2023 $'000	2022 $'000
Revenue from Services			
Government Subsidies		87,056	71,804
Client Fees		20,811	17,682
Grants		12,412	8,380
Grants - COVID19		2,444	-
Interest and Dividends Received		1,313	190
Residential Charges/Supplements		8,638	6,869
Daily Accommodation Payments / Contributions		5,440	4,224
RFU Retention and Fair Value Movements		174	3,171
Non Refundable Entry Contributions		487	460
Home Care Package Surplus Funds		34	2
Brokerage Income		2,365	2,278
Total Revenue from services		**141,175**	**115,060**
Other Income			
Sundry and Other Income		2,526	4,286
Movement in fair value of investments		76	(40)
Share in profit of associates (Ingle Farm Joint Venture)	8	1,000	79
Refundable Accommodation Deposit Lease Income		9,570	5,472
Total Other Income		**13,172**	**9,797**

Revenue is recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Tax Office. Residential aged care and home care revenue is disaggregated based on the nature of funding. Total revenue includes imputed income from the provision of accommodation, which is accounted for as an operating lease under AASB 16 Leases.

Type of Revenue	Description
Government Funded Subsidies & Supplements	The Australian Government (the "Government") determines the amount of subsidies and supplements in accordance with the provisions of the Aged Care Act 1997 (the "Act"). In accordance with the Act the level of subsidy or supplement is dependent on a range of factors, including a resident's care needs, supported resident ratios in a particular home and whether a home has been newly built or significantly refurbished on or after 20 April 2012. The subsidies and supplements are calculated as a daily rate payable for each day that a resident is in a home. The Government may require a resident to pay a proportion of that subsidy or supplement dependent on their own financial circumstances. This is referred to as a Means Tested Care Fee ("MTCF"). The MTCF reduces the amount the Government pays directly to the provider as a result. The total MTCF included within the total Government Funded Residential Care Subsidies and Supplements was $2.7m for the year ended 30 June 2023 (2022: $2.8m). On 1 October 2022, the Australian National Aged Care Classification ("AN-ACC") care funding model replaced the Aged Care Funding Instrument ("ACFI"). The transition to the new funding model did not impact the Association 's accounting policy for recognising Government-funded subsidies and supplements.
Basic Daily Fee Supplement	The Association received the Basic Daily Fee supplement from the Government which was introduced with effect from 1 July 2021. The supplement was paid at the rate of $10/day per resident and ceased under the transition to AN-ACC funding as at 1 October 2022.
Resident Daily Care Fees	The Association receives Basic Daily Fees which are set by the Government in accordance with the Act and funded directly by the resident. The Basic Daily Fee is calculated as a daily rate payable for each day that a resident is in a home.
Other Resident Fees	The Association provides additional services and accommodation to residents that are funded directly by the resident, under the mutually agreed terms and conditions.
Deferred management fee (DMF) revenue	DMF revenue represents a fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from a retirement village. DMF revenue is recognised over the expected length of stay of a resident.
Other operating revenue	Other operating revenue comprises rental income, donations and bequests, interest revenue, dividend revenue and other sundry revenue. Revenue is recognised over time as services are provided, at the date when the donation or invoice received and when right to receive the dividend has been established. Residents are typically invoiced monthly, and revenue is usually payable within 30 days.
Imputed Interest on RAD Balances	Imputed revenue on RAD and bond balances The Association has determined that the arrangement in which residents who choose to pay a RAD or a bond for their accommodation services meet the definition of a lease under AASB 16. The Association has recognised as revenue an imputed non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement. The accounting treatment results in a non-cash increase in revenue for accommodation and a non-cash increase in finance costs on the outstanding RAD and bond balance, with no net impact on profit and loss for the year.

	The Association has determined the use of the Maximum Permissible Interest Rate ("MPIR") prevailing at the date of admission as the interest rate to be used in the calculation of the Imputed DAP Revenue on RAD and Bond balances. The MPIR is a rate set by the Government and is used to calculate the DAP to applicable residents.
COVID-19 Grants	COVID costs reimbursement Government grants primarily relate to claims disbursed from the Government which reimburse some of the costs incurred during COVID-19 outbreaks. The Association has recognised these grants where approval has been provided by the Department.

	2023 $'000
Claims approved and recognised as income at 30 June 2023	2,444
Grant income recognised as income during the year	**2,444**
Claims submitted, not approved at 30 June 2023	751
Partially declined claims	152
Total claims submitted	**3,347**

3. *Expenses*

	2023 $'000	2022 $'000
Client Care Expenses	9,949	8,809
Housekeeping Expenses	1,970	1,431
Travel and Accommodation Expenses	1,541	1,602
Audit, Legal and Consultancy	2,542	2,216
Premises Expenses	3,515	2,403
Other Expenses	1,630	1,351
Other Expenses	**21,146**	**17,813**

4. *Cash and cash equivalents*

	2023 $'000	2022 $'000
Cash on hand	36	28
Cash at bank	29,121	19,982
Cash and Cash Equivalents	**29,157**	**20,010**
Term deposits classified as cash	11,237	1,200
Cash and Cash Equivalents per cashflow	**40,394**	**21,210**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments, and bank overdrafts, if any.

5. Trade and other receivables

	2023	2022
	$'000	$'000
Trade Receivables	1,802	6,624
Other Receivables	898	332
Trade and Other Receivables	**2,700**	**6,956**

For trade receivables and contract assets under AASB 15 the Association applies a simplified approach of recognising lifetime expected credit losses as these items do not have a significant financing component.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the past due. The Association has established a provision policy based on historical credit loss experience, adjusted for forward looking factors, which include factors specific to the trade receivables and forecast economic conditions.

Receivables are shown inclusive of GST.

6. Financial Assets

	2023	2022
	$'000	$'000
Term Deposits	11,237	1,200
Financial Assets	**11,237**	**1,200**

7. Other Financial Assets

	2023	2022
	$'000	$'000
Market value of investments in listed Corporations	2,656	1,689
Investments	**2,656**	**1,689**

Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into amortised costs.

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

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

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

Subsequent measurement financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit and loss):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss:

- Assets are measured at fair value through profit or loss if they do not meet the criteria for amortised cost or fair value through other comprehensive income.
- A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Classification and measurement of financial liabilities

The Association's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Association designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit and loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

8. Investments Accounted for using the Equity Method

Joint Venture

Investments in joint ventures are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Association's share in the associate is not recognised separately and is included in the amount recognised as investment in joint venture.

The carrying amount of the investments in joint ventures is increased or decreased to recognise the Association's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Association.

The Association has entered into a joint venture to develop and operate a community housing project that provides 20 wheelchair accessible houses. Under the terms of the agreement the Association has contributed land with a value of $1.4m to the project and contributed capital of $0.2m.

The Association is entitled to share in any profits of the Joint Venture equally and must bear its losses in the same proportion. The investment is accounted for under the equity method. The joint venture has a reporting date of 30 June 2023.

The aggregate amounts of certain financial information of the joint venture can be summarised as follows:

	2023	**2022**
	$'000	**$'000**
Assets	12,175	10,332
Liabilities	(37)	(57)
Net Assets	12,138	10,275
Net Assets Attributable to the Association	**5,108**	**4,108**
Revenues	296	413
Profit / (Loss)	2,001	158
Profit Attributable to the Association	**1,000**	**79**
Change in Fair Value	1,905	3,076
Change in Fair Value Attributable to the Association	**953**	**1,538**

9. Resident Funded Units

	2023	2022
	$'000	$'000
Opening balance	24,855	20,895
Transfer from property, plant and equipment	29	30
Revaluation increment	82	3,930
Whyalla Acquisition	1,799	-
Closing balance	**26,765**	**24,855**

Resident funded units (RFU's) comprise interests in land and buildings. The Association sells the right to occupy RFU's on a rolling basis and is entitled to income by way of an annual deferred management fee (DMF) for a portion of the fair value of the units.

Initially, RFU's are measured at cost including transaction costs. Subsequent to initial recognition, the RFU's are then stated at fair value. Gains and losses arising from changes in the fair values of RFU's that are attributable to the Association are included in the Statement of Profit and Loss and Other Comprehensive Income in the period in which they arise.

At each reporting date, the fair values of the RFU's are assessed by the Association by reference to comparable sales, independent valuation or through Valuer General's valuation.

The Association owns the land on which the RFU's are located, and a licence is granted to a resident on a lifetime tenancy to occupy the unit. In return for the grant of the licence, the resident agrees to make an interest free loan to the Association. The interest free loan is recorded in the Statement of Financial Position as a liability.

Where applicable, for those loans repayable as a percentage of the original loan contributed, an adjustment is made to reflect the length of stay of the resident. Where the amount that may be repaid at the end of the tenancy is subject to a combination of market values and years of occupancy the fee liability is recognised at the market value of the property as at the end of the financial year. This liability is reduced for years of occupancy in accordance with individual contract obligations.

At the time a RFU is reoccupied, a market value may be determined by a number of ways. These include using a licenced valuer, using council rates valuation, or realised sale valuation. The new value of the licence is compared to the previous licence value and a percentage increase is determined and applied.

10. Property, Plant and Equipment

Movements in carrying amounts	2023	2022
	$'000	$'000
Land		
Balance at 1 July 2022	44,885	44,800
Whyalla Acquisition	1,078	-
Additions	-	85
Balance at 30 June 2023	**45,962**	**44,885**
Buildings & Improvements		
Balance at 1 July 2022	178,342	182,228
Whyalla Acquisition	4,333	-
Additions	-	347
Transfers - WIP	2,986	-
Depreciation expense, net	(4,824)	(4,233)
Balance at 30 June 2023	**180,837**	**178,342**
Plant and Equipment		
Balance at 1 July 2022	9,455	11,454
Whyalla Acquisition	389	-
Additions	959	683
Transfers - WIP	1,746	-
Depreciation expense, net	(2,059)	(2,681)
Balance at 30 June 2023	**10,490**	**9,455**
Motor Vehicles		
Balance at 1 July 2022	790	735
Additions	539	643
Disposals	(392)	(583)
Depreciation expense, net	0	(5)
Balance at 30 June 2023	**938**	**790**
Leasehold Improvements		
Balance at 1 July 2022	11	19
Depreciation expense, net	(9)	(8)
Balance at 30 June 2023	**2**	**11**
Work In Progress		
Balance at 1 July 2022	3,718	1,300
Additions	1,942	2,418
Transfers	(5,194)	-
Balance at 30 June 2023	**466**	**3,718**
Total Property, Plant & Equipment	**238,695**	**237,201**

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

The cost of fixed assets constructed within the entity includes costs of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads directly attributable to bring the asset to be ready for use.

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

Land and Buildings

Land and buildings held for use in the supply of services are stated at their re-valued amounts. Re-valued amounts are fair market values based on appraisals prepared by external professional valuers once every five years or more frequently if market factors indicate a material change in fair value.

Land and buildings were subject to an independent valuation (Knight Frank Valuations) as at 30 June 2019.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Work in Progress (WIP)

At 30 June 2023 the carrying value of capitalised projects in progress ("Work in Progress") amounted to $0.5m, relating to minor projects. The specific criteria to be met for capitalisation of development costs in accordance with Australian Accounting Standards involves judgement, including the feasibility of the project, intention and ability to complete the construction, ability to use or sell the assets, generation of future economic benefits and the ability to measure the costs reliably.

Depreciation

The depreciable amount of all fixed assets including buildings is depreciated on a straight-line basis over the useful lives of the assets to the Association, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed assets	**Depreciation Rate**
Buildings	40 years or 2.5%
Leasehold Improvements	10 years or 10%
Fixture and fittings	10 years or 10%
Plant and equipment	10 years or 10%
I.T Software	10 years or 10%
I.T Equipment	4 years or 25%
Motor Vehicles	4 years or 25%

Assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

11. Trade and other Payables

	2023	**2022**
	$'000	**$'000**
Current		
Trade Payables	7,767	10,467
Other Sundry Payables	933	198
Trade and Other Payables	**8,700**	**10,665**

Payables are shown inclusive of GST.

12. Subsidies Received in Advance

	2023	**2022**
	$'000	**$'000**
Commonwealth Subsidies & Grants Received in Advance	10,457	11,949
Subsidies Received in Advance	**10,457**	**11,949**

13. Borrowings

The following covenants and undertakings remain in place with NAB in relation to existing facilities.

- Loan to valuation ratio is not to exceed 60%, measured on a quarterly basis.
- Interest cover must exceed 1.5 times, measured against half yearly management accounts and annual audited accounts.
- Tangible net worth to be maintained at greater than $40m measured against half yearly management accounts and annual audited accounts.

NAB currently hold security over the Lightsview, Mawson Lakes, Parafield Gardens and Ingle Farm properties. Effective December 2021 the Association renewed the following finance facilities:

- Refundable Accommodation Deposit repayment facility $10m
- Corporate Markets Loan $5m
- Margin Loan $5m

The expiry date of the facilities is 30th November 2023 and there is nil drawn down as at 30 June 2023.

14. Provisions

	2023	2022
	$'000	$'000
Current		
Employee benefits – annual leave (including on costs)	7,341	5,979
Employee benefits – long service leave (including on costs)	5,683	4,678
Self Insurance provision	1,063	1,303
Other provisions	469	454
Current Provisions	**14,556**	**12,414**
Non Current		
Employee benefits – long service leave (including on costs)	1,630	1,342
Self Insurance provision (net)	2,006	1,904
Non Current Provisions	**3,636**	**3,246**

Self Insurance Provision:		
Opening balance	3,207	3,440
Self insurance provision during the period	2,142	2,015
Self insurance costs incurred	(2,280)	(2,248)
Closing balance	**3,069**	**3,207**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred. The timing of the cash outflows associated with the provisions are unknown.

Employee Compensation – Self Insurance

The Association became Self Insured as at 18 January 2016. This covers all employees that are based within South Australia. The Return to Work Act 2014, effective from 1 July 2015 requires an actuarial estimate of the outstanding workers compensation liability as at 30 June 2023, (including claims relating to pre 1 July 2015). A provision is recognised for the estimated future costs of all claims incurred at 30 June 2023, including an allowance for claims incurred but not yet reported. The amount has been determined based on a valuation at 30 June 2023 by an independent actuary. The actuarial report also sets out an estimate of the financial guarantee required under the Act.

15. Resident Funded Unit Licences

	2023	2022
	$'000	**$'000**
RFU Liabilities	**13,522**	**10,844**

	2023	2022
RECONCILIATION	**$'000**	**$'000**
Opening balance	10,844	10,796
Whyalla Acquisition	973	-
Retention movement	(448)	(234)
Increment movement	397	1,198
Net unit turnover	1,450	(1,121)
AASB 15 DMF recognition adjustment	306	205
Closing balance	**13,522**	**10,844**

16. Refundable Accommodation Deposits

	2023	2022
	$'000	$'000
CURRENT		
Refundable Accommodation Deposits		
Estimated settlement within 12 months	54,955	34,560
Estimated settlement longer than 12 months	97,698	98,365
Entry contribution	22	33
	152,675	**132,958**

	2023	2022
	$'000	$'000
RECONCILIATION		
Opening balance	132,958	130,891
Whyalla Acquisition	4,912	-
Contracted	56,120	34,567
Refunded	(41,251)	(32,346)
Interest	434	307
Fees & Other adjustments	(498)	(461)
Closing balance	**152,675**	**132,958**

RAD Accounting Policy

RADs and bonds are paid at the choice of residents upon their admission to homes and are refunded after a resident departs a home in accordance with the Act. Providers must pay a Government set Base Interest Rate on all refunds of RADs and bonds within legislated time frames and must pay a higher rate on refunds that are not made within legislated time frames.

RADs and bond refunds are guaranteed by the Government under the Accommodation Payment Guarantee Scheme, in the event that a provider is unable to refund the amounts. Providers are required to maintain sufficient liquidity to ensure that they can refund all amounts as they fall due. As required under legislation, the Association maintains a Liquidity Management Policy, which is monitored on regular basis and a full review is undertaken on an annual basis as a minimum, with the intention of ensuring it has sufficient liquidity, in the form of cash or undrawn lines of credit, to meet its RAD and bond refunds and other financial obligations as or when they fall due. To ensure that funds are readily available when required, the minimum level of funds chosen by the Association are supported by undrawn lines of credit under its existing financing facilities.

RADs and bonds are classified as a current liability as the Association does not have an unconditional right to defer settlement for at least twelve months after the reporting date. The total RAD and bond liability represents the sum of separate payments from a significant number of individual residents in different locations with differing circumstances and frequently a departing RAD- or Bond-paying resident is replaced shortly afterwards with a new RAD-paying resident. The repayment of individual balances that make up the total current balance will be dependent upon the actual tenure of individual residents, which can be more than ten years but based on the Associations historical experience averages approximately 2.5 - 3 years.

17. *Leases*

This note provides information for leases where the Association is a lessee.

The balance sheet shows the following amounts relating to leases:

	2023	2022
	$'000	**$'000**
Right of use Assets		
Buildings	1,283	1,693
	1,283	**1,693**
Lease liabilities		
Current	393	379
Non-current	890	1,314
	1,283	**1,693**
Future lease payments in relation to lease liabilities as at period end:		
Within one year	393	379
Later than one year not not later than five years	1,080	1,314
	1,473	**1,693**

Additions to the right of use assets during the year were $0.00 (2022 $819,541).

The statement of profit or loss shows the following amount relating to leases:

Depreciation on right of use assets		
Buildings	**385**	**396**
Interest expense (included in finance cost)	**111**	**26**

The Association leases various office premises and equipment. Rental contracts are typically made for fixed periods of 6 months to 5 years. Extension and termination options, and residual value guarantees are included in a number of property and equipment leases of the Association. The majority of extension and termination options held are exercisable only by the Association and not by the respective lessor. Some property and equipment lease payments contain variable lease payments that are linked to consumer price index and are included in the calculations of right-of-use assets and lease liabilities in relation to these leases.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Contracts may contain both lease and non-lease components. The Association allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Association is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Association, the Association's incremental borrowing rate is used, being the rate that the Association would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Association is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Association is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Association revalue its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Association.

18. Asset Revaluation Reserve

This is the movement in the value of buildings from its original development costs. Revaluations of land and buildings are performed periodically, with the last revaluation undertaken in June 2019.

19. *Key Management Personnel Compensation*

	2023	2022
	$'000	$'000
Short-term benefit	1,722	1,656
Post employment benefit	159	153
Total compensation	**1,881**	**1,809**

20. *Capital Commitments*

	2023	2022
	$'000	$'000
Costs of capital expenditure commitments are:		
Bluestone ILU Refurbishment North Adelaide < 1 year	400	600
	400	**600**

21. *Auditor Remuneration*

	2023	2022
	$'000	$'000
Audit of financial reports	72	68
Other assurance services	25	9
	97	**77**

22. *Fair Value Measurement*

The carrying amounts presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

	Notes	2023 $'000	2022 $'000
Financial assets			
Financial assets measured at fair value:			
Listed securities	7	2,656	1,689
Loans and receivables:			
Trade and other receivables	5	2,700	6,956
Cash and cash equivalents	4	29,157	20,010
Term Deposits	6	11,237	1,200
Financial liabilities			
Financial liabilities measured at amortised cost:			
Current	17	393	379
Non-current	17	890	1,314
Trade and other payables:			
Current	11	8,700	10,665

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Association has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring Fair Value Measurements **As at 30 June 2023**	**Level 1** **$'000**	**Level 2** **$'000**	**Level 3** **$'000**	**Total** **$'000**
Assets				
Financial assets at fair value through profit or loss	2,656	-	-	2,656
Total Financial Assets	**2,656**	**-**	**-**	**2,656**
Land		-	45,962	45,962
Buildings		-	50,220	50,220
Total Property Plant and Equipment	**-**	**-**	**96,182**	**96,182**
Total Assets	**2,656**	**-**	**96,182**	**98,838**

Recurring Fair Value Measurements
As at 30 June 2022.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial assets at fair value through profit or loss	1,689	-	-	1,689
Total Financial Assets	**1,689**	**-**	**-**	**1,689**
Land		-	44,885	44,885
Buildings		-	44,088	44,088
Total Property Plant and Equipment	**-**	**-**	**88,973**	**88,973**
Total Assets	**1,689**	**-**	**88,973**	**90,662**

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for unlisted equity securities and land and buildings subject to independent valuations.

23. Contingent Liabilities and Contingent Assets

As at 30 June 2023 Return to Work South Australia Guarantees in place are $4.8m (2022: $4.8m).

The Association has commenced a review of its Enterprise Bargaining Agreements (EBA). An investigative process is being undertaken to confirm accuracy and compliance, consistent with industry practice. The process is in its early stages and it is too early to quantify any potential outcomes.

At the date of signing these financial statements, with the exception of the above, the Directors are not aware of any other contingent liabilities.

24. *Events after the Reporting Period*

On 21 July 2023 Helping Hand Aged Care settled a sale agreement with James Brown Memorial Trust for Barryne Retirement Village. No adjustments to the carrying value of assets were made on 30 June 2023.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

25. *Related Party Transactions*

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

There were no transactions with related parties during the year.

26. *Association Details*

The principal place of business and registered office of the Association is:

Helping Hand Aged Care Inc.

34 Molesworth Street

NORTH ADELAIDE SA 5006

Australian Business Number: 19 636 743 675

Board of Directors Statement

For the year ended 30 June 2023

The Board of Directors has determined that Helping Hand Aged Care Inc. is a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 - 26 to the accounts.

In the opinion of the Board of Helping Hand Aged Care Inc.:

A. The financial statements and notes of the Association are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
   I. Giving a true and fair view of its financial position of Helping Hand Aged Care Inc. as at 30 June 2023 and the performance of the Association for the year ended on that date.
   II. Complying with Australian Accounting Standards – Simplified Disclosures including the Australian Accounting Interpretations and the Australian Charities and Not-for-profits Commission Regulation 2013; and

B. At the date of this statement, there are reasonable grounds to believe that Helping Hand Aged Care Inc. will be able to pay its debts as and when they fall due.

In accordance with Section 35 (5) of the Associations Incorporation Act, 1985, the Board of Directors of Helping Hand Aged Care Inc. hereby states that during the financial year ended 30 June 2023:

A.
   I. no officer of the Association,
   II. no firm of which an officer is a member; and
   III. no body corporate in which an 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 the Association except as stated in (B).

B. no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value except for the following:

Chief Executive Officer (Public Officer)	Salary, motor vehicle and other benefits. These are set on the basis of comparable levels paid in the Aged Care Industry.
Board of Directors	Director's fees and reimbursement of expenses

This report is made in accordance with a resolution of the Board of Directors.

....

BOARD MEMBER **BOARD MEMBER**

Dated this 24th **day of** October **2023**

Helping Hand
new aged care
70 Years Together

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Auditor's Independence Declaration

To the Directors of Helping Hand Aged Care Inc

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Helping Hand Aged Care Inc for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 24 October 2023

Grant Thornton

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Independent Auditor's Report

To the Members of Helping Hand Aged Care Inc

Report on the audit of the financial report

Opinion

We have audited the financial report of Helping Hand Aged Care Inc (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in 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 Board of Directors statement.

In our opinion, the financial report of Helping Hand Aged Care Inc has been prepared 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 Registered Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

b complying with Australian Accounting *Standards AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 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 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 Directors are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2023, 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 the Directors for the financial report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and for such internal control as the Directors 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, the Directors 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 Directors either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors 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.

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

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

We communicate with those charged with governance 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.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 24 October 2023