



EVERGREEN LIFE CARE LIMITED
ABN 95 003 777 259

FINANCIAL REPORT - 30 JUNE 2023

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EVERGREEN LIFE CARE LIMITED
ABN 95 003 777 259

FINANCIAL REPORT - 30 JUNE 2023

DIRECTORS' REPORT

Evergreen Life Care Limited is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The Directors present the report on Evergreen Life Care Limited for the financial year ended 30 June 2023 and report as follows:

DIRECTORS

The names of the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

J Roberts (*Chair*)

A Keith

J Floyd

I Kent

G Nagaraj

PRINCIPAL ACTIVITY

The principal activities of Evergreen Life Care Limited during the financial year were to provide quality Care, Services and Accommodation in an Australian Environment, to Veterans' and older persons within our community.

There were no significant changes in the nature of the activities during the year.

OPERATING RESULT

The operating deficit of the company for the financial year amounted to \$1,005,045 (2022: \$6,152,972 surplus). The company is a not-for-profit entity and is exempt from the payment of income tax.

SHORT TERM OBJECTIVES

The company's short term objectives are:

1. Financial stability – to ensure Evergreen's business model is financially sustainable, future facing and does not represent unreasonable risk.
2. Growth – to grow the size of the organisation to better deliver a sustainable business model and meet increasing demand and changing customer needs and expectations.
3. Customer experience – to meet customer expectations, to provide excellent care and support services, provide a continuum of care from low through to high needs and to provide choice in pricing and style with accommodation suited to needs and specialist areas.
4. Employee engagement – to attract, retain and develop quality people and be recognised as a quality employer in the sector that demonstrates diversity & inclusion.
5. Quality – to provide excellent high care and support services for residents to meet their needs and to provide infrastructure which allows residents to truly age in place as their care needs change. Our services will be co-designed with residents and families & will be responsive to the needs of the residents and provide access to services that keep residents as independent and socially connected as possible.

LONG TERM OBJECTIVES – *Vision & Purpose*

The company's vision is to transform the landscape for seniors on the Central Coast and beyond.

EVERGREEN LIFE CARE LIMITED**ABN 95 003 777 259****FINANCIAL REPORT - 30 JUNE 2023****DIRECTORS' REPORT****STRATEGIES TO ACHIEVE OBJECTIVES**

To achieve these objectives, the company has adopted the following strategies:

1. Recognising that Evergreen is fortunate to be situated in a location of natural beauty, we will focus on developing, upgrading and expanding our places and accommodation to create modern, safe places to live that are aligned to our customers' needs.
2. We will focus on developing and embedding an integrated care model based on ageing in place principals, with a foundation in quality, choice and continuous innovation.
3. We will continue to invest in our people and in our culture, to ensure that we can attract and retain the best staff to add to our customers' lives.

EVENTS OCCURRING AFTER BALANCE DATE

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

MEETINGS OF DIRECTORS

The name of Directors holding office during the financial year and the number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

	Eligible	Attended
J Roberts	11	10
A Keith	11	10
J Floyd	11	11
I Kent	11	11
G Nagaraj	11	11

AUDITOR'S INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 30 June 2023 has been received and can be found on the following page.

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

I Kent
Acting Chair

A Keith
Chair of Finance, Audit and Risk Management Committee

Gosford, 28 September 2023

EVERGREEN LIFE CARE LIMITED
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AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40
OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE MEMBERS OF EVERGREEN LIFE CARE LIMITED

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

- (a) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

28 September 2023

EVERGREEN LIFE CARE LIMITED**ABN 95 003 777 259****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
ASSETS			
Cash and cash equivalents	6	9,679,163	3,222,626
Trade and other receivables	7	566,757	241,887
Financial assets	8	1,478,872	-
Investment property	9	67,155,889	66,150,000
Capital work in progress	10	-	106,332
Property, plant and equipment	11	8,240,285	8,669,830
Intangible assets	12	161,667	172,263
TOTAL ASSETS		87,282,633	78,562,938
LIABILITIES			
Trade and other payables	13	8,028,887	1,856,414
Refundable loans expected to be paid within 12 months	14	7,703,432	8,314,160
Provisions expected to be paid within 12 months	15	978,744	1,082,464
Refundable loans expected to be paid after 12 months	14	43,558,388	39,334,736
Provisions expected to be paid after 12 months	15	187,934	144,871
TOTAL LIABILITIES		60,457,385	50,732,645
NET ASSETS		26,825,248	27,830,293
FUNDS			
Accumulated funds		26,825,248	27,830,293
TOTAL FUNDS		26,825,248	27,830,293

The accompanying notes form part of these financial statements

EVERGREEN LIFE CARE LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Revenue	4	14,568,054	13,633,680
Other income	4	-	11,102,745
		<u>14,568,054</u>	<u>24,736,425</u>
Expenses			
Administration		(1,670,627)	(1,346,825)
Catering and food supplies		(644,003)	(591,073)
Capital gain expense	5	(263,836)	(144,000)
Cleaning and laundry expenses		(157,894)	(144,408)
COVID-19 expenses		(106,251)	(363,847)
Depreciation and amortisation	5	(1,080,909)	(5,296,668)
Fair value loss on financial assets	5	(25,743)	-
Finance costs	5	(70,556)	(22,152)
Impairment loss on capital work in progress	5	-	(88,228)
Insurance		(737,275)	(629,832)
Loss on disposal of property, plant and equipment	5	(14,852)	(67,351)
Maintenance costs		(367,401)	(330,489)
Resident expenses		(416,077)	(343,557)
Salaries and employee benefits		(9,636,242)	(8,852,581)
Utilities		(381,433)	(362,442)
		<u>(15,573,099)</u>	<u>(18,583,453)</u>
Surplus (deficit) before income tax		(1,005,045)	6,152,972
Income tax expense		-	-
Surplus (deficit) for the year		(1,005,045)	6,152,972
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		<u>(1,005,045)</u>	<u>6,152,972</u>

The accompanying notes form part of these financial statements

EVERGREEN LIFE CARE LIMITED**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2023**

	Accumulated Funds	Total
	\$	\$
Balance at 1 July 2021	21,677,321	21,677,321
Comprehensive income		
Surplus for year	6,152,972	6,152,972
Other comprehensive income	-	-
Total comprehensive income for the year	<u>6,152,972</u>	<u>6,152,972</u>
Balance at 30 June 2022	<u>27,830,293</u>	<u>27,830,293</u>
Balance at 1 July 2022	27,830,293	27,830,293
Comprehensive income		
Surplus (deficit) for year	(1,005,045)	(1,005,045)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	<u>(1,005,045)</u>	<u>(1,005,045)</u>
Balance at 30 June 2023	<u>26,825,248</u>	<u>26,825,248</u>

EVERGREEN LIFE CARE LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers and government		12,620,398	12,330,795
Payments to suppliers and employees		(15,063,175)	(13,248,609)
Interest received		204,513	4,617
Interest paid		(70,556)	(22,152)
<i>Net cash flows from operating activities</i>	16	<u>(2,308,820)</u>	<u>(935,349)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment - residential		(156,233)	(489,839)
Purchase of property, plant and equipment - other		(71,545)	(92,608)
Purchase of capital work in progress - residential		(248,272)	-
Purchase of capital work in progress - residential		(32,553)	(101,066)
Purchase of investment property		(1,005,889)	(1,323,026)
Purchase of financial assets		(1,504,615)	-
Purchase of intangible assets		(40,685)	(69,142)
<i>Net cash flows from investing activities</i>		<u>(3,059,792)</u>	<u>(2,075,681)</u>
Cash flows from financing activities			
Proceeds from refundable accommodation deposits		9,393,715	3,708,271
Proceeds from refundable entry contributions		7,670,000	10,190,000
Repayment of refundable accommodation deposits		(3,506,318)	(6,873,945)
Repayment of refundable entry contributions		(1,732,248)	(3,925,681)
<i>Net cash flows from financing activities</i>		<u>11,825,149</u>	<u>3,098,645</u>
Net increase in cash and cash equivalents		6,456,537	87,615
Cash and cash equivalents at the beginning of the financial year		<u>3,222,626</u>	<u>3,135,011</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>9,679,163</u></u>	<u><u>3,222,626</u></u>

The accompanying notes form part of these financial statements

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 1 - Corporate information**

The financial report includes the financial statements and notes of Evergreen Life Care Limited. Evergreen Life Care Limited is registered under the *Australian Charities and Not-for-profits Commission Act*.

Evergreen Life Care provides accommodation and care services to Veterans' and older persons within the Central Coast community.

The registered address and principal place of business of the company is:

1 Yallambee Avenue
West Gosford NSW 2250

The financial statements were approved by the Board of Directors on 28 September 2023.

Note 2 - Basis of preparation***Statement of compliance***

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

Basis of measurement

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

Comparatives

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

Critical accounting estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates***Impairment***

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

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 2 - Basis of preparation (continued)*****New and revised standards that are effective for these financial statements***

Several amendments to Australian Accounting Standards and interpretations are mandatory for the 30 June 2023 reporting period. These include:

- *AASB 2022-3 Amendments to AASs – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15* (effective for the year ending 30 June 2023)
- *AASB 2020-3 Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use* (effective for the year ending 30 June 2023)
- *AASB 2020-3 Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract* (effective for the year ended 30 June 2023)

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

New standards and interpretations not yet adopted

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

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

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

Presentation of Statement of Financial Position on a liquidity basis

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

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

Note 3 - Significant accounting policies

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

Income tax

Evergreen Life Care Limited is a not-for-profit Charity & Public Benevolent Institution and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 3 - Significant accounting policies (continued)*****Goods and services tax (GST) (continued)***

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

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

Resident fees, daily accommodation payments and recurrent government subsidies

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

Grants, donations and bequests

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the company obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the company; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest

Revenue from interest is recognised on an accrual's basis.

Rental income

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Retentions from entry contributions

The retention income earned from resident entry contributions are recognised as income as the company becomes entitled to receive the retention under the terms of the resident agreement.

Cash and cash equivalents

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

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

Investment property

Property classified as being for investment purposes, essentially being those land and buildings which attract a financial return to the facility predominantly through rental and capital appreciation, is measured at fair value, determined periodically by the Directors, and is not depreciated. The company revalues the investment property tri-annually to determine as to whether there has been any movement in the fair value. The fair value of the investment property has been determined with reference to the average current selling price of the independent living units at the time of the review.

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 3 - Significant accounting policies (continued)*****Investment property (continued)***

Any gains or losses arising from changes in fair value and/or on disposal are included in the net surplus for the period. Costs incurred in relation to the improvement and refurbishment of investment property is charged to the statement of profit or loss and other comprehensive income and expensed during the period in which they are incurred.

Independent living unit leases

Evergreen Life Care Limited has issued leases ranging from 20 years to 98 years to residents of the independent living units and apartments of the village development.

Lease agreements are issued to residents and contain provisions therein for an interest free loan for the term of the lease from the residents and a departure fee calculated per annum for a minimum of five to ten years or part thereof if the lessee vacates the unit or dies within the ten years, a sum equal to a multiple of 2.5% to 6% by the number of years or part thereof in residence at the village.

For leases entered into prior to March 2000, if the resident should vacate the unit and transfer their entitlement to the use of the unit, then any increase in the value of the unit upon its re-lease, is divided equally between Evergreen Life Care Limited and the exiting resident after allowing for the deduction of the departure fee.

Property, plant and equipment**Recognition and measurement**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Subsequent costs

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

Impairment

Property, plant and equipment including land and buildings are subject to the company's policy for impairment review whereby an asset is tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Depreciation and amortisation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Buildings	2022 and 2023: 4%
Equipment	2022 and 2023: 10% - 25%
Motor vehicles	2022 and 2023: 20%

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 3 - Significant accounting policies (continued)*****Property, plant and equipment (continued)*****Depreciation and amortisation (continued)**

The reassessment of the estimated useful lives of the company's buildings during the year and applying depreciation back to their year of completion contributed to an additional \$4.3mil in depreciation expense being recognised in the current financial year.

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

Intangible assets***Software***

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of three years.

Impairment of assets

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

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

Trade and other payables

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

Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Resident entry contributions

Resident entry contributions are received from residents of independent living units, and they are non-interest bearing and the net amount is repayable upon departure or transfer. Resident entry contributions are measured at the principle amount net of any retentions, or any other amounts deducted from the loan at the election of the resident, plus the resident's share of the capital gains (if any) based on the market value of the underlying property at balance date. The repayment of contributions to residents including capital gains and net of any retention will be funded largely by contributions from incoming residents.

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 3 - Significant accounting policies (continued)*****Refundable accommodation deposits***

Refundable accommodation deposits are non-interest bearing deposits made by aged care facility residents to the entity upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident.

Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

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

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
Note 4 - Revenue and other income		
Residential aged care services		
Government subsidies and recurrent grants	8,252,585	7,276,227
Government grants - <i>Business Improvement Fund</i>	-	415,500
Government support - <i>COVID-19</i>	229,915	346,242
Resident fees and charges	2,006,622	2,165,834
Daily accommodation payments	601,099	484,507
	<u>11,090,221</u>	<u>10,688,310</u>
Retirement villages		
Resident fees and charges	1,123,742	1,034,465
Retentions from resident entry contributions	1,972,830	1,666,290
	<u>3,096,572</u>	<u>2,700,755</u>
Other services		
Interest income - other	204,513	4,617
Rental income	46,265	44,408
Other revenue	130,483	195,590
	<u>381,261</u>	<u>244,615</u>
<i>Total revenue</i>	<u>14,568,054</u>	<u>13,633,680</u>
Other income		
Fair value gain on investment property	-	11,102,745
<i>Total other income</i>	<u>-</u>	<u>11,102,745</u>
<i>Total revenue and other income</i>	<u>14,568,054</u>	<u>24,736,425</u>
Note 5 - Expenses		
Depreciation and amortisation		
Buildings	684,160	4,932,907
Equipment	308,408	282,568
Motor vehicles	11,593	11,491
Software	76,748	69,702
<i>Total depreciation and amortisation</i>	<u>1,080,909</u>	<u>5,296,668</u>
Capital gains expense	263,836	144,000
Impairment - trade receivables	(17,938)	(995)
Fair value loss on financial assets	25,743	-
Finance costs	70,556	22,152
Impairment loss on capital work in progress	-	88,228
Net loss on disposal of property, plant and equipment	14,852	67,351
Note 6 - Cash and cash equivalents		
Cash at bank and on hand	2,429,163	1,722,626
Term deposits	7,250,000	1,500,000
<i>Total cash and cash equivalents</i>	<u>9,679,163</u>	<u>3,222,626</u>

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$	
Note 7 - Trade and other receivables			
<u>Expected to be received within 12 months</u>			
Trade receivables	48,524	40,388	
Provision for impairment	-	(17,938)	
Other receivables	367,700	120,473	
Prepayments	150,533	98,964	
<i>Total trade and other receivables</i>	<u>566,757</u>	<u>241,887</u>	
Provision for impairment			
Opening net carrying amount	17,938	18,933	
Increase (decrease) in provision	(17,938)	(995)	
Closing net carrying amount	<u>-</u>	<u>17,938</u>	
Note 8 - Financial assets			
<u>Expected to be received after 12 months</u>			
Financial assets at fair value through profit and loss			
Equity instruments	1,478,872	-	
<i>Total financial assets</i>	<u>1,478,872</u>	<u>-</u>	
Movements in carrying amount			
Opening net carrying amount	-	-	
Additions	1,504,615	-	
Fair value loss	(25,743)	-	
Closing net carrying amount	<u>1,478,872</u>	<u>-</u>	
Note 9 - Investment property			
Investment properties at fair value			
<i>Total investment property</i>	<u>67,155,889</u>	<u>66,150,000</u>	
Movements in carrying amount			
Opening net carrying amount	66,150,000	53,724,229	
Additions	1,005,889	1,323,026	
Fair value movement	-	11,102,745	
Closing net carrying amount	<u>67,155,889</u>	<u>66,150,000</u>	
Note 10 - Capital work in progress			
	Residential	Other	Total
	\$	\$	\$
At 30 June 2022			
Cost	106,332	-	106,332
<i>Net carrying amount</i>	<u>106,332</u>	<u>-</u>	<u>106,332</u>
Movements in carrying amounts			
Opening net carrying amount	106,332	-	106,332
Additions	248,272	32,553	280,825
Reclassification	(354,604)	(32,553)	(387,157)
Closing net carrying amount	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2023			
Cost	-	-	-
<i>Net carrying amount</i>	<u>-</u>	<u>-</u>	<u>-</u>

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023****Note 11 - Property, plant and equipment**

	Land	Buildings	Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
At 30 June 2022					
Cost	1,572,069	16,583,234	4,488,524	137,640	22,781,467
Accumulated depreciation	-	(11,652,286)	(2,379,081)	(80,270)	(14,111,637)
<i>Net carrying amount</i>	<u>1,572,069</u>	<u>4,930,948</u>	<u>2,109,443</u>	<u>57,370</u>	<u>8,669,830</u>
Movements in carrying amounts					
Opening net carrying amount	1,572,069	4,930,948	2,109,443	57,370	8,669,830
Additions - residential	-	27,470	128,763	-	156,233
Additions - non residential	-	-	71,545	-	71,545
Disposals	-	-	(7,766)	-	(7,766)
Reclassification	-	265,589	89,015	-	354,604
Depreciation charge for the year	-	(684,160)	(308,408)	(11,593)	(1,004,161)
Closing net carrying amount	<u>1,572,069</u>	<u>4,539,847</u>	<u>2,082,592</u>	<u>45,777</u>	<u>8,240,285</u>
At 30 June 2022					
Cost	1,572,069	16,876,293	4,767,871	137,640	23,353,873
Accumulated depreciation	-	(12,336,446)	(2,685,279)	(91,863)	(15,113,588)
<i>Net carrying amount</i>	<u>1,572,069</u>	<u>4,539,847</u>	<u>2,082,592</u>	<u>45,777</u>	<u>8,240,285</u>

2023	2022
\$	\$

Note 12 - Intangible assets**Software**

Cost	418,068	356,906
Accumulated depreciation	(256,401)	(184,643)
<i>Total intangible assets</i>	<u>161,667</u>	<u>172,263</u>
Movements in carrying amounts		
Opening net carrying amount	172,263	172,823
Additions	40,685	69,142
Disposals	(7,086)	-
Reclassification	32,553	-
Amortisation charge for the year	(76,748)	(69,702)
Closing net carrying amount	<u>161,667</u>	<u>172,263</u>

Note 13 - Trade and other payables**Expected to be settled within 12 months**

Trade and other payables	386,996	443,045
Liabilities to employees	933,189	918,364
Refundable accommodation deposits payable	5,235,664	-
Refundable entry contributions payable	1,460,800	495,005
Other payables	12,238	-
<i>Total trade and other payables</i>	<u>8,028,887</u>	<u>1,856,414</u>

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
Note 14 - Refundable loans		
<u>Expected to be settled within 12 months</u>		
Refundable accommodation deposits	5,469,127	4,481,139
Refundable entry contributions	2,234,305	3,833,021
	<u>7,703,432</u>	<u>8,314,160</u>
<u>Expected to be settled after 12 months</u>		
Refundable accommodation deposits	8,554,275	8,322,116
Refundable entry contributions	35,004,113	31,012,620
	<u>43,558,388</u>	<u>39,334,736</u>
<i>Total refundable loans</i>	<u>51,261,820</u>	<u>47,648,896</u>
(a) Movement in refundable accommodation deposits		
Opening net carrying amount	12,803,255	15,864,778
RADs received	9,393,715	3,708,271
Allowable deductions	(37,936)	(51,218)
Transfers from refundable entry contributions	606,350	-
RADs refunded	(8,741,982)	(6,718,576)
Closing net carrying amount	<u>14,023,402</u>	<u>12,803,255</u>
(b) Movement in refundable entry contributions		
Opening net carrying amount	34,845,641	29,948,079
Contributions received	7,670,000	10,190,000
Retentions	(1,972,830)	(1,666,290)
Transfers to refundable accommodation eposits	(606,350)	-
Contributions refunded	(2,698,043)	(3,626,148)
Closing net carrying amount	<u>37,238,418</u>	<u>34,845,641</u>

(c) Terms and conditions

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

- (i) If the resident gives notice more than 14 days prior to departure then the loan is payable on the date of departure;
- (ii) If the resident gives notice less than 14 days prior to departure the loan is payable within 14 days after notice is
- (iii) If the resident gives no notice the loan is repayable 14 days after departure; and
- (iv) If the resident dies, the loan is repayable within 14 days from the date that notice is received of the granting of probate or letters of administration.

Resident entry contributions are non-interest bearing and have a maximum repayment term of 6 months.

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
Note 15 - Provisions		
<u>Expected to be settled within 12 months</u>		
Employee entitlements - long service leave	302,744	271,464
Capital gains payable	676,000	811,000
	<u>978,744</u>	<u>1,082,464</u>
<u>Expected to be settled after 12 months</u>		
Employee entitlements - long service leave	187,934	144,871
	<u>187,934</u>	<u>144,871</u>
<i>Total provisions</i>	<u><u>1,166,678</u></u>	<u><u>1,227,335</u></u>

Movements in carrying amounts

	Employee Entitlements	Capital Gains	Total
	\$	\$	\$
Opening net carrying amount	416,335	811,000	1,227,335
Additional provision recognised	128,926	263,836	392,762
Provision utilised during the year	(54,583)	(398,836)	(453,419)
Closing net carrying amount	<u><u>490,678</u></u>	<u><u>676,000</u></u>	<u><u>1,166,678</u></u>

Note 16 - Cash flow information**Reconciliation of surplus for the year to net cash flows from operations**

Surplus (deficit) for the year	(1,005,045)	6,152,972
<i>Adjustments for:</i>		
Depreciation	1,080,909	5,296,668
Impairment - trade receivables	(17,938)	(995)
Impairment - capital work in progress	-	88,228
Fair value (gain) loss on financial assets	25,743	-
Fair value (gain) loss on investment property	-	(11,102,745)
(Gain) loss on disposal of property, plant and equipment	14,852	67,351
Retentions from resident entry contributions	(1,972,830)	(1,666,290)
Allowable refundable accommodation deposit deductions	(37,936)	(51,218)
<i>Changes in assets and liabilities</i>		
(Increase) decrease in trade and other receivables	(255,363)	(69,968)
(Increase) decrease in prepayments	(51,569)	13,523
(Decrease) increase in trade and other payables	(28,986)	107,521
(Decrease) increase in provisions	(60,657)	229,604
Net cash from operating activities	<u><u>(2,308,820)</u></u>	<u><u>(935,349)</u></u>

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
Note 17 - Key management personnel		
Remuneration of key management personnel		
The aggregate amount of compensation paid to key personnel during the year was:	<u>624,116</u>	<u>586,892</u>
Note 18 - Auditor's remuneration		
Fees paid to StewartBrown, Chartered Accountants:		
Audit of the general purpose and retirement village financial reports	18,000	17,000
Preparation of the general purpose and retirement village financial reports	3,700	3,500
Consulting advisory services	700	43,990
Other services	-	2,750
<i>Total auditor's remuneration</i>	<u>22,400</u>	<u>67,240</u>

Note 19 - Commitments**Operating lease commitments**

Non-cancellable operating leases contracted for but not recognised in the financial statements as follows:

Within one year	6,193	7,309
Later than one year but not later than five years	6,930	13,123
	<u>13,123</u>	<u>20,432</u>

The company has a number of short-term and low-value leases that are exempt under *AASB 16 Leases*.

Note 20 - Contingent liabilities

At balance date the company is not aware of the existence of any contingent liability.

Note 21 - Related party transactions**Directors' remuneration**

In accordance with the company's new Constitution (as adopted after balance date) the Directors of the company are entitled to receive a remuneration for their services. Remuneration paid during the 2023 financial year was \$86,190 (2022: \$Nil).

Note 22 - Limitation of members' liability

The company is registered with the *Australian Charities and Not-for-profits Commission* as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed \$50 per member. At 30 June 2023 the number of members of this company was 5 (2022: 5).

Note 23 - Economic dependency

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

Note 24 - Events occurring after balance date

No significant events have occurred after balance date.

EVERGREEN LIFE CARE LIMITED
ABN 95 003 777 259

FINANCIAL REPORT - 30 JUNE 2023

DIRECTORS' DECLARATION

The Directors of the Evergreen Life Care Limited declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the company.
2. In the opinion of the Directors, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



I Kent
Acting Chair



A Keith
Chair of Finance, Audit and Risk Management Committee

Gosford, 28 September 2023

EVERGREEN LIFE CARE LIMITED
ABN 95 003 777 259

FINANCIAL REPORT - 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EVERGREEN LIFE CARE LIMITED

Opinion

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

In our opinion, the accompanying financial report of Evergreen Life Care Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended, and
- b) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

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

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

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

Directors' Responsibility for the Financial Report

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

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

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

EVERGREEN LIFE CARE LIMITED
ABN 95 003 777 259

FINANCIAL REPORT - 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EVERGREEN LIFE CARE LIMITED

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

28 September 2023