

Financial Report

2022



Brotherhood of St Laurence
Working for an Australia free of poverty

**Let's make
change
that lasts**

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Directors' Report

We at the Brotherhood of St Laurence ("BSL"), are committed to the highest standards of corporate governance and believe that accountability and transparency through our corporate governance framework is central to pursuing BSL's mission of pursuing lasting change, to create a more compassionate and just society so that everyone can thrive.

Corporate Governance Framework

The following principles, practices and structures establish the framework for the governance of BSL.

Lady Southey AC is Patron of BSL.

The Anglican Archbishop of Melbourne presides over the Annual General Meeting.

Our Members

CHARTER AND LIFE

Up to 40 Charter Members, including the Executive Director, are permitted under BSL's Constitution.

Charter and Life Members receive and adopt the reports of the Board and of the auditors, receive and adopt the annual financial statements, elect Board Directors and fix the remuneration of the auditors, as well as transacting any other business at general meetings.

Life membership has been conferred on a number of members who have given significant service to BSL. Life Members act as 'friends of BSL', often providing advice and ongoing support to the organisation.

CHARTER MEMBERS

Ms Joanna Baevski
 Professor Jan Carter AM
 Reverend Canon Dr Ray Cleary AM
 The Revd Barbara Colliver
 Ms Christine Edwards
 The Rt Revd David Farrer
 Associate Professor Jane Freemantle OAM
 Ms Celia Gerreyn
 Ms Sarina Greco
 Mr David Green AM, PSM
 Ms Dana Hlavacek
 Mr Michael James
 The Revd Dr J. Hugh Kempster
 Dr Fiona Macdonald
 Dr Ian Manning
 Ms Freya Marsden
 Emeritus Venerable Barry Martin AM (deceased July 2022)
 Mr John McInnes OAM
 Dr Travers McLeod (from April 2022)
 Dr Apollo Nsubuga-Kyobe
 Mr Ian Paroissien (to March 2022)
 Bishop Kate Prowd (to March 2022)
 Dr Nouria Salehi AM, OAM
 Ms Fiona Smith AM
 The Revd Chaplain Soma
 The Revd Clemence Taplin
 Ms Catherina Toh
 Mr David Triplow APM
 Mr Michael Tucker
 Mr Trevor Williams
 Mr John Wilson
 Mr Michael Wilson
 Ms Caterina Wooden

LIFE MEMBERS

The Rt Revd Michael Challen AM
 Mr Sandy Clark AO
 Dr Stephen Duckett
 Mr Michael Feeney
 Mr Nicolas Frances MBE
 The Rt Revd Dr Peter Hollingworth AC OBE
 The Hon. Professor Brian Howe AO
 The Rt Revd Philip Huggins
 The Hon. Rob Knowles AO
 Ms Elizabeth Loftus
 Ms Alison McClelland AM
 Father James Minchin
 Mr Tony Nicholson (from July 2021)
 Mr Ian Reid AM (deceased June 2022)
 The Rt Revd Andrew St John
 Ms Jenny Trethewey
 Mrs Thelma Tuxen (deceased July 2022)

THE BOARD OF DIRECTORS

The Directors of BSL in office during or since the end of 2021-22 financial year are:

Mr Stephen Newton AO (Chair)
 Dr Travers McLeod (Executive Director from April 2022)
 Mr Ian Paroissien (Deputy Chair to date of resignation March 2022)
 Ms Susie King (Deputy Chair from April 2022)
 Dr Stephen Duckett
 Revd Helen Dwyer (to April 2022)
 A/Prof. Jane Freemantle OAM
 Mr Tony Hallam
 Ms Zac Hatzantonis
 Ms Dana Hlavacek
 Bishop Kate Prowd (to March 2022)
 The Revd Dr Alex Ross (from April 2022)

The Board of Directors

Mr Stephen Newton AO

B.A., B.Ed., FACE, FACEL, FIML

Non-Executive Director (November 2020), Board Chair (April 2021), Nominations, Governance and People Committee Chair, Property Committee Chair (from December 2021).

Following an extensive career in Education, where he served as Chair of State and National sector organisations, and as a school principal for 25 years, Mr Newton chose to make his next contribution in the community welfare sector. He is a past Chair and member of the Board of Anglicare Victoria and is a communicant member of the Anglican Church. Mr Newton currently serves as Chair of the Hugh D.T. Williamson Foundation and as a Director of the Epworth Medical Foundation. Mr Newton was appointed to the Board in November 2020 and became Chair in April 2021.

Dr Travers McLeod

DPhil; MPhil (Dist); LLB (Hons); BA (Hons)

Executive Director (from April 2022).

Dr McLeod began his career in public law, working for the State Solicitor's Office in Western Australia and for Justice Michael Kirby in the High Court of Australia. He studied as a Rhodes scholar at Oxford University and was a Lecturer in Politics and International Relations. Dr McLeod worked as a Policy Adviser for the Oxford Martin School at the University of Oxford, playing a lead role in their 2013 report *Now for the Long Term*. He is the author of *Rule of Law in War*, which was published by Oxford University Press in 2015.

Dr McLeod remains an Associate Fellow of the Oxford Martin School and holds adjunct positions at the University of Melbourne and the University of Western Australia. He is a board member of the Victorian Foundation for Survivors of Torture and an occasional moderator for the Cranlana Centre for Ethical Leadership.

Mr Ian Paroissien

BCom, CA ANZ

Non-executive Director and Deputy Chair (to March 2022), David Scott School Council Chair (to July 2022), Property Committee Chair (to December 2021), Member Audit & Risk Management Committee (to September 2021), Member Nominations, Governance & People Committee (to August 2021) and Member Property Committee (from January 2022 to July 2022).

Member of the Institute of Chartered Accountants Australia and New Zealand. Retired partner PwC. Previously, Chair Brighton Grammar School, 2004-2016.

Ms Susie King

LLB(Hons), BA, GAICD

Non-executive Director (November 2020) and Deputy Chair (from April 2022), Member Property Committee (from February 2022), Member Audit & Risk Management Committee (from June 2022).

Ms King is the Executive Director, Consulting, at Social Ventures Australia with expertise in strategy, business planning and service design. She also has deep knowledge in the justice, mental health, child and family services, and philanthropic sectors. Ms King has previously worked for more than 15 years overseas, in London and Washington DC, as a strategy consultant for McKinsey & Company; and held roles as a solicitor in a large corporate firm and as a policy advisor for two Health Ministers in the Victorian Government.

Ms King is also a non-executive director of WEstjustice, a community legal centre in Melbourne's west and formerly served on the board of Trinity College, University of Melbourne, and a major Victorian public teaching hospital. She holds a Bachelor of Laws (Hons) from the University of Melbourne, a BA in History and Fine Art and is a graduate of the Australian Institute of Company Directors.

Dr Stephen Duckett

PhD DSc FASSA FAHMS FAICD

Non-executive Director (July 2018), Quality & Care Governance Committee Chair

Former Director of the Health and Aged Care Program at Grattan Institute. MA (Chicago Theological Seminary), PhD (Archbishop of Canterbury, topic: Healthcare funding and Christian ethics), Chair of the Board of Eastern Melbourne Primary Health Network, member of Council of RMIT University, Chair of South Australian Health Performance Council. Former Director of the BSL Board from 1996 to 2005 and Chair of the BSL Board from 2000 to 2005.

Revd Helen Dwyer

BMin

Non-executive Director (November 2020 to April 2022), Member Quality & Care Governance Committee (July 2021 to April 2022).

Revd Dwyer is a Priest in the Anglican Diocese of Melbourne, and the first female Chaplain of Grimwade House at Melbourne Grammar School. She holds a Bachelor of Ministry, is a fierce advocate for social justice and a proud Ngarrindjeri woman.

Associate Professor Jane Freemantle OAM

SRN, MPH, PhD, LMPHAA

Non-executive Director (November 2017), Member Quality & Care Governance Committee, Member Nominations, Governance & People Committee (from July 2021).

Associate Professor Freemantle's academic career as a paediatric epidemiologist has focused on developing population data sets that use linked population data. These data have enabled the development of a sound and comprehensive evidence base to guide policy and evaluate clinical practice and public health initiatives, particularly in the area of Aboriginal and Torres Strait Islander women, children and communities. She currently holds the position of (Hon) Principal Research Fellow at the School of Population and Global Health, the University of Melbourne and Associate

Professor Department of Paediatrics and Child Health at University of Western Australia. She is a Director of the Lauriston Girls School Foundation.

Dr Freemantle is an Examining Chaplain within the Anglican Diocese of Melbourne and holds numerous lay positions within the Anglican Dioceses of Melbourne and Wangaratta including Lay Reader in the Diocese of Wangaratta. She also holds numerous positions in her local Parish of Mansfield. She is the Ambassador for the BSL's Tucker's Gift Supporter Circle.

Mr Tony Hallam

BEC, ACA

Non-executive Director (October 2018), Finance & Investment Committee Chair, Member Property Committee (to December 2021).

Mr Hallam was a PwC partner for nine years before working in the sports and major events industry including executive positions with Football Federation of Australia and Golf Australia. Former Chairperson of Melbourne Stadiums Limited and current Chairperson of Melbourne Boomers Women's National Basketball League Club. Deputy Chair of Zoos Victoria Board.

Ms Zac Hatzantonis

B.Com, MCom

Non-executive Director (July 2018), Member Finance and Investment Committee (from August 2021).

Partner of PwC. One of the leading business operations advisors in the Australian early childhood sector. Ms Hatzantonis spent over 10 years in senior public-sector roles in both the Victorian Department of Premier and Cabinet and in Treasury and Finance.

Ms Dana Hlavacek

B.Com(Hons), M.Acc, FCA, GAICD

Non-executive Director (March 2017), Audit & Risk Management Committee Chair, Member Quality & Care Governance Committee, Member Finance and Investment Committee (from July 2021).

An experienced corporate executive and independent director with expertise in international treasury and finance, audit, risk and compliance. Her executive career includes roles in the resources sector and audit and assurance. She is a Member of the Greater Metropolitan Cemeteries Trust where she is the Chair of the Audit and Risk Management Committee. Previously a Director of Zoos Victoria, Melbourne Water Corporation, RSPCA Victoria, Trustee of the Victorian Arts Centre Trust.

Bishop Kate Prowd

BA(Hons), BA(Hons in psych), BDiv, Masters of Psychology(Clinical)

Non-executive Director (September 2018 to March 2022), Member David Scott School Council (to March 2022).

Bishop Prowd was ordained a deacon (1986) and priest (1992) during years of intense debate over the ordination of women. Her consecration took place in October 2018 as Bishop of the Oodthenong Episcopate, which covers parishes and schools in the west and north west of Melbourne and Geelong. She is also a Clinical Psychologist and prior to her consecration worked for six years as a clinical psychologist in palliative care and with people diagnosed with progressive neurological diseases at Calvary Health Care Bethlehem. Her interests are in clergy wellbeing, mission, and exploring the connections between spirituality and psychology.

The Revd Dr Alex Ross

BA BEd(Hons) BTh DipMin DipSocSci MA MTh(Distinction) PhD

Non-executive Director (from April 2022), Member Quality & Care Governance Committee (February 2020 to April 2022), Member David Scott School Council (from April 2022).

The Revd Dr Alexander Ross is Vicar of Saint John's Finch Street, with Saint Agnes' Glen Huntly. He completed his undergraduate study in Australia and graduate studies at the universities of Oxford and Cambridge.

Dr Ross serves as a Director on the School Council of Melbourne Grammar School and is a former Alternate Director of the Victorian Scottish Heritage Cultural Foundation. He is an elected delegate to the Provincial Council of the Anglican Province of Victoria, as well as the General Synod of the Anglican Church of Australia. He is Sharwood Lecturer in Canon Law at Trinity College Melbourne, an Honorary Postdoctoral Associate of the University of Divinity, co-Chair of the Anglican Church of Australia-Uniting Church of Australia Joint Standing Commission (Province of Victoria) and one of nine Anglican theologians appointed by the Archbishop of Canterbury and Secretary-General of the Anglican Communion to be a member of the Anglican-Roman Catholic International Commission (ARCIC).

ROLE OF THE BOARD

The Board is responsible for setting the strategic direction and establishing the policies of BSL. It is responsible for monitoring the performance of the activities of BSL and overseeing its financial state on behalf of the Charter and Life Members. It is also responsible for ensuring that risks are adequately managed. The Board meets at least every month.

COMPOSITION OF THE BOARD

The Constitution of BSL limits the number of Board Members to 14, including the Executive Director and at least two people who are clerics in Holy Orders of the Anglican Church of

Australia. Further, the Chair is required to be a communicant member of the Anglican Church of Australia. Currently there are nine Directors including the Executive Director.

REMUNERATION

BSL Directors volunteer their time and skills to the organisation and as such no remuneration was paid or is payable to the Directors in their capacity as Board Members.

BOARD SUB-COMMITTEES

Audit and Risk Management Committee

The Audit and Risk Management Committee's role is to advise and assist the Board in fulfilling its governance and statutory role in the following areas - risk management and internal control, financial reporting, external and internal audit. The Committee is made up of Board Members and external members who bring independence and external expertise to the Committee. Members during the 2021-22 financial year are Dana Hlavacek (Committee Chair), Malcolm Haynes (to September 2021), Ian Paroissien (to September 2021), Ilan Zipor, Manjula Shaw, and Susie King (from June 2022). The Committee meets five times per year.

Finance and Investment Committee

The Finance and Investment Committee's role is to assist the Board in fulfilling its responsibilities in managing the financial and investment position of BSL including: monitoring the financial position of BSL; investment objectives, controls and strategies; and the performance of investment managers. The Committee members during the 2021-22 financial year are Tony Hallam (Committee Chair), Richard Wilson (to November 2021), Christina Manonian, Nick Ward, Dana Hlavacek (from July 2021) and Zac Hatzantonis (from August 2021). The Committee meets quarterly.

Nominations, Governance and People Committee

The Nominations, Governance & People Committee reviews and recommends nominations for the Board and Committees' membership and supports the Board in its regular performance reviews of the Executive Director. The Committee also considers strategic human resources matters, including culture, diversity and remuneration. The members during the 2021-22 financial year are Stephen Newton (Committee Chair), Ian Paroissien (to August 2021), Celia Gerreyn, and A/Prof. Jane Freemantle (from July 2021). The Committee meets six times per year.

David Scott School Council

The David Scott School is governed by the David Scott School Council. The School Council is comprised of two members of BSL Board, a BSL senior executive and other external members from the education and community sectors. The Council members during the 2021-22 financial year are Ian Paroissien (Committee Chair to resignation in July 2022), Michael James, Noelene Horton (to February 2022), Carol Smith, Claire Murray, Dr Lucia Boxelaar, Bishop Kate Prowd (to March 2022), and Revd Dr Alex Ross (from April 2022). The Committee meets six times per year.

Quality and Care Governance Committee

The Quality & Care Governance Committee's role is to assist the Board to fulfil its governance role and responsibilities to assure our residents and service clients have quality care that is safe, effective, connected, person-centred, and that is underpinned by continuous quality improvement. The Committee is made up of Board Members and external members who bring independence and external expertise to the Committee. Members during the 2021-22 financial year are Dr Stephen Duckett (Committee Chair), Dana Hlavacek, A/Prof. Jane Freemantle, Dr Catherine Joyce (to August 2021), Rev Dr Alex Ross (to April 2022), Rev Helen Dwyer (from July 2021 to April 2022),

and Sarah McInerney (from June 2022). The Committee meets quarterly.

Property Committee

The Property Committee's role is to assist the Board to fulfil its governance role and responsibilities in respect of BSL's property portfolio. The Committee is made up of Board Members and external members who bring independence and expertise in property and development. Members during the 2021-22 financial year are Stephen Newton (Committee Chair from December 2021), Ian Paroissien (Committee Chair to December 2021 and Member to July 2022), Tony Hallam (to December 2021), Jenny Trethewey (to December 2021), Peter Hart (to December 2021), Tom Dugdale (to December 2021), Kerstin Thompson (to December 2021), Susie King (from February 2022), and Chris Hewison (from June 2022). The Committee meets six times per year.

Other committees

A number of other committees or working groups are established by the Board from time to time to oversee a particular task or project. These committees operate only for the period of time required to complete the task or project.

Company Secretary

Ms Philippa Allen

BA(Hons)DUNELM, DipCFS Event Man, FAIOP

Since moving to Australia and joining BSL in September 2011, Ms Allen has enjoyed numerous varied roles working in social enterprises, volunteer services, events management, youth transitions and acting as EA to many divisions. She has held the role of Senior Executive Assistant to the Executive Director for over six years.

Former President, Victoria and Tasmania Division, Australian Institute of Office Professionals. Previously Committee member and Fundraising Committee member of the

Melbourne Symphony Orchestra Chorus. Previously Secretary of the Durham University Choral Society.

Having provided secretariat support to BSL Board for over eight years, including previously holding the role of Interim Company Secretary from May-November 2019, Ms Allen was appointed as Acting Company Secretary in May 2021.

Acting Executive Director

Dr Lucia Boxelaar

PhD; BA(Hons)

Acting Executive Director (to April 2022)

Member of David Scott School Council .

Dr Boxelaar joined BSL in November 2018, after being with World Vision Australia for 11 years where she led teams that managed, researched and developed large-scale community development programs across the world. She also led two global strategic initiatives for World Vision International to promote evidence capture, utilisation and communication.

Dr Boxelaar has a Bachelor of Arts with Honours in Anthropology from Monash University, and a PhD from the University of Melbourne that explored community-led approaches to addressing land and natural resource management issues.

As Acting Executive Director, Dr Boxelaar was not a formal member of the BSL Board or its Committees.

Executive Team

The Executive Director is responsible for the day-to-day management of the activities of BSL as delegated by the Board. The Executive Team is responsible for the implementation of organisational strategies, development of policies and management of issues, and of the performance of the organisation.

The members of the Executive Team at any time during or since the end of 2021-22 financial year were:

Dr Travers McLeod, Executive Director (from April 2022)

Dr Lucia Boxelaar, Acting Executive Director (to April 2022), Deputy Executive Director (from April 2022)

Ms Melinda Moore, Acting Director Community Programs

Ms Sonia Bijelic, Director Marketing and Engagement

Professor Shelley Mallett, Director Social Policy and Research Centre (formerly Research and Policy Centre)

Mr Sean Spencer, Director Aged Care (to December 2021)

Ms Lisa Rollinson, Acting Director Aged Care (from January 2022)

Ms Niamh O'Malley, Director Shared Services

Mr Rodney Weston, Acting Director Finance, Strategy and Operations

Ms Susan Hall, Acting Director NDIS

Directors' Meetings

During the financial period, BSL held 46 scheduled Board and Committee meetings. Attendance at meetings of the Board and its Committees were:

	Board ²		Finance and Investment ²		Audit & Risk Management ²		David Scott School Council ²		Quality, Care & Governance ²		Property ²		Nominations Governance & People ²	
	Attended	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended	Held ¹
Number of meetings held during the year	9		4		6		8		4		8		6	
Mr Stephen Newton AO	9	9									3	3	6	6
Mr Ian Paroissien	6	6			2	3	8	8			8	8	-	1
Dr Stephen Duckett	9	9							4	4				
A/Prof. Jane Freemantle OAM	9	9							4	4			6	6
Mr Tony Hallam	8	9	4	4							3	5		
Ms Zac Hatzantonis	6	9	4	4										
Ms Dana Hlavacek	8	9	4	4	6	6			4	4				
Bishop Kate Prowd	6	6					2	6						
Ms Susie King	8	9									2	2		
Revd Helen Dwyer	3	6							1	3				
Revd Dr Alex Ross	2	3					2	2	3	3				
Dr Travers McLeod	3	3												

1. Held while the Board Member was eligible to attend. Eligibility to attend takes account of leave of absence. The Board Chair and Executive Director are invited to attend all Committee meetings. All Board Directors are invited to attend the Finance and Investment Committee.
2. This includes Extraordinary Meetings.

Principal activities

The principal activities of BSL during the course of the financial year 2021-22 included research, policy influence, and community programs to support people as they navigate key life transitions when they are most at risk of poverty. This includes supporting children and their families in the early and middle years, supporting young people in their transition from school to work, supporting people as they move in and out of work and into retirement and ageing, and working with people with disability to help them navigate life transitions. BSL's work in financial year 2021-22 has also included the recycling and sale of recycled goods.

There have been no significant changes in the nature of those activities during the year.

Organisational overview

Established during the Great Depression over 90 years ago, BSL was the vision and creation of Father Gerard Tucker, a man who combined Christian faith with a vigorous determination to promote social justice.

Today, BSL is an independent organisation dedicated to broad service delivery. This includes getting people into work, caring for older people, supporting communities, helping families with early childhood programs, working with people with disability and carrying out research and advocacy to improve the wellbeing of our communities.

Operational review

The surplus for the year was \$1.233 million (2020-21: surplus of \$1.639 million). After allowing for one off gains and losses, the underlying operating result was essentially breakeven. It should be noted that this result was achieved in a year which experienced four months of COVID lockdowns which cost BSL approximately \$1.0m on a net basis.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of BSL that occurred during the financial year under review.

Planning and control

BSL produces a five-year strategic plan, annual plans and detailed budgets, which are approved and regularly monitored by the Board and its sub-committees.

Risk assessment

The Board, its sub-committees and the Executive Team are responsible for identifying, measuring and assessing business, legal, financial, environmental and other risks in the activities of BSL. In particular, the Audit and Risk Management Committee and the Board consider all significant risks, their implications and strategies, and the Finance and Investment Committee monitor the financial affairs of the organisation.

Independent professional advice

The Board, its sub-committees, executives and senior staff have access to appropriate external professional advice. Legal, risk, investment, and tax and accounting advice is coordinated by the Acting Director – Finance, Strategy and Operations through Rigby Cooke; Mill Oakley, DLA Pipers Pitcher Partners, JBWere; and KPMG, respectively.

Audit and accounts

The constitution of BSL requires that proper books of accounts are kept, true and complete accounts are maintained and those accounts are audited annually by a registered company auditor, and the financial statements and the auditors' report are laid before the Annual General Meeting. BSL complies with all applicable accounting standards and guidelines. BSL's external auditors are KPMG.

In addition, BSL engaged Pitcher Partners for internal audit services during the period.

Events subsequent to reporting date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to be dependent on measures imposed by the Australian Federal and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect BSL's operations, the results of those operations, or BSL's state of affairs in future financial years.

Likely developments

There are no likely developments or foreshadowed developments that have not otherwise been disclosed in this report.

Environmental regulation and performance

BSL's operations are subject to environmental regulations under both State and Commonwealth legislation. BSL has a policy of complying with its environmental performance obligations. No environmental breaches have been notified by or reported to any government agency during the year ended 30 June 2022.

Indemnification and insurance of Directors and officers

BSL has agreed to indemnify, to the extent permitted by law, each current and former officer. The indemnity of these officers is against any claim or for any expense or cost that may arise in the discharge of the duties of the officers in relation to BSL.

Insurance is provided to BSL through the Victorian Government's Department of Human Services' Insurance Scheme for Non-government Organisations.

Indemnification of auditors

BSL has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an auditor of BSL.

Non-Audit Services

KPMG has performed other services in addition to the audit of the financial statements.

These services were:

	\$
Advising with respect to Procura Replacement	59,769
	<hr/> 59,769 <hr/>

Auditor's independence declaration

The Auditor's Independence Declaration is set out on page 53 and forms part of the Directors' Report for the financial year ended 30 June 2022.

Rounding

Amounts in the Financial Report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors:



Mr Stephen Newton AO
Chair, Board of Directors



Dr Travers McLeod
Executive Director

Melbourne, 27 September 2022

Primary financial statements

Statement of Profit or Loss and Other Comprehensive Income

		2022	(restated)* 2021
For the year ended 30 June 2022	Notes	\$'000	\$'000
Revenue		201,660	196,429
Other revenue		147	5,760
	5	201,807	202,189
Expenses	6	(193,810)	(192,979)
Impairment loss on trade receivables	9	(9)	(93)
		(193,819)	(193,072)
Surplus before depreciation and finance activities		7,988	9,117
Depreciation and amortisation	12,13,14	(8,791)	(9,146)
Finance income		2,664	2,521
Finance expenses		(628)	(853)
Net finance income	7	2,036	1,668
Total surplus		1,233	1,639
OTHER COMPREHENSIVE INCOME			
Items that are reclassified subsequently to profit or loss:			
Debt investments at FVOCI - net change in fair value		(1,518)	(131)
Items that will not be reclassified to profit or loss:			
Net gain/(loss) in change in fair value of property	12	25,308	(942)
Equity investments at FVOCI - net change in fair value		(5,231)	3,619
Equity investments at FVOCI - net realised gains		2,128	1,312
Total other comprehensive income		20,687	3,858
Total comprehensive income		21,920	5,497

*As a result of the IFRS Interpretation Committee agenda decision BSL has changed its accounting policy for Software-As-A-Service (SaaS) arrangements (refer to Note 22).

The notes on pages 19 to 48 are an integral part of the Financial Statements.

Statement of Financial Position

As at 30 June 2022	Notes	2022 \$'000	(restated)* 2021 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	8	18,201	47,729
Trade and other receivables	9	6,459	6,023
Contract assets		2,414	1,926
Investments	10	46,079	29,668
Inventories	11	278	281
Total Current Assets		73,431	85,627
Non-Current Assets			
Trade and other receivables	9	3,366	3,366
Property, plant and equipment	12	120,474	92,160
Intangible assets	13	4	35
Right-of-use assets	14	13,438	10,577
Total Non-Current Assets		137,282	106,138
Total Assets		210,713	191,765
LIABILITIES			
Current Liabilities			
Trade and other payables	16	5,739	5,957
Lease liabilities	14	5,494	4,658
Employee benefits	17	15,368	13,900
Other provisions	18	-	1,151
Contract liabilities	19	22,659	31,994
Other liabilities	20	2,503	-
Total Current Liabilities		51,763	57,660
Non-Current Liabilities			
Lease liabilities	14	7,500	6,751
Employee benefits	17	765	945
Other provisions	18	2,356	-
Total Non-Current Liabilities		10,621	7,696
Total Liabilities		62,384	65,356
Net assets		148,329	126,409
EQUITY			
Accumulated surplus	15	81,638	80,405
Reserves	15	66,691	46,004
Total Equity		148,329	126,409

*As a result of the IFRS Interpretation Committee agenda decision BSL has changed its accounting policy for Software-As-A-Service (SaaS) arrangements (refer to Note 22).

The notes on pages 19 to 48 are an integral part of the Financial Statements.

Statement of Changes in Equity

For the year ended 30 June 2022		Accumulated surplus	Asset revaluation reserves	Fair value Reserve	Total
Year ended 30 June 2021	Notes	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020 (as previously reported)		81,278	37,508	4,638	123,424
Change in accounting policy	22	(2,512)	-	-	(2,512)
Balance at 1 July 2020 (as restated)		78,766	37,508	4,638	120,912
Surplus for the year		1,639	-	-	1,639
Net loss in fair value of property		-	(942)	-	(942)
Other comprehensive surplus for the year		-	-	4,800	4,800
Total comprehensive income		1,639	(942)	4,800	5,497
Balance at 30 June 2021		80,405	36,566	9,438	126,409
Year ended 30 June 2022					
Balance at 1 July 2021		80,405	36,566	9,438	126,409
Surplus for the year		1,233	-	-	1,233
Other comprehensive surplus for the year	12,15	-	25,308	(4,621)	20,687
Total comprehensive income		1,233	25,308	(4,621)	21,920
Balance at 30 June 2022		81,638	61,874	4,817	148,329

The notes on pages 19 to 48 are an integral part of the Financial Statements.

Statement of Cash Flows

For the year ended 30 June 2022	Notes	2022 \$'000	2021 \$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts – Government		153,594	173,895
Cash receipts – Non-Government		48,731	54,055
Cash paid to suppliers and employees		(201,579)	(200,083)
Dividend income received		812	504
Interest income received		900	584
Trust and imputation credit income		1,181	553
Net cash from operating activities		3,639	29,508
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		25,677	25,247
Acquisition of property, plant and equipment	12	(6,036)	(4,884)
Acquisition of investments		(46,662)	(2,912)
Net cash (used by)/from investing activities		(27,021)	17,451
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds /(Repayment of) from borrowings		-	(12,947)
Receipts of income from sub leases		-	345
Payment of lease liabilities	14	(6,141)	(5,573)
Interest paid		(5)	(108)
Net cash (used in) financing activities		(6,146)	(18,283)
Net (decrease) / increase in cash and cash equivalents		(29,528)	28,676
Opening cash and cash equivalents		47,729	19,053
Closing cash and cash equivalents	8	18,201	47,729

The notes on pages 19 to 48 are an integral part of the Financial Statements.

Notes to and forming part of the financial statements

1. Reporting entity

Brotherhood of St Laurence (BSL) is a not-for-profit entity domiciled in Australia, incorporated under the *Brotherhood of St Laurence (Incorporation) Act 1971*.

The principal activities of BSL during the year include:

- the provision of community services across the four life transition stages: the early years, the transition from school to work, the shifts in and out of work, and retirement and ageing;
- working with people living with disabilities;
- the recycling and sale of recycled goods.

This work is underpinned by research and social advocacy on behalf of all Australians.

The address of the entity's registered office is:

67 Brunswick Street,
Fitzroy, Victoria 3065.

2. Basis of Preparation and Statement of Compliance

The financial statements are Tier 2 general-purpose financial statements that have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission ("ACNC") Act 2012, and the Australian Accounting Standards – Simplified Disclosures adopted by the Australian Accounting Standards Board ("AASB"). This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the AASB and the disclosure requirements of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

This simplified tier of reporting is possible as the BSL Directors have deemed BSL is not publicly accountable as defined in AASB1053 Application of Tiers of Australian Accounting Standards.

The financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In prior year the financial statements were Tier 2 general purpose financial statements prepared in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statement of financial position, profit and loss and other comprehensive income and cashflows as a result in the change of basis of preparation.

The financial statements of BSL for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board on 27 September 2022.

The accounting policies set out below have been applied consistently to all periods presented in the Financial Statement unless otherwise stated.

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical cost except for the following:

- Land and buildings are measured at fair value less accumulated depreciation on buildings and any impairment losses.
- Investments are measured at fair value.

Fair Value Measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell

an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, BSL uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organisation can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Functional and presentation currency and rounding

These financial statements are presented in Australian dollars, which is BSL's functional currency. All financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are

measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss, except for differences arising from the translation of available for sale equity instruments, which are recognised in other comprehensive income.

3. Significant accounting policies

The significant accounting policies documenting the measurement basis used in preparing the financial information and other accounting information relevant to an understanding of the financial statements are discussed in the relevant note.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

Income tax

BSL is a Public Benevolent Institution as defined in the Income Tax Assessment Act 1936 and is therefore exempt from Income Tax. As a Public Benevolent Institution, BSL has also been endorsed as a Deductible Gift Recipient.

Business Model Assessment

BSL makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Comparative amounts

Certain comparative amounts in the financial statements have been reclassified or rerepresented to conform to changes in presentation in the current financial year.

Historical financial information has been restated to account for the impact of the change in accounting policy in relation to Software-As-A-Service (SaaS) arrangements. Refer to Note 22.

Events subsequent to reporting date

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly BSL's operations, the results of those operations, or BSL's state of affairs in future financial years.

4. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed in each of the relevant notes.

5. Revenue

Disaggregation of revenue

Revenue has been disaggregated based on source of funds and area of activity.

	2022 \$'000	2021 \$'000
Source of funds		
Grant funding	163,713	157,499
Fee for service	22,886	21,546
Sale of goods	7,180	6,573
Donations	5,516	8,569
Bequests	2,365	2,242
	201,660	196,429
JobKeeper subsidy	-	4,616
Other Revenue	147	1,144
	147	5,760
Revenue before financing activities	201,807	202,189
Area of Activity		
Aged care	44,748	39,706
Community programs	71,169	79,092
NDIS	71,946	67,545
Social enterprises and fundraising	10,985	8,841
Research and policy	2,859	2,254
Jobkeeper subsidy	-	4,616
Corporate support functions	100	135
Revenue before financing activities	201,807	202,189

BSL receives revenue in the form of Government and non government grant funding, fee for service activities, bequests and donations of cash, and other property and through the sale of goods.

Revenue from Government Sources

Top 10 sources of government revenue by level of government and department or agency name

	2022 \$'000	2021 \$'000
Government revenue (including grants)		
Commonwealth government		
Department of Education, Skills and Employment	11,054	4,645
Department of Social Services	30,362	34,333
Department of Health	30,808	20,985
Department of Health and Ageing	1,362	1,746
National Disability Insurance Agency - NDIS payments	71,946	67,545
Total Commonwealth government	145,532	129,254
State government		
Department of Education and Training	1,686	6,226
Department of Families, Fairness and Housing	3,384	6,712
Department of Health and Human Services	477	4,368
Department of Jobs, Precincts and Regions	10,477	9,618
Department of Environment, Land, Water and Planning	1,267	1,272
Total State government	17,291	28,196
Total Top 10 Government Grant Revenue	162,823	157,450

Economic Dependency

BSL is dependent upon the ongoing receipt of recurrent grants from Commonwealth and State governments to ensure the continuance of operations. The current agreement between NDIA and BSL relates to the period 1 July 2020 to 30 June 2023 and is the main source of funding for the NDIS division.

The cumulative revenue from government grants enables BSL to deliver the magnitude of support in the community to various groups of people.

At the time of this report, a significant number of State and Commonwealth grants have been renewed and there is no reason to believe that the government will discontinue its support for BSL.

Government funding not yet recognised as revenue refer to Note 19.

Accounting Policy

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-For-Profit Entities

Revenue from the rendering of services, government grants and fee for service is recognised in accordance with AASB 15 or AASB 1058 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when transfer of control of the product or service to a customer occurs). Where there are unsatisfied performance obligations, the amount is recognised as a contract liability; where work is performed but not yet billed at the reporting date, the amount is recognised as a contract asset. Revenue is measured based on the consideration to which BSL expects to be entitled in a contract with a

customer and excludes amounts collected on behalf of third parties.

Where a revenue stream does not meet the scope of AASB 15, BSL will consider its treatment under AASB 1058. AASB 1058 applies when an NFP entity enters into a transaction where the consideration to acquire an asset is significantly less than the fair value of the asset

and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as revenue immediately.

Information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are set out below.

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Methods used to recognise revenue for performance obligations satisfied over time
Grant Funding	<p>Grant funding received is recognised as revenue in the financial year in which BSL has control of the contribution and is recognised in accordance with either AASB 15 or AASB 1058 as applicable.</p> <p>Grant funds for which control has not yet passed to BSL in that they are tied to a specific performance obligation that has not yet been completed, are treated as a liability until the performance obligation has been met and are disclosed under 'Contract liabilities' in note 19.</p> <p>Payments can be received in advance or arrears based on the agreement but can range from 30-180 days.</p> <p>Some contracts require BSL to return the funds if funds are unspent or performance obligations aren't met, these funds are treated as a refund liability and are disclosed under 'Refund liabilities' in note 20.</p>	<p>The performance obligations vary based on the agreement and may include delivery of services.</p> <p>Where control is transferred over time, generally the revenue is recognised based on stage of completion as at reporting date and in connection to costs incurred.</p> <p>Estimates of the extent of completion toward achievement of performance obligations are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that gave rise to the revision become known.</p>
Fee for Service	<p>BSL provides aged care and community services for a fee. Such services are recognised as a performance obligation satisfied over time.</p> <p>Where the consideration for services consists of a recurring fixed amount over the term of the contract (e.g., monthly or quarterly payment) and the client receives and consumes the benefits of the services as BSL provides them then revenue is recognised on a straight line basis over the term of the contract.</p> <p>Clients are generally invoiced on a monthly basis and invoices are usually payable within 30 days of the invoice date.</p>	<p>The performance obligations vary based on the agreement and may include delivery of services.</p> <p>Where control is transferred over time, generally the revenue is recognised based on stage of completion as at reporting date and in connection to costs incurred.</p> <p>Estimates of the extent of completion toward achievement of performance obligations are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known.</p>

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Methods used to recognise revenue for performance obligations satisfied over time
Bequests and Donations	<p>Bequests and general donations are recognised as revenue only when BSL gains control, economic benefits are probable, and the amounts can be measured reliably.</p> <p>Bequests and donations are recognised at the fair value of the benefit received when receipt of the amount is certain and there are no associated performance obligations.</p>	
Sale of Goods	<p>Revenue from sale of goods is earned from the sale of goods and gifts donated for resale directly to customers through BSL retail stores and online bookshop.</p> <p>Revenue from the sale of goods is measured at the fair value of consideration received or receivable and is recognised at the point in time when control of the goods passes to the customer which is at the time the goods are physically transferred.</p> <p>BSL do not offer refunds on sale of goods and none of the items sold have any warranty attached to them.</p>	
Job Keeper Subsidy	<p>The JobKeeper subsidy is recognised as income only when BSL gains control, economic benefits are probable, and the amounts can be measured reliably.</p> <p>Payments to employees under the JobKeeper scheme are recognised as payroll expenditure.</p>	
Volunteer services	<p>BSL has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.</p>	

Significant estimates and judgements relating to revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with management, review of the grant agreement and consideration of the terms and conditions.

Grants received by BSL have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

6. Expenses

	2022 \$'000	2021 \$'000
Summary – by Area of Activity		
Aged care	40,493	34,990
Community programs	61,184	66,384
National Disability Insurance Scheme	61,572	58,420
Social enterprises and fundraising	6,540	6,934
Research and policy	4,415	4,191
Corporate support functions	19,606	22,060
Total expenses before impairment, depreciation and finance costs	193,810	192,979

Expenses are recognised in the profit and loss when they are incurred. All expenditure is accounted for on an accruals basis and has been classified under headings reflecting the relevant area of activity which incurred the cost. Refer to Note 17 for the policy on employee benefits.

7. Net finance income

	2022 \$'000	2021 \$'000
Finance Income		
Dividend income on equity securities	763	580
Interest income on debt securities	294	397
Trust income on equity securities	530	791
Imputation credit income	424	104
Interest income on bank deposits	101	76
Interest income from subordinated debt	505	505
Interest income from sub leased right-of-use assets	-	3
Debt securities at FVOCI - net gain on disposal reclassified from OCI	47	65
Total finance income	2,664	2,521
Finance Expenses		
Fund manager fees	(189)	(308)
Interest on borrowings	-	(108)
RAD interest	(5)	-
Lease interest expense	(434)	(437)
Total finance expenses	(628)	(853)
Net finance income	2,036	1,668

7. Net finance income (continued)

Accounting Policy

Finance income comprises interest income on funds invested, dividend income, trust income, imputation credit income, interest income on sub lease receivables and net gain on disposal of investments in debt securities carried at FVOCI. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised in the profit or loss on the date BSL's right to receive payment is established.

Finance costs comprise management fees on investments, interest expense, fees on borrowings, lease liability interest expense and net loss on disposal of investments in debt securities carried at FVOCI. Interest expense is recognised using the effective interest method.

Interest on lease receivables/liabilities relates to the interest income/expense recognised as the lease receivable/liability is discharged. Refer to notes 14 for lease disclosures.

8. Cash and cash equivalents – Amortised cost

	2022 \$'000	2021 \$'000
Cash on hand	45	41
Cash at bank	11,658	18,194
Call deposits	947	12,445
Cash management accounts	5,551	17,049
Total cash and cash equivalents	18,201	47,729

Call Deposits can be recalled within 3 months or less.

Refundable Accommodation Deposits in financial investment and cash products have been made in accordance with the appropriate BSL Investment policies. BSL is prohibited to use these amounts for a purpose other than to fund the operations of its residential aged care facilities in line with Division 1 of Part 5 of the Fees and Payments Principles 2014 (no. 2). In 2021-22 this amount is included in Cash Management accounts, in 2020-21 it was included in Call Deposits.

9. Trade and other receivables – Amortised cost

	2022 \$'000	2021 \$'000
Current receivables		
Trade receivables	3,719	4,033
Less: Impairment loss	(61)	(52)
Other receivables and prepayments	2,801	2,042
Total current receivables	6,459	6,023
Non-current receivables		
GoodStart Early Learning subordinated debt	3,366	3,366
Total non-current receivables	3,366	3,366

An estimate for Expected Credit Losses (ECLs) is made using the simplified approach and recognising lifetime ECLs for trade receivables. The movement in the allowance for ECLs in respect of trade receivables during the year was as follows:

Balance at 1 July	52	169
Net impairment loss provided	9	93
Impairment loss recognised/(reversed)	-	(210)
Total	61	52

GOODSTART EARLY LEARNING SUBORDINATED DEBTS

GoodStart Early Learning Limited (“GoodStart”) was formed in 2009-10 to acquire substantially all the business of the ABC Learning Centres Limited. GoodStart was established by Social Ventures Limited, Mission Australia, the Benevolent Society and BSL as the founding members.

In 2009-10, GoodStart engaged all founding members to provide services in order to successfully complete the transaction of acquiring the business of ABC Learning Centres Limited. The fee charged for these services by each founding member was \$2.5 million and payment was made by GoodStart through the issue of \$2.5 million Members’ Deeply Subordinated Notes. The repayment term of this facility is a bullet payment at 20 years and matures on 28 May 2030. Goodstart commenced repayment of interest during 2012-13.

The loan is disclosed as a non-current receivable and as at 30 June 2022 has a balance of \$3.366 million (2020-21: \$3.366 million) comprising \$2.5 million Members’ Deeply Subordinated Notes principal and \$0.866 million capitalised interest.

INTERESTS IN ASSOCIATES:

Associates are those entities in which BSL has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when BSL holds between 20% and 50% of the voting power of another entity. Interests in associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Board has determined that BSL’s interest in GoodStart Early Learning is not deemed to be of significant influence in that entity. This is based on the following:

- The Board does not have a blocking vote.
- Voting power is equal among all the founding members.

- There is no Board influence to distribute the assets of GoodStart in a non-arm's length transaction or to a related party.
- There are no agreements established with GoodStart in the current financial year to make any distributions to BSL or to any of BSL's affiliated entities.
- BSL does not have representation on the GoodStart Board.

The Board assesses the extent of its influence regarding its interest in GoodStart each year.

Accounting Policy

Trade Receivables

Trade receivables are initially recognised when they are originated. Trade receivables are non-interest bearing and generally due for payment within 60-days of the invoice date.

Other Financial Instruments

All other financial instruments are initially measured when the related contractual rights or obligations exist, with cost including acquisition and related transaction costs on the trade date.

Loans and other receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'.

Loans, receivables and subordinated debt are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate.

Subsequent to initial recognition these instruments are measured as set out below:

Amortised cost

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life

of the financial asset, or where appropriate, a shorter period.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of interest and principal.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, BSL considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, BSL considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension feature; and
- Terms that limit BSL's claim to cash flows from specified assets (e.g. non-recourse features).

Impairment of financial assets

BSL recognises a loss allowance for expected credit losses on investments in debt securities that are measured at amortised cost or at FVOCI and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses (ECLs).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which BSL is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that BSL expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Derecognition of financial assets

BSL derecognises a financial asset when the contractual rights to the cash flows from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which BSL neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying value, the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income, is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, BSL currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Write Off

The gross carrying amount of a financial asset is written off when BSL has no reasonable expectation of recovery of the financial asset in its entirety or a portion thereof. This is assessed for financial assets that are 180 days past due.

10. Investments – FVOCI

	2022 \$'000	2021 \$'000
Current investments – FVOCI		
Equity securities	19,530	20,741
Debt securities	26,549	8,927
Total investments at fair value	46,079	29,668

Financial Assets

Financial assets are recognised and derecognised on trade date, where purchase or sale of a financial asset is under contract, the terms of which require delivery of the financial asset within the time frame established by the market concerned and are initially measured at fair value.

The equity and debt securities are measured at FVOCI and are subsequently measured at fair value based on market prices, or other valuations methodologies and are level 1 fair values.

Fair value through other comprehensive income (FVOCI)

Classification is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The main objective to hold investments is to maintain and preserve the capital and earn a return. As such, the business model is not to trade.

For equity and debt securities, BSL has made an irrevocable election to designate its investments in equity instruments that are not held for trading as at FVOCI.

Investments in equity and debt instruments at FVOCI are initially measured at fair value plus transaction costs and are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment's fair value revaluation reserve.

Fair value

Fair value is determined based on market prices, or other valuations methodologies for all quoted investments and are level 1 fair values.

Impairment of financial assets

Debt securities are reviewed for impairment at balance date. The Directors have assessed that no material impairment adjustment is required in 2021-22 (2020-21: \$Nil). These debt securities are assessed to have low credit risk based on the external credit ratings of the counter parties.

Derecognition of financial assets

On derecognition, gains and losses accumulated in OCI for debt instruments are reclassified to profit or loss, however gains and losses on equity investments are recognised in OCI and are never reclassified to profit and loss.

Interest and Dividend Income

Dividend income on equity investments is recognised when BSL's right to receive payment is established and interest income on debt instruments is calculated using the effective interest method and both are recognised in profit or loss.

Foreign exchange gains or losses

Foreign exchange gains or losses on debt investments are recognised in the profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI).

11. Inventories

	2022 \$'000	2021 \$'000
Finished goods	278	281
Total inventories stated at lower of cost and net realisable value	278	281

In 2022, inventories of \$0.210m (2021: \$0.298m) were recognised as an expense during the year and included in 'Expenses'.

Accounting Policy

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the 'first-in first-out' principle and includes expenditure in acquiring the inventories and production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses. No value is ascribed to goods for resale that have been donated to BSL where the fair value is individually immaterial.

12. Property, plant and equipment

	Land, Buildings and Leasehold Improvements \$'000	(restated)* Work in Progress \$'000	Plant and Equipment \$'000	Total \$'000
Fair value or cost				
Restated Balance at 1 July 2021	95,163	124	4,775	100,062
Additions	4,019	-	2,017	6,036
Revaluation				
Increment	25,308	-	-	25,308
Eliminate depreciation against gross carrying amount	(3,685)	-	-	(3,685)
Transfers				
Transfers to/from WIP	-	(97)	97	-
Transfers to/from intangible assets	-	-	18	18
Disposals	(84)	(27)	(191)	(302)
Balance as at 30 June 2022	120,721	-	6,716	127,437
Depreciation and impairment losses				
Restated Balance as at 1 July 2021	6,337	-	1,565	7,902
Depreciation for the year	1,849	-	1,045	2,894
Revaluation				
Eliminate depreciation against gross carrying amount	(3,685)	-	-	(3,685)
Disposals	(26)	-	(122)	(148)
Balance as at 30 June 2022	4,475	-	2,488	6,963

12. Property, plant and equipment (continued)

	Land, Buildings and Leasehold Improvements \$'000	(restated)* Work in Progress \$'000	Plant and Equipment \$'000	Total \$'000
Carrying amounts				
At 1 July 2021	88,826	124	3,210	92,160
At 30 June 2022	116,246	-	4,228	120,474

Land and buildings were revalued based on independent valuations determined using market values on 30 June 2022 by certified valuers, Armstrong Biggs Fallon Valuers and m3property Australia.

Accounting Policy

(i) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are measured at fair value less accumulated depreciation on buildings and any impairment loss recognised after the date of revaluation. Buildings under construction are recorded at cost, upon completion these are recorded at fair value.

The land is valued using the market approach. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The buildings are valued using the cost approach. The cost approach considers the current replacement cost of buildings.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within 'Other revenue and income' or 'Other expenses' in profit or loss. When revalued assets are sold, the amounts included in the asset revaluation reserve are transferred to accumulated surplus.

(ii) Revaluations

Formal revaluations of land and buildings are performed every three years. The most recent formal valuation was 30 June 2022. The fair value of land and buildings is determined from market-based evidence by appraisal that is undertaken by independent professional qualified valuers. BSL reviews the carrying value of land and buildings at each balance date to assess whether there has been a material change in valuation of land and buildings that is required to be recorded in the financial statements.

If the carrying amount of land and buildings has increased as a result of a revaluation, the net revaluation increase is recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the net revaluation increase is recognised in profit or loss to the extent that it reverses a net revaluation decrease of the land and buildings previously recognised in profit or loss.

If the carrying amount of land and buildings has decreased as a result of a revaluation, the net revaluation decrease is recognised in profit or loss. However, the net revaluation decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of land and buildings. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation reserve.

Revaluation increases and decreases relating to individual assets within a class of property, plant

and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Valuation techniques and significant assumptions

Non-Aged Care Land and Buildings

BSL engaged Armstrong Biggs Fallon Valuers Pty Ltd, independent accredited valuers, to determine the fair value of land and buildings.

The methodologies used were:

- Direct Comparison approach whereby evidence derived from the analysis of sales of properties of similar properties; and
- Hypothetical Development approach based on "vacant possession" which allows for current fallback in value and uncertainty in the market place.

In valuing the property the valuer has examined development site sales within the area as well as sale prices, rental levels and investment rates of return of office buildings within the surrounding districts, where applicable.

Residential Aged Care Land and Buildings

BSL engaged m3property Australia Pty Ltd, independent accredited valuers, to determine the fair value of residential aged care land and buildings. The methodology used was the income approach whereby the market value of the property includes the core value of the business and the net present value of Refundable Accommodation Deposits (RAD's).

Significant assumptions included in the valuation include the following:

Core Value:

Core Value using the Income approach which has been determined by applying a market-derived capitalisation rate to the assessed EBITDAR (true net maintainable income) for the property and business to establish the property's core investment value, and then making various 'below the line' adjustments for the property's individual investment characteristics. These below the line adjustment may include a number of

items some examples of which are ramp up allowances, capital deductions for leased items and capital additions for current retentions.

RAD's:

The value of the RADs has been assessed by determining the net existing liability of the existing RADs/bonds for the facility with adjustments made for retentions (bonds only). Taking into consideration:

- Prices of the existing RAD/bond pool in comparison to the assessed market value of potential future incoming RADs to assess the net present value any potential uplift or decrease.
- Net present value of any potential new or additional RADs to be received at the facility in the future having regard to the nature of the business and supported resident ratio.

(iii) Depreciation and estimation of useful lives of assets

Depreciation is recognised in the profit or loss and calculated on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and ready for use or in respect of internally constructed assets, from the date that the asset is completed and ready for use. The estimated useful lives for the current and comparative periods are as follows:

Buildings	40 years
Plant and equipment	3 to 10 years
Leasehold improvements	Shorter of lease period or useful life

BSL determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically

obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(iv) Impairment

At each reporting date, BSL reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite life intangible assets are tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses on land and buildings are treated as a revaluation decrement for the extent of the revaluation reserve and then as an impairment expense in profit or loss.

Significant estimates and judgements relating to property, plant and equipment

Judgement is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

13. Intangible assets

	Bed licences \$'000	(restated)* Software \$'000	Total \$'000
Fair value or cost			
Restated balance as at 1 July 2021	1,720	89	1,809
Additions	-	8	8
Transfers out	-	(18)	(18)
Balance as at 30 June 2022	1,720	79	1,799
Amortisation and impairment losses			
Restated Balance at 1 July 2021	1,720	54	1,774
Amortisation for the year	-	21	21
Balance as at 30 June 2022	1,720	75	1,795
Carrying amounts			
At 1 July 2021	-	35	35
At 30 June 2022	-	4	4

Accounting Policy

(i) Bed licences

Bed Licences are regulated and issued by the Commonwealth Department of Health at no cost but can be traded under certain conditions. BSL is not anticipating any trading activity in the foreseeable future. Further, based on the 2017 Aged Care reform regime the Commonwealth Government may deregulate the residential sector and licenses will have a zero value. The Directors have considered the above factors and have assessed the licenses for impairment and concluded that the asset is fully impaired.

(ii) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the organisation are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use

- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

The amortisation expense relating to all intangible asset classes is included in 'depreciation and amortisation expense' in the statement of profit or loss and other comprehensive income.

14. Right-of-use assets and Lease Liabilities

	Land, Buildings and Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
Right of Use Assets			
Carrying amount at 30 June 2021	10,008	569	10,577
Depreciation for the year	(5,167)	(709)	(5,876)
Additions	1,068	141	1,209
Terminations	(1,469)	(49)	(1,518)
Modifications	8,100	946	9,046
Carrying amount at 30 June 2022	12,540	898	13,438

Leases as Lessee

The following amounts are recognised in the statement of financial position relating to leases:

	2022 \$'000	2021 \$'000
Lease liabilities	5,494	4,658
Total current lease liabilities	5,494	4,658
Lease liabilities	7,500	6,751
Total non-current lease liabilities	7,500	6,751

Significant Leasing Arrangement or Terms and conditions of Leases

BSL leases a number of properties, motor vehicles, computers and office equipment under operating leases. These leases typically run for a period of three to ten years, several with options to renew the lease after the end of the original lease period. Several lease payments are renegotiated every year to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

Maturity analysis of future lease payments

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	2022 \$'000	2021 \$'000
Not later than 1 year	5,539	5,318
Later than 1 year and not later than 5 years	7,732	12,801
Later than 5 years	34	504
	13,305	18,623

14. Right-of-use assets and Lease Liabilities (continued)

Maturity analysis of future lease payments (continued)

The following amounts are recognised in the statement of profit or loss and other comprehensive income relating to leases:

	Notes	2022 \$'000	2021 \$'000
Amounts recognised in statement of cash flows			
Interest on lease liabilities	7	434	437
Depreciation on ROU Assets	14	5,876	5,682
Expenses relating to low value leases		134	-
Expenses relating to short-term leases		462	54
Gain on Derecognition of ROU Assets		(74)	-
Total Leases		6,832	6,173

Amounts recognised in statement of cash flows

Total cash outflow for leases		6,141	5,573
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Leases as Lessor

BSL leases out a non-commercial property. The lease is classified as an operating lease from a lessor perspective as the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The underlying asset subject to the operating leases is presented in the statement of financial position as Property Plant and Equipment, according to the nature of the underlying asset.

The following outlines the gross contractual lease payments to be received by BSL in relation to the non-cancellable operating leases.

	2022 \$'000	2021 \$'000
Future lease payments receivable under non-cancellable operating leases:		
Not later than 1 year	65	53
Later than 1 year and not later than 5 years	67	132
	132	185

Accounting Policy

Lease as lessee

At inception of a contract, BSL assesses whether a lease exists – i.e., does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of a lease (other than short term or low value leases), BSL

recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

(i) Right of Use Asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date,

plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end date of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(ii) Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, BSL's incremental borrowing rate.

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what BSL estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments, variable lease payments that depend on an index or rate, and any amounts expected to be payable under a residual value guarantee, purchase option, optional renewal periods if BSL is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless BSL is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in

future lease payments arising from a change in an index or rate, if there is a change in BSL's estimate of the amount expected to be payable under a residual value guarantee, if BSL changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short-term leases and leases of low-value assets

BSL has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). BSL recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease as lessor

When BSL acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, BSL makes an overall assessment of whether the lease transfers substantially all the risk and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. As part of this assessment, BSL considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then BSL applies AASB 15 to allocate the consideration in the contract.

BSL applies the derecognition and impairment requirements in AASB 9 to the net investment in the lease. BSL further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

BSL recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

15. Accumulated Surplus and Reserves

	2022	(restated)* 2021
	\$'000	\$'000
Accumulated Surplus	81,638	80,405
Asset Revaluation Reserve	61,874	36,566
Fair Value Reserve	4,817	9,438
Total reserves	66,691	46,004

Accumulated Surplus

The accumulated surplus includes an amount of \$4.898 million (2020-21: \$4.297 million) which is attributable to the David Scott School. BSL monitors the use of the surplus as this must be used solely for the purposes of the School.

Asset revaluation reserve

The asset revaluation reserve represents the net revaluation increment in respect of land and buildings.

Fair value reserve

The fair value reserve comprises:

- The cumulative net change in the fair value of equity securities designated at FVOCI;
- The cumulative net change in the fair value of debt securities designated at FVOCI until the assets are derecognised or reclassified, this amount is reduced by the amount of the loss allowance; and
- The net realised gains or losses on equity investments.
- The fair value reserve of \$4.817 million (2020-21: \$9.438 million) includes \$2.128 million (2020-21: \$1.312 million) of net realised gains.

16. Trade and other payables – Amortised cost

	2022	2021
	\$'000	\$'000
Current		
Trade payables	926	1,980
Non-trade payables and accrued expenses	4,813	3,977
Total trade and other payables	5,739	5,957

Comparative amounts have been reclassified to conform to changes in presentation in the current financial year.

Accounting Policy

(i) Recognition and measurement

Financial liabilities are initially recognised when BSL becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value plus, for an item not at FVTPL,

transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including

any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

BSL derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. BSL also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, BSL currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

17. Employee benefits

	2022 \$'000	2021 \$'000
Current		
Salaries and wages accrued	3,940	3,086
Provision for redundancy	-	227
Provision for long service leave	2,571	1,967
Provision for annual leave	8,857	8,620
Total current employee benefits	15,368	13,900
Non-current		
Provision for long service leave	765	945
Total non-current employee benefits	765	945

BSL has paid contributions of \$11.660 million to defined superannuation contribution plans on behalf of employees for the year ended 30 June 2022 (2020-21: \$10.432 million).

Accounting Policy

(i) Defined superannuation contribution plans

A defined superannuation contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined superannuation

contribution plans are expensed as the related service is provided.

(ii) Other long-term employee benefits

BSL's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when BSL can no longer withdraw the offer of those benefits or when BSL recognises cost for restructuring.

(iv) Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if BSL has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(v) Portable long service leave

In addition to traditional long service, Victoria offers portable long service benefits for eligible workers in the community services sector.

The Portable Long Service Benefits Scheme allows eligible workers to build up long service entitlements based on time spent in their industry, rather than with a single employer. This means that eligible workers can keep their portable long service leave entitlement even if they work for different employers over the years.

BSL has identified employees eligible for portable long service benefits in Victoria and pays a levy to Victorian Portable Long Service Leave Authority (PLSLA) of 1.65% of wages for eligible employees Victoria.

Provisions

A provision is recognised if, as a result of a past event, BSL has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Restructuring Provisions

A provision for restructuring is recognised when BSL has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Future operating losses are not provided for.

Significant estimates and judgements relating to employee provisions

Management judgement is applied in determining the following key assumptions used in the calculation of long-service leave at reporting date:

- future increases in salaries, wages and on costs; and
- experience of employee departures and period of service.

18. Other Provisions

	2022 \$'000	2021 \$'000
Current		
Make-good provision under leases	-	1,151
Total current other provisions	-	1,151
Non-Current		
Make-good provision under leases	2,356	-
Total current other provisions	2,356	-
Movements in Other Provisions		
Balance at 1 July 2021	1,151	
Increase in provision	1,251	
Adjustments	(46)	
Balance at 30 June 2022	2,356	

Comparative amounts have been reclassified to conform to changes in presentation in the current financial year.

Accounting Policy

A provision is recognised if, as a result of a past event, BSL has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing the

contract. Before a provision is established, BSL recognises an impairment loss on the assets associated with that contract.

Make-Good Provisions

BSL recognises the costs required to return certain leased premises to their original condition as set out in the lease agreements as a provision in the financial statements. The provision is revised on an annual basis.

Significant estimates and judgements relating to make good provision

Future costs are estimated based on likely restoration costs determined by the size of lettable area and surveyor quotation on a per square metre rate. These estimates may vary from the actual costs incurred as a result of conditions existing at the date the premises are vacated.

19. Contract liabilities

	2022 \$'000	2021 \$'000
Grant funding obligations	5,221	16,529
Home Care Packages – unspent funds	8,371	12,284
Auspice and resident funds		
Residents	139	164
Refundable accommodation deposits – aged care	8,522	2,537
External entities	27	116
Other	379	364
Total contract liabilities	22,659	31,994

Accounting Policy

(i) Grant Funding Obligations

Contract liabilities generally represent the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant/fees.

Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

Grants are initially recognised as a contract liability at fair value when there is reasonable assurance that they will be received and that BSL will comply with the conditions associated with the grant; they are then recognised in profit or loss as performance obligations are met. Refer to note 5.

(ii) Home Care Packages

Home Care Packages Unspent Funds represents monies received to cover Home Care services for individual clients. These funds will be recognised as revenue when BSL provides services to the client.

(iii) Auspice and resident funds

BSL provides accounting services and holds funds on behalf of several projects and organisations that are operated and managed externally to the administration of BSL. Any unutilised funds of these projects are disclosed above.

BSL holds refundable accommodation deposits paid by some residents for permanent entry to its residential aged care facilities. BSL also holds funds on behalf of some residents for their personal expenses.

Refundable Accommodation Deposits (RADs) and accommodation bonds are non-interest bearing deposits made by aged care home residents to BSL upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities. RADs and accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/ accommodation bond in accordance with the Aged Care Act 1997.

20. Other liabilities

	2022 \$'000	2021 \$'000
Other current liabilities - arising under contracts with customers		
Refund liability	2,503	-

The refund liability relates to grant funding agreements that require BSL to return the fund if funds are unspent or performance obligations aren't met at the end of the reporting period.

Accounting Policy

Refund liability

A refund liability represents BSL's obligation to refund consideration received where funds are unspent or performance obligations aren't met at the end of the reporting period. A refund liability is measured at BSL's best estimate, based on historical experience, of the amount to be refunded in relation to complete programs. BSL updates the measurement of the refund liability at the end of each reporting period for changes in expectations about the amount of refunds, with corresponding adjustments recognised as a reduction of revenue.

21. Auditor's Remuneration

	2022 \$'000	2021 \$'000
External audit - KPMG International Limited		
Audit of the financial statements	142	144
Other services - Audit acquittals and grants	124	20
Other services - Evaluation work	60	-
Total Amount paid or payable to KPMG	326	164
Internal audit - Pitcher Partners		
Internal Audit	195	38
Total Amount paid or payable to Pitcher Partners	195	38

External audit

Other services that KPMG performed comprises grant audits, prudential audit and David Scott school audit and assistance with the evaluation of options for software replacement.

22. Changes to Significant Accounting Policy

The International Financial Reporting Standards Interpretations Committee (IFRIC) has issued two final agenda decisions which impact SaaS arrangements:

Customer's right to receive access to the supplier's software hosted on the cloud (March 2019)

This decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.

Configuration or customisation costs in a cloud computing arrangement (April 2021)

This decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an

intangible asset and if not, over what time period the expenditure is expensed.

BSL's accounting policy has historically been to capitalise all costs related to cloud computing arrangements as intangible assets in the Statement of Financial Position. The adoption of this agenda decision resulted in a reclassification of these intangible assets to either a prepaid asset in the Statement of Financial Position and/or recognition as an expense in the Statement of Profit or Loss and Other Comprehensive Income, impacting both the current and prior periods presented.

Historical financial information has been restated to account for the impact of the change in accounting policy in relation to SaaS arrangements, as follows:

Impact on statement of financial position	1 Jul 2020 \$'000	Increase/ (Decrease) \$'000	1 Jul 2020 Restated \$'000
Property, Plant & Equipment	94,764	(606)	94,158
Intangible Asset	1,914	(1,906)	8
Net assets	123,424	(2,512)	120,912
Accumulated Surplus	81,278	(2,512)	78,766
Total equity	123,424	(2,512)	120,912
	30 Jun 2021 \$'000	Increase/ (Decrease) \$'000	30 Jun 2021 Restated \$'000
Property, Plant & Equipment	92,330	(170)	92,160
Intangible Asset	1,678	(1,643)	35
Net assets	128,222	(1,813)	126,409
Accumulated Surplus	82,218	(1,813)	80,405
Total equity	128,222	(1,813)	126,409

22. Changes to Significant Accounting Policy (continued)

Impact on statement of profit or loss and other comprehensive income	30 Jun 2021 \$'000	Increase/ (Decrease) \$'000	30 Jun 2021 Restated \$'000
Expenses	(192,236)	(743)	(192,979)
Impairment loss on intangible assets	(817)	817	-
Surplus before depreciation and finance activities	9,043	74	9,117
Depreciation and amortisation	(9,771)	625	(9,146)
Total surplus	940	699	1,639
Total other comprehensive income	3,858	-	3,858
Total comprehensive income	4,798	699	5,497

Software-As-A -Service Arrangements (SaaS)

SaaS arrangements are service contracts providing BSL with the right to access the cloud provider's application software over the contract period. As such, BSL does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

Accounting Policy

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognised as an operating expense over the term of the service contract.

Expenditure incurred in relation to fees for use of application software and customisation

costs that are not distinct from the applications software.

Recognised as an operating expense as the service is received.

Expenditure incurred in relation to configuration costs, data conversion and migration costs, testing costs and training costs.

BSL SaaS arrangements have historically been configured and customised by third parties which is considered distinct from the underlying SaaS software, and as such have been expensed.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

23. Related parties

Key management personnel compensation

Key management personnel compensation comprised short term employee benefits, post-employment benefits and other long term benefits and termination benefits.

No salaries, compensation or other benefits were paid or are payable to the Directors in their capacity as Board members.

Total salary, compensation and other benefits paid to members of the Executive Leadership Team was as follows:

	2022 \$'000	2021 \$'000
Total Key Management Personnel Compensation	2,090	2,202

Transactions with key management personnel

There were no Directors or other members of key management personnel that had control or joint control over BSL's operations.

Related party transactions and balances The following outlines the amounts, and terms and conditions, of transactions and balances with related parties, presented by category of related party:

Transactions and balances with key management personnel

	2022 \$'000	2021 \$'000
Donations received	8	43

24. Capital commitments

There were no capital commitments as at 30 June 2022 (2020-2021: \$nil).

25. Financial risk management

Risk management framework

BSL's Board of Directors has overall responsibility for the establishment and oversight of BSL's risk management framework.

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with BSL's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of BSL operations.

BSL's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to BSL's reputation with overall cost-effectiveness.

BSL's risk management policy and practices are established to identify and analyse the risks faced by BSL, to set appropriate risk limits and controls and adherence to limits. The risk management policy, practices and systems are reviewed regularly to reflect changes in market conditions and BSL's activities. BSL, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported internally by the Risk and Quality department and externally by a program of periodic reviews undertaken by BSL's internal auditor. The results of the reviews completed by the Risk and Quality department and internal auditors are discussed with the relevant management of the business unit, with summaries provided to the Audit and Risk Management Committee and senior management of BSL.

26. New standards issued but not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 22, and have not been applied in preparing these Financial Statements. Those which may be relevant to BSL are set out below. BSL does not plan to adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on financial statements
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	AASB 2020-1 amends AASB 101 Presentation of Financial Statements to require a liability be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period.	1 January 2023	Impact has not been assessed yet, however any changes will be limited to disclosure.
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.		
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	AASB 2021-2 amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies.	1 January 2023	Impact has not been assessed yet, however any changes will be limited to disclosure.

Directors' Declaration

In the opinion of the Directors of Brotherhood of St Laurence:

- a. Brotherhood of St Laurence is not publicly accountable;
- b. the financial statements and notes that are set out on pages 14 to 48, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*; including:
 - i. giving a true and fair view of Brotherhood of St Laurence's financial position as at 30 June 2022 and of its performance, for the financial year ended on that date;
 - ii. complying with Australian Accounting Standards – Simplified Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
 - iii. complying with Brotherhood of St Laurence (Incorporation) Act 1971 (Vic) and Brotherhood of St Laurence's Constitution; and
- c. there are reasonable grounds to believe that Brotherhood of St Laurence will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Mr Stephen Newton AO
Chair, Board of Directors



Dr Travers McLeod
Executive Director

Melbourne, 27 September 2022



Independent Auditor's Report

To the members of The Brotherhood of St Laurence

Opinion

We have audited the **Financial Report**, of The Brotherhood of St Laurence (the Entity).

In our opinion, the accompanying **Financial Report** of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Entity's financial position as at 30 June 2022, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosure* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2022.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Entity.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Other information

Other Information is financial and non-financial information in The Brotherhood of St Laurence's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information that we obtained prior to the date of this Auditor's report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Requirements and the ACNC.
- ii. Implementing necessary internal control 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.
- iii. Assessing the Entity's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. 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.
- ii. 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. 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 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 Entity to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Entity 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.

KPMG

Dana Bentley
Partner
Melbourne
27 September 2022



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of the Brotherhood of St Laurence

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2022 there have been:

- i. 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
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A blue ink stamp of the KPMG logo, featuring the letters 'KPMG' in a bold, sans-serif font with a stylized graphic of four vertical bars to the left.

KPMG
Melbourne

A blue ink signature of Dana Bentley, written in a cursive style.

Dana Bentley
Partner
27 September 2022

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Brotherhood of St. Laurence

bsl.org.au

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