

## **Southern Cross Care (Tasmania) Inc.**

ABN: 18 773 507 851

### **Financial Report of Southern Cross Care (Tasmania) Inc.**

For the Year Ended 30 June 2025

# **Southern Cross Care (Tasmania) Inc.**

ABN: 18 773 507 851

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For the Year Ended 30 June 2025

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# **Southern Cross Care (Tasmania) Inc.**

ABN: 18 773 507 851

## **Director's Report**

For the Year Ended 30 June 2025

### **Board Members**

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

Mrs Alex MacAskill (resigned 18 November 2024)  
Ms Alayne Baker  
Ms Sonya Beyers  
Dr Jane Sargison  
Ms Kelly Walker  
Ms Kellie Dean  
Ms Leonie Fowke  
Ms Caroline Wells  
Mr Michael Kerschbaum (appointed 18 November 2024)

### **Principal activities**

The principal activities of the Association during the financial year were:

- providing residential aged care services;
- providing home and community care services; and
- providing independent living services.

### **Significant changes**

There have been no significant changes to the Association's operations in the 2024-2025 year. There has been no change to the number or location of Residential Aged Care homes or Retirement villages in operation.

### **Subsequent events**

The Board made the decision just prior to signing the accounts to remove the property at 81A Gunn Street, Devonport, from Assets Held For Sale, this is due to a change in requirement for the property. As a result, this will be shown as a transfer between asset classes in the year ending 30 June 2026.

### **Operating result**

The surplus/(deficit) of Southern Cross Care (Tasmania) Inc. for the financial year amounted to \$123,675,233 compared to the previous year (2024: surplus \$47,343,704).

Signed in accordance with a resolution of the Board members:

Chair: .....  
Sonya Beyers

Treasurer: .....  
Kelly Walker

Dated this ..... 28th ..... day of ..... October, 2025..

# Southern Cross Care (Tasmania) Inc.

ABN: 18 773 507 851

## Statement of Comprehensive Income

For the Year Ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>Revenue</b>			
Government Subsidies		83,560	73,209
Resident Fees		32,358	29,359
Retention Income and Deferred Management Fees		6,512	6,554
Interest Received	3	1,216	250
Donations		1	10
Gain/(Loss) on Disposal of Asset		1,326	448
Other Income		1,089	558
<b>Total Revenue</b>		<b>126,062</b>	<b>110,388</b>
<b>Expenses</b>			
Administration Expenses		8,216	8,878
Care Expenses		3,106	2,998
Catering Costs		3,994	4,137
Depreciation and Amortisation	8, 9a,11	5,002	9,484
Employee Related Expenses		86,392	83,159
Interest Expense	12	1,145	1,485
Impairment of Goodwill		-	6,012
IT Support Costs		2,412	2,307
Other Expenses		6,457	6,207
Repairs and Maintenance		6,949	7,598
Utility Expenses		4,221	4,088
<b>Total Expenses</b>		<b>127,894</b>	<b>136,354</b>
<b>Surplus/(Deficit) from Operations</b>		<b>(1,832)</b>	<b>(25,966)</b>
Gain/(Loss) on Revaluation of Investment Properties		38,468	99,275
Resident's Share Increase/(Decrease) in Capital Gain		1,349	(25,965)
<b>Net Surplus/(Deficit) for the Year</b>		<b>37,985</b>	<b>47,344</b>
<b>Other Comprehensive Income</b>			
Gain/(Loss) on Revaluation of Land and Buildings		85,690	-
<b>Other Comprehensive Surplus/(Deficit)</b>		<b>85,690</b>	<b>-</b>
<b>Total Comprehensive Income/(Deficit) for the Year</b>		<b>123,675</b>	<b>47,344</b>

The accompanying notes form part of these financial statements.

# Southern Cross Care (Tasmania) Inc.

ABN: 18 773 507 851

## Statement of Financial Position

As of 30 June 2025

ASSETS	Note	2025 \$'000	2024 \$'000
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	10,197	13,103
Trade and Other Receivables	5	6,380	5,143
Other Financial Assets	6	37,885	1,167
Assets Held for Sale	7	36,445	1,874
<b>Total Current Assets</b>		<b>90,907</b>	<b>21,287</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	9	187,121	137,232
Investment Properties	10	327,053	292,201
Right-of-Use	11, 1(r)	49	113
Intangible Assets	8	3	4
<b>Total Non-Current</b>		<b>514,226</b>	<b>429,550</b>
<b>Total Assets</b>		<b>605,133</b>	<b>450,837</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	13	13,518	10,117
Employee Benefits Provision	14	8,629	8,251
Other Provisions - Expected to be settled within 12 months	15	21,329	21,692
Other Provisions - Expected to be settled after 12 months	15	17,105	19,687
Borrowings	16	1,954	4,549
Accommodation Deposits - Expected to be settled within 12	17	30,058	29,978
Accommodation Deposits - Expected to be settled after 12	17	107,500	76,367
Entry Ingoings - Expected to be settled within 12 months	17	6,693	6,337
Entry Ingoings - Expected to be settled after 12 months	17	142,118	139,135
Lease Liabilities	1(r)	58	69
Other Liabilities	18	7	7
<b>Total Current Liabilities</b>		<b>348,969</b>	<b>316,189</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Benefits Provision	14	720	738
Borrowings	16	13,461	15,469
Lease Liabilities	1(r)	-	58
Other Liabilities	18	629	704
<b>Total Non-Current Liabilities</b>		<b>14,810</b>	<b>16,969</b>
<b>Total Liabilities</b>		<b>363,779</b>	<b>333,158</b>
<b>NET ASSETS</b>		<b>241,354</b>	<b>117,679</b>
<b>EQUITY</b>			
Reserves	19	178,577	92,887
Accumulated surplus		62,777	24,792
<b>TOTAL EQUITY</b>		<b>241,354</b>	<b>117,679</b>

The accompanying notes form part of these financial statements.

# Southern Cross Care (Tasmania) Inc.

ABN: 18 773 507 851

## Statement of Cash Flows

For the Year Ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Operations		116,745	106,318
Payments to Suppliers and Employees		(120,848)	(118,710)
Interest Received		1,216	250
Interest Paid		(1,145)	(1,494)
<b>Net Cash Used in Operating Activities</b>		<b>(4,032)</b>	<b>(13,636)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from the Sale of Property, Plant and Equipment		2,935	3,266
Purchase of Property, Plant and Equipment		(1,697)	(3,441)
Other Investments Proceeds/(Investments)		(36,717)	4,980
<b>Net Cash Provided by Investing Activities</b>		<b>(35,479)</b>	<b>4,805</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments Capitalised Leases		(69)	(88)
Accommodation Deposits Received		64,929	40,066
Accommodation Deposits Refunded		(33,285)	(33,331)
Entry Ingoings and Deposits Received		20,107	24,244
Entry Ingoings and Deposits Refunded		(10,399)	(10,517)
Deeming and Resident Comfort Accounts		(75)	-
Repayments of Borrowings		(4,603)	(2,105)
Purchase/(Proceeds) of Intangible Assets		-	595
<b>Net Cash Provided by Financing Activities</b>		<b>36,605</b>	<b>18,864</b>
Net Increase/ (Decrease) in Cash and Cash Equivalents Held		(2,906)	10,033
Cash and Cash Equivalents at Beginning of Financial Year		13,103	3,070
<b>Cash and Cash Equivalents at End of Financial Year</b>	<b>4</b>	<b>10,197</b>	<b>13,103</b>

Cash and Cash Equivalents at End of Financial Year includes Operating Account in Overdraft of (\$2.177m) (2024: \$13,065m), Line of Credit Account \$1.338m (2024: Nil), Short Term Deposits \$11m (2024: Nil), Cash on Hand \$36k (2024: \$38k).

Other Investments Proceeds/(Investments) include investments in Term Deposits that have a maturity greater than 3 months (\$37.9m) and proceeds from Sale of Shares \$1.2m.

The accompanying notes form part of these financial statements.

# **Southern Cross Care (Tasmania) Inc.**

ABN: 18 773 507 851

## **Statement of Changes of Equity**

For the Year Ended 30 June 2025

	<b>Accumulated Surplus / (Deficit)</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	\$'000	\$'000	\$'000
Balance at 1 July 2024	24,792	92,887	117,679
Net Surplus/(Deficit) for The Year	37,985	-	37,985
Other Comprehensive Income	-	85,690	85,690
<b>Balance at 30 June 2025</b>	<b>62,777</b>	<b>178,577</b>	<b>241,354</b>
Balance at 1 July 2023	(22,552)	92,887	70,335
Net Surplus/(Deficit) for The Year	47,344	-	47,344
Other Comprehensive Income	-	-	-
<b>Balance at 30 June 2024</b>	<b>24,792</b>	<b>92,887</b>	<b>117,679</b>

*The accompanying notes form part of these financial statements.*

# Southern Cross Care (Tasmania) Inc.

ABN: 18 773 507 851

## Notes to the Financial Statements

For the Year Ended 30 June 2025

This financial report covers Southern Cross Care (Tasmania) Inc., an association incorporated in Tasmania. The principal activity of the Association during the year was to care for elderly and other appropriate persons in and outside of accommodation provided by the Association. This care is provided through residential aged care services, home and community care services and independent living services.

These financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities and the disclosure requirements in AASB 1060.

### 1. Summary of Material Accounting Policy Information

#### (a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards – Simplified Disclosures, the Australian Charities and Not-for-Profit Commission Act 2012, and the Associations Incorporation Act (TAS) 1964. The Association is a not-for-profit entity for financial reporting purposes.

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at cost of the selected fixed assets, financial assets and financial liabilities. The amounts presented within the financial statements have been rounded to the nearest thousand dollars.

#### (b) Comparative Figures

When required comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and term deposits with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Bank overdrafts are presented within cash at bank.

#### (d) Trade and Other Receivables

The Association provides an allowance for losses on trade receivables based on a review of the current status of existing receivables, including forward looking information (Refer Note 1 (j)).

#### (e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment. Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model. Increases in the carrying amount arising on revaluation are recognised in Other Comprehensive Income and accumulated in the revaluation reserve in equity. Land and Building decreases are offset against previous increases and are recognised in Other Comprehensive income and reversed against the revaluation reserve. All other decreases are recognised in profit and loss. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

# **Southern Cross Care (Tasmania) Inc.**

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## **Notes to the Financial Statements**

For the Year Ended 30 June 2025

### **(e) Property, Plant and Equipment (Contd.)**

#### **Land and Buildings at Valuation**

Land and buildings, which comprise of the Association's Residential Aged Care Facilities (RACFs) and State Office are measured at fair value using the depreciated replacement cost method (DRC). DRC is calculated by taking the current cost to replace the asset less its accumulated depreciation, which is based on its remaining useful life.

During the 2025 financial year, the association had engaged with Heron Todd White to perform a valuation of the land and buildings of all RACFs and other sites, effective as of 1 July 2024. Depreciation for 2025 financial year for these land and buildings are based on the valuation as at 1 July 2024.

#### **Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

#### **Plant and Equipment - Fixed Assets Constructed**

The cost of fixed assets constructed includes the cost of materials and direct labour. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

#### **Capital Works**

All costs of a capital nature are to be capitalised if they increase the building's fair value. Costs of the project are to be classified as work in progress until the project has been completed. Upon completion, the asset is to be reclassified and depreciated at an appropriate rate. Any diminution of an asset is to be written off to the statement of comprehensive income.

#### **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets are depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed Asset Class</b>	<b>Depreciation Rate</b>
Buildings & Improvements	1.43% - 20%
Motor Vehicles	20.0%
Furniture & Fittings	15.0%
Plant and equipment	15.0%
IT Equipment	25.0%
IT Intangibles	20.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

# **Southern Cross Care (Tasmania) Inc.**

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## **Notes to the Financial Statements**

For the Year Ended 30 June 2025

### **(e) Property, Plant and Equipment (Contd.)**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

### **(f) Investment Properties at Valuation**

Investment property, comprising the retirement village freehold land and buildings, is held to generate long-term rental yields and capital appreciation. All tenant leases are on an arm's length basis. Investment properties are initially measured at cost and subsequently measured at fair value. Fair value of investment properties is determined annually based on valuation by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued. Changes to fair values of investment properties are recognised in the profit or loss in the periods in which they arise.

The fair value of the Association's investment properties as at 30 June 2025 are valued based on valuations carried out by Knight Frank for each site with an effective date at 30 June 2025. The key inputs of the valuation have been considered as appropriate by the Directors.

### **(g) Fair Value Measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

### **(h) Impairment of Non-Financial Assets**

At the end of each reporting period the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

### **(h) Goodwill**

Goodwill is not subject to amortisation and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it may be impaired. The Association used fair value less costs of disposal to determine the recoverable amount of its assets.

# **Southern Cross Care (Tasmania) Inc.**

ABN: 18 773 507 851

## **Notes to the Financial Statements**

For the Year Ended 30 June 2025

### ***(i) Financial Instruments***

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables which are initially measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of comprehensive income.

#### ***Financial Assets***

All recognised financial assets are subsequently measured in their entirety at fair value through profit and loss, except trade receivables. Trade receivables are measured at the transaction price.

##### *Impairment of Financial Assets*

Impairment of financial assets is recognised on an expected credit loss basis for trade receivables.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating expected credit losses, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse by the Association to actions such as realising security (if any held).

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade Receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income.

##### *Other Financial Assets Measured at Amortised Cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

# **Southern Cross Care (Tasmania) Inc.**

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## **Notes to the Financial Statements**

For the Year Ended 30 June 2025

### ***(i) Financial Instruments (Contd.)***

#### ***Financial Liabilities***

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

#### ***(j) Trade and Other Payables***

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as at liability with the amounts normally paid within 30 days of recognition of the liability.

#### ***(k) Borrowings***

Interest-bearing loans and borrowings are initially recognised at cost of the proceeds received, net of directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost. Fees incurred in connection with the establishment of loan facilities that are yield-related are capitalised as part of the carrying amount of the respective loans and borrowings. Such financial liabilities are classified as current unless the Association has an unconditional right to defer settlement for a period of at least 12 months after the reporting date.

#### ***(l) Employee Benefits***

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on corporate bond rates with terms to maturity that match the expected timing of cashflows.

#### ***(m) Provisions***

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### ***(n) Accommodation Deposits***

Accommodation deposits are non-interest bearing deposits made by aged care facility residents to the Association upon their admission to accommodation. The liability is carried at the amount that would be payable on departure or transfer of the resident. This is the amount received on entry of the resident less deductions for fees and retentions pursuant to the Aged Care Act 1997. Once a refunding event occurs the receivable becomes interest bearing. The interest rate varies according to Department of Health rates. These funds are guaranteed under the Accommodation Bond (Guarantee Scheme) which came into operation on the 31 May 2006.

# **Southern Cross Care (Tasmania) Inc.**

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## **Notes to the Financial Statements**

For the Year Ended 30 June 2025

### **(n) Accommodation Deposits (Contd.)**

The Guarantee Scheme enables the Commonwealth to step in and refund accommodation deposit or entry contribution balances to residents if the approved provider has defaulted on its financial obligations due to bankruptcy or insolvency. After the refunds have been made, the Commonwealth becomes the creditor (unsecured) for those amounts. The Commonwealth then pursues the defaulting approved provider for recovery of funds through normal insolvency procedures. The Guarantee Scheme is established under the Aged Care Bond Security Act 2006 (Bonds Security Act).

The number and amounts repaid varies from year to year. Based on the immediate past payment history, it has been estimated that \$30,058,000 (2024: \$29,978,023) will be repaid in the next 12 months. Should any variables change or the pattern of movement within the Association's aged care facilities change, then the amount estimated to be payable in the next 12 months could vary by a material amount.

### **(o) Entry Ingoings**

Entry ingoings represent the amount payable to a resident on termination of the resident's occupation rights to an independent living unit in a retirement village. The liability is measured as the principal amount less accrued retention amounts.

The number and amounts repaid varies from year to year. Based on the immediate past payment history, it has been estimated that \$6,693,000 (2024: \$6,337,324) will be repaid in the next 12 months. Should any variables change or the pattern of movement within the Association's aged care facilities change, then the amount estimated to be payable in the next 12 months could vary by a material amount.

### **(p) Deeming Fund**

Monies received by the Deeming Fund and any income generated on those monies is to be used for the restricted purpose of purchasing capital expenditure items or the construction, extension or refurbishment of buildings that are associated with the provision of services for the residents of the Association.

### **(q) Leases**

#### *Right-of-use asset*

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

#### *Lease Liability*

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

# **Southern Cross Care (Tasmania) Inc.**

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## **Notes to the Financial Statements**

For the Year Ended 30 June 2025

### **(q) Leases (Contd.)**

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### **(r) The Association as Lessor**

The Association has entered into lease agreements as lessor in respect to certain properties. In these circumstances tenants make a non-refundable going contribution to secure lifetime occupancy and pay an ongoing daily charge. As there is no fixed timeframe on the arrangement it is not possible to determine the value of the ongoing commitment. These leases are classified as operating leases. Rental income is recognised on a straight-line basis and included in revenue in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### **(s) Revenue and Other Income**

#### *Revenue from contracts with customers*

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. The revenue is recognised as and when control of goods is transferred or the performance obligations are complete.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

#### *Income for Not-for-profit entities*

Other revenue falls within the scope of AASB 1058 Income for Not-for-profit Entities. Assets arising from revenue in scope of AASB 1058 (i.e. agreements that are not enforceable or do not have sufficiently specific performance obligations) are recognised at their fair value when the asset is received. These assets are generally cash but may be property which has been donated or sold to the Association at significantly below its fair value. The Association then considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised, then income is recognised for any difference between the recorded assets and liability.

#### *Government Subsidies*

Government subsidies are recognised as revenue on an accrual basis, in accordance with the requirements and conditions of the Aged Care Act 1997.

The Association's performance obligation, as determined by the Department of Health, is to provide residents with the accommodation and residential care for which they have been assessed as requiring. This obligation is considered a single performance obligation. The transaction price is set

# **Southern Cross Care (Tasmania) Inc.**

ABN: 18 773 507 851

## **Notes to the Financial Statements**

For the Year Ended 30 June 2025

### **(s) Revenue and Other Income (Contd.)**

by the Department. Revenue is recognised each day the performance obligation is fulfilled, at the specified transaction price.

#### *Government grants, donations and bequests*

When the Association receives government grants, donations and bequests that are in the scope of AASB 1058 (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the Association to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. 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. When grants, donations and bequests do not have any performance obligations, the monies are treated as revenue on receipt.

#### *Basic daily fees*

The basic daily fee is a daily living expense paid by all residents as a contribution towards everyday living expenses. This fee is calculated daily in accordance with the rates set by Federal Government and invoiced on a monthly basis. This is also calculated on a daily basis and invoiced monthly. Revenue from basic daily care fees is recognised over time as the services are provided.

#### *Other resident fees*

These include fees for the provision of accommodation and additional services to residents, charged to residents under mutually agreed terms and conditions. Other resident fees are recognised over time as the services are provided.

#### *Retention Income*

Retirement village agreements are considered as leases under Australian Accounting Standards with the Association as the lessor. The agreements are serviced through payment of a Deferred Management Fee (DMF) to the Association on termination of each agreement. Revenue is recognised on a straight-line basis over the full expected period of occupancy, which is estimated to be 8 years, excluding older lease contracts which have different terms.

The DMF is retained from the balance of the refundable licence contribution received under the arrangement and is recognised as income over the estimated tenancy period.

#### *Interest*

Interest income is recognised as it accrues taking into account the effective yield on the financial asset.

### **(t) Goods and Services Tax**

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). Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

# **Southern Cross Care (Tasmania) Inc.**

ABN: 18 773 507 851

## **Notes to the Financial Statements**

For the Year Ended 30 June 2025

### **(u) Income Tax**

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

### **(v) Intangible Assets**

Intangible assets are only recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Association, and the costs can be reliably measured. Intangible assets are capitalised at cost. The useful lives of the intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to profit and loss through depreciation and amortisation. Intangible assets are tested for impairment.

### **(w) New Accounting Standards and Interpretations**

The Association has adopted AASB 2020-1, which amends AASB 101 *Presentation of Financial Statements* to clarify the criteria for classifying liabilities as current or non-current. These amendments become effective for annual reporting periods beginning on or after 1 January 2024.

## **2. Critical Accounting Estimates and Judgements**

The preparation of the financial statements in conformity with Australian Accounting Standards requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements in future periods could be significant.

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparing the financial statements are reasonable. The significant estimates and judgements made have been described below.

#### **Key estimates - revenue recognition**

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions, review of the grant documents and consideration of the terms and conditions. Grants received by the Association have been accounted for under AASB 15 and/or AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then revenue recognition pattern would be different from that recognised in this financial report.

#### **Key estimates – Deferred Management Fees (DMF)**

DMF are not settled in cash until such time as the resident departs, accordingly a DMF receivable is recognised on the statement of financial position. In accordance with the retirement village residency agreement, the Association has a legally enforceable right to set off the DMF receivable with the resident entry ingoings. In practice the settlement of the asset and liability occur simultaneously. Accordingly, the asset and liability are offset and the net amount presented in the statement of financial position as a (net) resident entry ingoings liability. There is no credit risk because there is a legal right to set off against the resident entry ingoings owing. No impairment has been recognised for these amounts.

#### **Key estimates - property held at fair value**

The fair value method requires any movements in the fair value to be recognised in the statement of profit or loss or other comprehensive income. An independent valuation of the retirement villages carried at fair value was obtained as at 30 June 2025 from an appropriately qualified valuer. The fair

# Southern Cross Care (Tasmania) Inc.

ABN: 18 773 507 851

## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 2. Critical Accounting Estimates and Judgements (Contd.)

value was determined using a discounted cash flow methodology and is based on projected cash flows using current market value of individual units and DMF. In accordance with 'AASB140 'Investment Properties', the retirement villages have been classified to be investment properties on the basis that minimal additional (ancillary) services are provided as part of the contractual arrangements.

*Key estimates - provisions - licence to occupy contracts (share of capital gains)*

The provision recognises the resident's portion of any future capital gain on increase in the value of the retirement village unit. The resident's portion varies from contract to contract from 0% - 100% of any future capital gain based on either the leasehold selling price or, in more recent contracts, the property valuation. The provision has been adjusted at 30 June 2025 to reflect the valuations obtained for each individual unit, with consideration of the eligibility of each occupant to a share in capital gain. As the Association has removed the eligibility for capital gain from resident agreements, this provision is expected to reduce over time with the turnover of units, pending further increasing valuation adjustments.

### 3. Interest Revenue

	<b>2025</b> \$'000	<b>2024</b> \$'000
<b>Interest Revenue From</b>		
Other Interest	3	-
Term Deposits	1,213	250
<b>Total Interest Revenue</b>	<b>1,216</b>	<b>250</b>

### 4. Cash and Cash Equivalents

	<b>2025</b> \$'000	<b>2024</b> \$'000
<b>Cash on Hand</b>		
Cash on Hand	36	38
Short Term Deposits	11,000	-
Cash at Bank	(839)	13,065
<b>Total Cash and Cash Equivalents</b>	<b>10,197</b>	<b>13,103</b>

As at 30 June 2025 the Association has access to a \$5m (2024: \$5m) Line of Credit and \$5m (2024: \$5m) overdraft facility through the Catholic Development Fund. At 30 June 2025 \$2.18m (2024: Nil) had been drawn on the overdraft.

### 5. Trade and Other Receivables

	<b>2025</b> \$'000	<b>2024</b> \$'000
<b>Expected to be Settled Within 12 Months</b>		
Trade and Other Receivables	7,846	7,398
Provision for Impairment/ Expected Credit Losses	(1,466)	(2,255)
<b>Total Trade and Other Receivables</b>	<b>6,380</b>	<b>5,143</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

# Southern Cross Care (Tasmania) Inc.

ABN: 18 773 507 851

## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 5. Trade and Other Receivables (Contd.)

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (a) Impairment of receivables

The Association applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables excluding receivable secured by residential bonds and deposits. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

**Reconciliation of changes in the provision for impairment of receivables is as follows:**

	<b>2025</b> \$'000	<b>2024</b> \$'000
Balance at Beginning of the Year	2,255	845
Movement Through Provision	(789)	1,410
<b>Balance at end of the Year</b>	<b>1,466</b>	<b>2,255</b>

The provision for doubtful debt as at 30 June 2025 is determined by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

### 6. Other Financial Assets

	<b>2025</b> \$'000	<b>2024</b> \$'000
Term Deposits	37,885	-
Share Portfolio	-	1,167
<b>Total Other Financial Assets</b>	<b>37,885</b>	<b>1,167</b>

### 7. Assets Held for Sale

Movement in the carrying amount of assets held for sale between the beginning and the end of the current financial year.

	<b>2025</b> \$'000	<b>2024</b> \$'000
Land & Buildings - at fair value	36,445	1,874
<b>Total Assets Held for Sale</b>	<b>36,445</b>	<b>1,874</b>

In compliance with 'AASB 5 Non-current assets held for sale and discontinued operations', at 30 June 2025 the properties have been classified as held for sale as they were determined to be available for sale in their immediate condition, and the sale was highly probable. The assets were transferred at their current carrying value. Noting that in the prior financial year they were included in the Property, Plant and Equipment balance. The gain on disposal is likely to be recognised in the statement of comprehensive income in the 2026 financial year.

# Southern Cross Care (Tasmania) Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 8. Intangible Assets

	2025	2024
	\$'000	\$'000
Opening Balance	4	600
Disposals	-	(462)
Amortisation charge for the year	(1)	(134)
<b>Total Intangible Assets</b>	<b>3</b>	<b>4</b>

### 9. Property Plant and Equipment

	2025	2024
	\$'000	\$'000
<b>Land and Buildings</b>		
Freehold Land at Independent Valuation	27,032	14,976
Buildings and Improvements at Independent Valuation	158,182	133,230
Buildings and Improvements Accumulated Depreciation	(2,972)	(15,536)
<b>Total Land and Buildings</b>	<b>182,242</b>	<b>132,670</b>
<b>Capital Works in Progress</b>		
Capital Works in Progress at Cost	720	683
<b>Total Capital Works in Progress</b>	<b>720</b>	<b>683</b>
<b>Plant and Equipment, Furniture and Fittings</b>		
Furniture & Fittings at Cost	1,475	1,076
Furniture & Fittings Accumulated Depreciation	(653)	(476)
<b>Total Furniture &amp; Fittings</b>	<b>822</b>	<b>600</b>
Plant & Equipment at Cost	4,519	3,907
Plant & Equipment Accumulated Depreciation	(2,522)	(1,909)
<b>Total Equipment - Other</b>	<b>1,997</b>	<b>1,998</b>
Equipment - Information Technology at Cost	2,295	1,901
Equipment - Information Technology Accumulated Depreciation	(1,216)	(755)
<b>Total Equipment - Information Technology</b>	<b>1,079</b>	<b>1,147</b>
<b>Total Plant &amp; Equipment, Furniture and Fittings</b>	<b>3,898</b>	<b>3,745</b>
<b>Motor Vehicles</b>		
Motor Vehicles at Cost	605	488
Motor Vehicles Accumulated Depreciation	(344)	(353)
<b>Total Motor Vehicles</b>	<b>261</b>	<b>135</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>187,121</b>	<b>137,233</b>

# Southern Cross Care (Tasmania) Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 9. Property Plant and Equipment (Contd.)

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Land at Independent Valuation	Buildings and Improvements	Capital WIP	Plant and Equipment	Motor Vehicles	Equipment - IT	Furniture and Fittings	Total
<b>For the Year Ended 30 June 2025</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the year	14,976	117,694	683	1,998	135	1,147	600	137,233
Additions	-	-	1,244	614	255	393	398	2,904
Transfers	-	-	(1,207)	-	-	-	-	(1,207)
Disposals - Written Down Value	-	-	-	(3)	(31)	-	-	(34)
Depreciation Expense	-	(3,590)	-	(612)	(98)	(461)	(176)	(4,937)
Revaluation Increment/(Decrement)	12,056	41,106	-	-	-	-	-	59,162
<b>Balance at the End of the Year</b>	<b>27,032</b>	<b>155,210</b>	<b>720</b>	<b>1,997</b>	<b>261</b>	<b>1,079</b>	<b>822</b>	<b>187,121</b>

	Freehold Land at Independent Valuation	Buildings and Improvements	Capital WIP	Plant and Equipment	Motor Vehicles	Equipment - IT	Furniture and Fittings	Total
<b>For the Year Ended 30 June 2024</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the year	17,189	119,338	3,124	2,048	221	1,028	646	143,594
Additions	-	2,151	-	539	36	607	109	3,442
Transfers	(1,633)	(241)	-	-	-	-	-	(1,874)
Disposals - Written Down Value	(580)	(235)	(2,441)	-	(9)	-	-	(3,265)
Depreciation Expense	-	(3,319)	-	(589)	(113)	(488)	(155)	(4,664)
<b>Balance at the End of the Year</b>	<b>14,976</b>	<b>117,694</b>	<b>683</b>	<b>1,998</b>	<b>135</b>	<b>1,147</b>	<b>600</b>	<b>137,233</b>

# Southern Cross Care (Tasmania) Inc.

ABN: 18 773 507 851

## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 10. Investment Properties

Movement in the carrying amount of investment properties between the beginning and the end of the current financial year.

	<b>2025</b> \$'000	<b>2024</b> \$'000
<b>Investment properties - at valuation</b>		
Reconciliation		
Opening fair value	292,201	197,658
Depreciation prior to reclassification	-	(4,732)
Additions/(Disposals)	264	-
Fair value increase/(decrease) for the year	34,588	99,275
<b>Closing fair value</b>	<b>327,053</b>	<b>292,201</b>

The fair value of the Association's investment properties as at 30 June 2025 has been determined based on an independent valuation, with an effective date of 30 June 2025. The key valuation inputs have been reviewed and considered by the Directors. The valuers are independent of the Association and possesses the requisite qualifications and recent, relevant experience in the valuation of retirement villages, commercial properties, and aged care assets. Further details regarding the valuation methodology applied to each class of properties are provided in Note 1(f).

### 11. Right-of-Use Assets

Movement in the carrying amount of right of use assets between the beginning and the end of the current financial year.

	<b>2025</b> \$'000	<b>2024</b> \$'000
<b>Year Ended 30 June 2025</b>		
Balance at the Beginning of the Year	113	260
Additions	-	-
Disposals - Written Down Value	-	(59)
Amortisation Expense	(64)	(88)
<b>Balance at the End of the Year</b>	<b>49</b>	<b>113</b>

#### (a) Future Lease Payment Schedule

	<b>2025</b> \$'000
Repayment committed for	\$'000
0-1 Years	58
1-5 Years	-

### 12. Interest Expense

	<b>2025</b> \$'000	<b>2024</b> \$'000
Interest on Leases	4	9
Interest on Loans	732	1,121
RADs/Bonds Refund Interest	409	355
	<b>1,145</b>	<b>1,485</b>

Finance costs comprise of the interest expense on borrowings, RADs/Bonds refunds and lease liabilities.

# Southern Cross Care (Tasmania) Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 13. Trade and Other Payables

	2025 \$'000	2024 \$'000
Trade Payables	5,446	2,845
Sundry Payables and Accrued Expenses	4,319	3,877
Income in Advance (DMF)	3,034	2,606
Community Consumer Directed Care Accounts	719	789
<b>Total Trade and Other Payables</b>	<b>13,518</b>	<b>10,117</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 14. Employee Benefits Provision

	2025 \$'000	2024 \$'000
<b>Expected to be Settled Within 12 Months</b>		
Annual Leave	6,612	6,068
Long Service Leave	2,017	2,183
<b>Total Current</b>	<b>8,629</b>	<b>8,251</b>
<b>Not Expected to be Settled Within 12 Months</b>		
Long Service Leave	720	738
<b>Total Non-Current</b>	<b>720</b>	<b>738</b>
<b>Total Employee Benefits</b>	<b>9,349</b>	<b>8,989</b>

#### *Movements in Carrying Amounts of Employee Benefits*

	Annual Leave \$'000	Long Service Leave \$'000	Total \$'000
<b>Opening Balance at 1 July 2024</b>	6,068	2,921	8,989
Leave Taken	(439)	(62)	(501)
Leave Accrued	983	(122)	861
<b>Balance at 30 June 2025</b>	<b>6,612</b>	<b>2,737</b>	<b>9,349</b>

# Southern Cross Care (Tasmania) Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 15. Other Provisions

The Association has adjusted the provision for resident share in capital gain in respect of retirement living units. The provision now reflects the independent valuations obtained for each individual unit as at 30 June 2025, and considers the eligibility of each resident for a share in capital gain as per their agreement.

	<b>2025</b> \$'000	<b>2024</b> \$'000
<b>Provision for Resident Share of Capital Gain</b>		
Expected to be Settled Within 12 Months	21,329	21,692
Expected to be Settled After 12 Months	17,105	19,687
<b>Total Provision for Resident Share of Capital Gain</b>	<b>38,434</b>	<b>41,379</b>

#### (a) *Movements in Carrying Amounts of Resident Share of Capital Gain Provisions*

	<b>2025</b> \$'000	<b>2024</b> \$'000
Opening Balance	41,379	17,778
Additional/(Reduction) in Provisions	(1,349)	25,965
Provisions Used	(1,596)	(2,364)
<b>Balance at 30 June 2025</b>	<b>38,434</b>	<b>41,379</b>

### 16. Borrowings

	<b>2025</b> \$'000	<b>2024</b> \$'000
<b>Expected to be Settled Within 12 Months</b>		
Loan - Catholic Development Fund Tasmania	942	3,537
Loan - Department of Health, Disability and Ageing (DoH)	1,012	1,012
<b>Total Current</b>	<b>1,954</b>	<b>4,549</b>
<b>Not Expected to be Settled Within 12 Months</b>		
Loan - Catholic Development Fund Tasmania	4,431	5,428
Loan - Department of Health, Disability and Ageing (DoH)	9,030	10,041
<b>Total Non-Current</b>	<b>13,461</b>	<b>15,469</b>
<b>Total Borrowings</b>	<b>15,415</b>	<b>20,018</b>

The interest rate and maturity date for loans is as follows:

<b>Loan</b>	<b>Balance</b>	<b>Interest</b>	<b>Maturity</b>
DoH ZRIL	\$6.10M	2.40%	2034
DoH ZRIL	\$3.94M	2.40%	2036
CDF	\$2.67M	5.90%	2029
CDF	\$2.71M	5.90%	2031

# Southern Cross Care (Tasmania) Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 17. Resident Liabilities

	2025	2024
	\$'000	\$'000
Accommodation Deposits - Expected to be settled within 12 months	30,058	29,978
Accommodation Deposits - Expected to be settled after 12 months	107,500	76,367
Entry Ingoings - Expected to be settled within 12 months	6,693	6,337
Entry Ingoings - Expected to be settled after 12 months	142,118	139,135
<b>Total Current</b>	<b>286,369</b>	<b>251,817</b>

### 18. Other Liabilities

	2025	2024
	\$'000	\$'000
<b>Expected to be Settled Within 12 Months</b>		
Rental bonds	7	7
<b>Total Current</b>	<b>7</b>	<b>7</b>
 <b>Not Expected to be Settled Within 12 Months</b>		
Deeming Fund	150	225
Resident Comfort Accounts	479	479
<b>Total Non-Current</b>	<b>629</b>	<b>704</b>
<b>Total Other Liabilities</b>	<b>636</b>	<b>711</b>

### 19. Asset Revaluation Reserve

The asset revaluation reserve records fair value movements of property held under the revaluation model, excluding investment properties.

	2025	2024
	\$'000	\$'000
Opening Balance at 1 July	92,887	92,887
Fair value increase/(decrease) for the year	85,690	-
<b>Total Asset Revaluation Reserve</b>	<b>178,577</b>	<b>92,887</b>

### 20. Revenue and Expenses by Segment

The Association has identified its operating segments based on the internal reports that are reviewed and used by the Board (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Association is managed primarily on the basis of product category and service offerings as the diversification of the Association's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

#### Business Segments

The Association has four business segments being Residential Aged Care; Retirement Village; Home & Community Care and Other.

# Southern Cross Care (Tasmania) Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 20. Revenue and Expenses by Segment (Contd.)

#### Geographic Segments

The Association's business segments are all located in Tasmania, across three major population regions: South, North and the North-West.

#### (a) Total Revenue and Expenses by Business Segment

The Association operates across four segments detailed below:

	2025 \$'000	2024 \$'000
<b>Segment Revenue</b>		
Government Subsidies	83,560	73,209
Resident Charges	32,358	29,359
Retention Income and Deferred Management Fees	6,512	6,554
Interest Received	1,216	250
Donations	1	10
Gain/(loss) on Disposal of Asset	1,326	448
Other Income	1,089	558
<b>Total Segment Revenue</b>	<b>126,062</b>	<b>110,388</b>
<b>Segment Expenses</b>		
Administration Expenses	8,216	8,878
Care Expenses	3,106	2,998
Catering Costs	3,994	4,137
Depreciation and Amortisation	5,002	9,484
Employee Related Expenses	86,392	83,159
Interest Expense	1,145	1,485
Impairment of Goodwill	-	6,012
IT Support Costs	2,412	2,307
Other Expenses	6,457	6,207
Repairs and Maintenance	6,949	7,598
Utility Expenses	4,221	4,088
<b>Total Segment Expenses</b>	<b>127,894</b>	<b>136,354</b>
<b>Surplus/(Deficit) from Operations</b>	<b>(1,832)</b>	<b>(25,966)</b>
Gain/(loss) on Revaluation of Investment Properties	38,468	99,275
Resident's Share of Capital Gain	1,349	(25,965)
<b>Net Surplus/(Deficit) for the Year</b>	<b>37,985</b>	<b>47,344</b>
<b>Other Comprehensive Income</b>		
Gain/(loss) on Revaluation of Land and Buildings	85,690	-
<b>Other Comprehensive Surplus/(Deficit)</b>	<b>85,690</b>	<b>-</b>
<b>Total Comprehensive Income/(Deficit) for the Year</b>	<b>123,675</b>	<b>47,344</b>

# Southern Cross Care (Tasmania) Inc.

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## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 20. Revenue and Expenses by Segment (Contd.)

#### (b) Revenue and Expenses by Segment – Residential Age Care and Retirement Villages

	Residential Aged Care		Retirement Villages	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Segment Revenue</b>				
Government Subsidies	75,651	65,839	-	-
Resident Charges	25,938	23,048	5,785	5,612
Retention Income and Deferred Management Fees	-	-	6,512	6,554
Interest Received	-	-	2	-
Donations	1	-	-	-
Gain/(loss) on Disposal of Asset	-	-	-	-
Other Income	402	130	110	52
<b>Total Segment Revenue</b>	<b>101,992</b>	<b>89,017</b>	<b>12,409</b>	<b>12,218</b>
<b>Segment Expenses</b>				
Administration Expenses	37	1,262	13	229
Care Expenses	3,005	2,873	83	75
Catering Costs	3,976	4,131	2	1
Depreciation and Amortisation	4,182	3,859	144	4,869
Employee Related Expenses	77,124	73,446	1,378	1,198
Interest Expense	406	355	3	-
Impairment of Goodwill	-	6,012	-	-
IT Support Costs	174	336	16	19
Other Expenses	14,425	12,106	2,945	1,796
Repairs and Maintenance	2,972	2,833	3,774	4,145
Utility Expenses	2,681	2,570	1,488	1,388
<b>Total Segment Expenses</b>	<b>108,982</b>	<b>109,783</b>	<b>9,846</b>	<b>13,720</b>
<b>Surplus/(Deficit) from Operations</b>	<b>(6,990)</b>	<b>(20,766)</b>	<b>2,563</b>	<b>(1,502)</b>
Gain/(loss) on Revaluation of Investment Properties	-	-	38,468	99,275
Resident's Share of Capital Gain	-	-	1,349	(25,965)
<b>Net Surplus/ (Deficit) for the Year</b>	<b>(6,990)</b>	<b>(20,766)</b>	<b>42,380</b>	<b>71,808</b>
<b>Other Comprehensive Income</b>				
Gain/(loss) on Revaluation of Land and Buildings	80,801	-	-	-
<b>Other Comprehensive Surplus/(Deficit)</b>	<b>80,801</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Deficit) for the Year</b>	<b>73,811</b>	<b>(20,766)</b>	<b>42,380</b>	<b>71,808</b>

# Southern Cross Care (Tasmania) Inc.

ABN: 18 773 507 851

## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 20. Revenue and Expenses by Segment (Contd.)

#### (c) Revenue and Expenses by Segment – Home & Community Care and Other

	Home & Community Care		Other	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Segment Revenue</b>				
Government Subsidies	7,910	6,828	-	542
Resident Charges	635	699	-	-
Retention Income and Deferred Management Fees	-	-	-	-
Interest Received	-	-	1,213	250
Donations	-	-	-	10
Gain/(loss) on Disposal of Asset	-	-	1,326	448
Other Income	63	1	514	375
<b>Total Segment Revenue</b>	<b>8,608</b>	<b>7,528</b>	<b>3,053</b>	<b>1,625</b>
<b>Segment Expenses</b>				
Administration Expenses	16	375	8,150	7,012
Care Expenses	13	7	4	43
Catering Costs	1	-	15	5
Depreciation and Amortisation	95	115	581	641
Employee Related Expenses	6,712	6,314	1,178	2,201
Interest Expense	4	6	733	1,124
Impairment of Goodwill	-	-	-	-
IT Support Costs	138	75	2,083	1,877
Other Expenses/Corporate Recharge	1,995	3,866	(12,907)	(11,560)
Repairs and Maintenance	26	40	178	580
Utility Expenses	13	24	38	106
<b>Total Segment Expenses</b>	<b>9,013</b>	<b>10,822</b>	<b>53</b>	<b>2,029</b>
<b>Surplus/ (Deficit) from Operations</b>	<b>(405)</b>	<b>(3,294)</b>	<b>3,000</b>	<b>(404)</b>
Gain/(loss) on Revaluation of Investment Properties	-	-	-	-
Resident's Share of Capital Gain	-	-	-	-
<b>Net Surplus/ (Deficit) for the Year</b>	<b>(405)</b>	<b>(3,294)</b>	<b>3,000</b>	<b>(404)</b>
<b>Other Comprehensive Income</b>				
Gain/(loss) on Revaluation of Land and Buildings	-	-	4,889	-
<b>Other Comprehensive Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>4,889</b>	<b>-</b>
<b>Total Comprehensive Income/(Deficit) for the Year</b>	<b>(405)</b>	<b>(3,294)</b>	<b>7,889</b>	<b>(404)</b>

# Southern Cross Care (Tasmania) Inc.

ABN: 18 773 507 851

## Notes to the Financial Statements

For the Year Ended 30 June 2025

### 21. Segment Assets and Liabilities

	Total		Residential Aged Care		Retirement Villages		Home & Community Care		Other	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Segment Assets</b>										
Investment Properties	327,053	292,201	-	-	327,053	292,201	-	-	-	-
Land and Buildings	218,687	132,670	206,673	129,339	3,880	-	-	444	8,134	2,887
Plant and Equipment	4,879	4,562	2,982	2,650	678	854	16	29	1,203	1,029
Goodwill and Intangible Assets	3	4	3	4	-	-	-	-	-	-
Other Assets	54,511	21,400	4,731	5,413	65	66	-	404	49,715	15,517
<b>Total Segment Assets</b>	<b>605,133</b>	<b>450,837</b>	<b>214,389</b>	<b>137,406</b>	<b>331,676</b>	<b>293,121</b>	<b>16</b>	<b>877</b>	<b>59,052</b>	<b>19,433</b>
<b>Segment Liabilities</b>										
Employee Benefits Provision	9,349	8,989	-	-	-	-	-	-	9,349	8,989
Other Provisions	38,434	41,379	-	-	38,434	41,379	-	-	-	-
Accommodation Deposits	137,558	106,345	137,558	106,345	-	-	-	-	-	-
Entry Ingoings	148,811	145,472	-	-	148,811	145,472	-	-	-	-
Borrowings	15,414	20,018	10,041	11,053	-	-	-	-	5,373	8,965
Other Liabilities	14,213	10,955	790	478	3,184	2,831	777	917	9,462	6,729
<b>Total Segment Liabilities</b>	<b>363,779</b>	<b>333,158</b>	<b>148,389</b>	<b>117,876</b>	<b>190,429</b>	<b>189,682</b>	<b>777</b>	<b>917</b>	<b>24,184</b>	<b>24,683</b>
<b>Total Segment Net Assets</b>	<b>241,354</b>	<b>117,679</b>	<b>66,000</b>	<b>19,530</b>	<b>141,247</b>	<b>103,439</b>	<b>(761)</b>	<b>(40)</b>	<b>34,868</b>	<b>(5,250)</b>

# **Southern Cross Care (Tasmania) Inc.**

ABN: 18 773 507 851

## **Notes to the Financial Statements**

For the Year Ended 30 June 2025

### **22. Auditors' Remuneration**

Remuneration of the auditor, Wise Lord and Ferguson for:

	<b>2025</b>	<b>2024</b>
	\$'000	\$'000
Audit of the Financial Report	81	75

### **23. Related Parties**

#### **(a) The Association's main related parties**

The Association's main related parties are the Board of Directors. In the financial year a total of \$339,833 (2024: \$207,591) was paid to Directors in Board sitting fees.

#### **(b) Transactions with related parties**

No transactions with related parties were paid for the Year Ended 30 June 2025 (2024: \$177,000 previous Chairperson for consulting services).

#### **(c) Other related parties**

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

### **24. Key Management Personnel Remuneration**

Total remuneration paid to key management personnel of the Association was \$1,316,561 (2024: \$1,653,905)

### **25. Contingent Assets and Contingent Liabilities**

There are no contingent liabilities or contingent assets to be disclosed at 30 June 2025 (2024: Nil).

### **26. Events After the End of the Reporting Period**

None.

### **27. Economic Dependency**

The ongoing viability of the Association as a going concern is dependent upon the ongoing receipt of Federal Government funding, through the Department of Health, Disability and Ageing.

### **28. Going Concern**

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. With regard to the reported financial position and results of the Association, the following factors are considered relevant when assessing the Association's ability to continue as a going concern.

The Association is a not-for-profit organisation which is principally engaged in the provision of residential aged care services, home and community services and independent living services. The aged care sector is experiencing significant challenges when it comes to the level of government funding and the cost of direct care. Revenue for the aged care sector is forecast to continue growing due to ageing population and the growing need for age-appropriate accommodation. The Association considered its current and expected profitability and cash flow projections in light of government reforms when assessing whether the going concern basis of preparation of the financial report is appropriate.

# **Southern Cross Care (Tasmania) Inc.**

ABN: 18 773 507 851

## **Notes to the Financial Statements**

For the Year Ended 30 June 2025

### **29. Association Details**

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

Southern Cross Care (Tasmania) Inc.  
85 Creek Road  
New Town TAS 7008

# **Southern Cross Care (Tasmania) Inc.**

ABN: 18 773 507 851

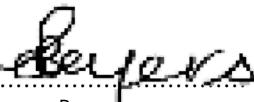
## **Board's Declaration**

For the Year Ended 30 June 2025

In accordance with the resolution of the Board of Governance of Southern Cross Care (Tasmania) Inc., the Board declares that:

1. The financial statements and notes are in accordance with the *Australian Not-for-Profit and Charities Commission Act 2012* and:
  - a. Comply with Australian Accounting Standards applicable to the Association; and
  - b. Give a true and fair view of the financial position of the Association as at 30 June 2025 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Boards opinion there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due.

This declaration is signed in accordance with subsection 60.15(2) of the ACNC Regulations 2022.

Chair:   
Sonya Beyers

Treasurer:   
Kelly Walker

Dated this ..... 28th ..... day of ..... October, 2025....

Auditor's Independence Declaration to the members of Southern Cross Care (Tasmania) Inc.

In relation to our audit of the financial report of Southern Cross Care (Tasmania) Inc. for the financial year ended 30 June 2025, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Associations Incorporation Act (Tas) 1964* and the *Australian Charities and Not-for-Profits Commission Act 2012* or any applicable code of professional conduct.



Wise Lord & Ferguson

WISE LORD & FERGUSON

JOANNE DOYLE  
Partner  
Date: 29 October 2025



## INDEPENDENT AUDITOR'S REPORT

To the members of Southern Cross Care (Tasmania) Inc.

### Opinion

We have audited the financial report of Southern Cross Care (Tasmanian) Inc. (the Association), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Association's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of *Australian Charities and Not-for-profits Commission Regulation 2022*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter

Without modifying our opinion, we draw attention to Note 27 Going Concern to the financial report, which describe the basis for Board and Management presenting the financial report as a going concern. The Going Concern note is included due to the recognition that the Association has been trading in a deficit position for some years; noting this accords with the trading position of many aged care providers.



## Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 Association to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee 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.

#### **Independence**

We confirm that we have provided the independence declaration required by the ACNC Act, to Southern Cross Care (Tasmanian) Inc. confirming our independence.

*Wise Lord & Ferguson*

WISE LORD & FERGUSON

*J Doyle*

JOANNE DOYLE

Partner

Date: 29 October 2025