

Rice Village Trust

ABN 58 089 460 935

Financial Statements

For the Year Ended 30 June 2021

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Rice Village Trust

For the Year Ended 30 June 2021

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Rice Village Trust

Directory

For the Year Ended 30 June 2021

Board of the Trustee Company

Ms Virginia Bourke	Chair
Ms Jo Barker	
Ms Margaret Bounader	(Ceased 2 December 2020)
Mr John Corcoran AM	
Mr Martin Day	
Ms Penelope Eden	(Commenced 4 May 2021)
Adjunct Clinical Associate Professor Ian Haines	
Sr Berice Livermore RSM	
Mr Timothy O'Leary	
Adjunct Professor Susan Pascoe AM	
Adjunct Professor Francis Sullivan AO	

Secretary

Adjunct Professor Stephen Cornelissen	
Ms Alison Moran	(Commenced 15 September 2020)

Registered Office

Level 2, 12 Shelley St, Richmond, Victoria 3121

Principal Place of Business

7 Moylan Loop, Marshall, Victoria 3216

Auditor

Grant Thornton Audit Pty Ltd

Rice Village Trust

Board of the Trustee Company Report

For the Year Ended 30 June 2021

The Board members of the Trustee Company submit the financial report of Rice Village Trust (the "Trust") for the financial year ended 30 June 2021.

The names of Board members of the Trustee Company throughout the financial year and at the date of this report are:

Ms Virginia Bourke	Chair
Ms Jo Barker	
Ms Margaret Bounader	(Ceased 2 December 2020)
Mr John Corcoran AM	
Mr Martin Day	
Ms Penelope Eden	(Commenced 4 May 2021)
Adjunct Clinical Associate Professor Ian Haines	
Sr Berice Livermore RSM	
Mr Timothy O'Leary	
Adjunct Professor Susan Pascoe AM	
Adjunct Professor Francis Sullivan AO	

Trust's Objectives

Rice Village Trust is established for the following purposes:

The Trust is established in accordance with the wills of Hannah Kathleen Moylan and Margaret May Rice administered cy-pres in accordance with a scheme in accordance with Orders made by the Supreme Court of Victoria on 19 November 1993 and leave pursuant to section 63 of the Religious Successory and Charitable Trusts Act 1958 (Vic) given in Orders made by the Supreme Court of Victoria on 30 November 1994.

Principal Activities

Rice Village Trust, in Geelong, was built in 1997 and is home to around 180 residents in serviced apartments, independent living units, hostel and aged care accommodation. Respite care services are also provided. The Trust provides residents with modern facilities located within landscaped gardens.

Significant Changes

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

Operating Result

The surplus of Rice Village Trust after providing for income tax amounted to \$471,000 (2020: \$93,000).

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, Rice Village Trust. was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Rice Village Trust operates.

Rice Village Trust

Board of the Trustee Company Report

For the Year Ended 30 June 2021

Rice Village Trust introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- performing COVID-19 testing
- administering COVID-19 vaccinations
- implementing work from home arrangements, where appropriate.

The costs currently incurred by Rice Village Trust, in relation to COVID-19 have not had a significant impact on the financial result for the 2021 financial year and have been funded by higher government funding. Additional costs incurred to implement COVID safe practices included increased cleaning, increased security, consumption of personal protective equipment. The COVID-19 pandemic continues to evolve and will impact operations, particularly occupancy, over the next 12 months, however these impacts cannot be quantified at this time.

Members of the Board

The names, qualifications, effective date changes, eligibility and attendance of the Directors throughout the year are:

Director	Effective date of any changes	Meetings held (eligible to attend)	Meetings attended
Ms Virginia Bourke, BA, LL.B Hons, MA, FAICD		10	10
Ms Jo Barker, B Comm, ACA, GAICD		10	10
Ms Margaret Bounader, BBus, BA, GAICD	Ceased 2 December 2020	6	6
Mr John Corcoran AM, BEc, LLB		10	9
Mr Martin Day, Associate Dip Valuations and Real Estate Management, MBA, FAICD, GAIST Adv		10	10
Ms Penelope Eden, LLB, Cert. Nursing	Commenced 4 May 2021	2	2
Adjunct Clinical Associate Professor Ian Haines, MBBS Hons, FRACP, FChPM		10	10
Sr Berice Livermore RSM, RN, MN, Bachelor of Health Administration, Dip of Theology		10	10
Mr Timothy O'Leary, BA Hons, Grad Dip Applied Philosophy		10	8
Adjunct Professor Susan Pascoe AM, BA, Dip Ed, Grad Dip Special Ed, M Ed Admin (Hons), FAICD, FIPAA, FACE		10	10
Adjunct Professor Francis Sullivan AO, BA, Dip Ed, MA		10	10

Rice Village Trust

Board of the Trustee Company Report

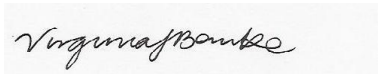
For the Year Ended 30 June 2021

After Reporting Period Events

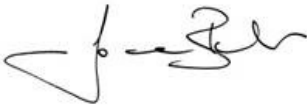
During the financial year the COVID-19 pandemic has had a significant impact on local and international economies. Subsequent to balance date, another wave of the COVID-19 pandemic has occurred within Victoria. While the short-term impact to the Company has been estimated when considering the going concern assumption in the preparation of the financial report, the longer term impacts of COVID-19 on the operations of the Company remain uncertain and cannot be quantified at this time.

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

Signed in accordance with a resolution of the Members of the Board of the Trustee Company:



Ms Virginia Bourke
Chair



Ms Jo Barker
Director

Dated the 5th day of October 2021
Melbourne, Victoria

Rice Village Trust

Certification

For the Year Ended 30 June 2021

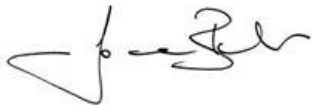
The Directors of Rice Village Limited, the Trustee of Rice Village Trust, declare that:

1. The financial statements of Rice Village Trust, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a) Comply with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
 - b) Give a true and fair view of Rice Village Trust's financial position as at 30 June 2021 and of its performance for the year ended on that date.
2. In the Directors' of Rice Village Limited's opinion, there are reasonable grounds to believe that the Rice Village Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of the Trustee Company and is signed for and on behalf of the Directors of the Trustee Company by:



Ms Virginia Bourke
Chair



Ms Jo Barker
Director

Dated the 5th day of October 2021
Melbourne, Victoria

Rice Village Trust

Statement of Profit Or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Revenue	2.1	10,941	10,707
Expenses			
Employee Benefits Expenses		(6,208)	(6,032)
Fee for Service - Medical Officers		(287)	(252)
Supplies & Consumables Expenses		(399)	(412)
Transport, Communication & Office Costs		(993)	(955)
Depreciation & Amortisation Expenses	2.2	(946)	(1,202)
Other Expenses		(910)	(865)
Finance Costs	2.2	(727)	(896)
Surplus Before Income Tax Expense		471	93
Income Tax Expense	2.2	-	-
Surplus For The Year		471	93
Other Comprehensive Income		-	-
Total Comprehensive Income for The Year		471	93

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Rice Village Trust

Statement of Financial Position

For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
ASSETS			
Current Assets			
Cash & Cash Equivalents	4.2	99	100
Trade & Other Receivables	3.4	178	186
Other Financial Assets	3.7	46,214	46,331
Total Current Assets		46,491	46,617
Non Current Assets			
Intangible Assets	3.6	3,780	3,780
Property, Plant & Equipment	3.1	536	1,014
Investment Properties	3.2	1,141	1,372
Total Non Current Assets		5,457	6,166
TOTAL ASSETS		51,948	52,783
LIABILITIES			
Current Liabilities			
Trade & Other Payables	3.5	330	308
Borrowings	4.1	545	660
Resident Liabilities	3.3	30,491	31,881
Provisions	5.1	1,201	962
Total Current Liabilities		32,567	33,811
Non Current Liabilities			
Borrowings	4.1	226	227
Provisions	5.1	181	242
Total Non Current Liabilities		407	469
TOTAL LIABILITIES		32,974	34,280
NET ASSETS		18,974	18,503
EQUITY			
Accumulated Surplus		18,169	17,698
Other Contributed Equity		805	805
TOTAL EQUITY		18,974	18,503

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Rice Village Trust

Statement of Changes in Equity

For the Year Ended 30 June 2021

	Accumulated Surplus	Other Contributed Equity	Total
2021	\$'000	\$'000	\$'000
Balance At 1 July 2020	<u>17,698</u>	<u>805</u>	<u>18,503</u>
Surplus for The Year	<u>471</u>	<u>-</u>	<u>471</u>
Total Comprehensive Income for The Year	<u>471</u>	<u>-</u>	<u>471</u>
Balance At 30 June 2021	<u><u>18,169</u></u>	<u><u>805</u></u>	<u><u>18,974</u></u>

	Accumulated Surplus	Other Contributed Equity	Total
2020	\$'000	\$'000	\$'000
Balance At 1 July 2018	<u>17,605</u>	<u>805</u>	<u>18,410</u>
Surplus for The Year	<u>93</u>	<u>-</u>	<u>93</u>
Total Comprehensive Income for The Year	<u>93</u>	<u>-</u>	<u>93</u>
Balance At 30 June 2020	<u><u>17,698</u></u>	<u><u>805</u></u>	<u><u>18,503</u></u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Rice Village Trust

Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash Flows From Operating Activities:			
Operating Grants From Government Received		6,549	6,005
Resident Fees Received		2,526	2,729
Interest Received		320	364
GST Received From ATO		143	140
Other Receipts		198	142
Employee Benefits Paid		(5,996)	(5,914)
Fee For Service – Medical Officers Paid		(287)	(252)
Payments For Supplies & Consumables		(445)	(607)
Transport, Communication & Office Costs Paid		(1,093)	(1,069)
Finance Costs Paid		(65)	(87)
Other Payments To Suppliers		(932)	(832)
Net Cash Inflow From Operating Activities		918	619
Cash Flows From Investing Activities:			
Purchase Of Property, Plant & Equipment	3.1	(45)	(28)
Payments For Investment Property	3.2	(192)	(238)
Receipts From Sale Of Investment Property		-	5
Receipts From/(Advances To) Related Parties		117	(2,553)
Net Cash Outflow From Investing Activities		(120)	(2,814)
Cash Flows From Financing Activities:			
Repayment Of Borrowings		(116)	(115)
Decrease In Resident Trust		-	(20)
Accommodation Bonds/Refundable Deposits Received		3,910	8,162
Accommodation Bonds/Refundable Deposit Refunds		(4,533)	(6,864)
Resident ILU Liabilities Received		1,045	2,341
Resident ILU Liability Refunds		(1,105)	(1,306)
Net Cash (Outflow)/Inflow From Financing Activities		(799)	2,198
Net (Decrease)/Increase In Cash And Cash Equivalents		(1)	3
Cash And Cash Equivalents At Beginning of Year		100	97
Cash And Cash Equivalents At End of Year	4.2	99	100

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

New or Amended Accounting Standards and Interpretations Adopted

The Trust has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Statement of Compliance

These general purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards - Reduced Disclosure Requirements, Australian Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Rice Village Trust is a trust which operates entirely within Victoria. The Trust is domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Trust in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The statements are prepared in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

The financial statements of Rice Village Trust were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee Company on 5th October 2021.

Reporting Basis and Conventions

The financial statements have been prepared on an accruals basis and are based on historical costs except for the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Estimates & Judgements

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

Accounting Estimates and Judgements

	Note
Valuation of Bed Licences	Note 3.6
Measurement of Annual Leave and Long Service	Note 5.1
Allowance for Expected Credit Losses	Note 3.4

Comparative Figures

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

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COVID Disclosures

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, Rice Village Trust. was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Rice Village Trust. operates.

Rice Village Trust. introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- performing COVID-19 testing
- administering COVID-19 vaccinations
- implementing work from home arrangements, where appropriate.

The costs currently incurred by Rice Village Trust. in relation to COVID-19 have not had a significant impact on the financial result for the 2021 financial year and have been funded by higher government funding. Additional costs incurred to implement COVID safe practices included increased cleaning, increased security, consumption of personal protective equipment. The COVID-19 pandemic continues to evolve and will impact operations, particularly occupancy, over the next 12 months, however these impacts cannot be quantified at this time.

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 2 BUSINESS PERFORMANCE

This section provides the information that is most relevant to understanding the financial performance of the Trust during the financial year and, where relevant, the accounting policies applied and the critical judgements and estimates made.

NOTE 2.1 REVENUE FROM CONTINUING OPERATIONS

Revenue Recognition

Aged care and retirement living

The Trust recognises revenue from aged care and retirement living services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services, as agreed in a single contract with the resident. Fees received in advance of aged care and retirement village services performed are recognised as contract liabilities.

Nature of aged care and retirement living revenue and cash flows

Type of revenue	Description	Type of services
Government Contributions	Government revenue reflects the Trust's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents. Government revenue comprises of basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument ('ACFI'), accommodation supplements, funding for short-term 'respite' residents and other Government incomes. Revenue is recognised over time as services are provided. Funding claims are submitted/updated daily and Government revenue is usually payable within approximately one month of services having been performed.	Aged care
Resident/Maintenance Fees	Residents are charged a basic daily fee as a contribution to the provision of care and accommodation. The quantum of resident basic daily fees is regulated by the Government and typically increases in March and September each year. Resident basic daily fee revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days usually payable within 30 days. Other resident revenue represents other fees charged to residents in respect of care and accommodation services provided by the Trust and includes means tested care fees, Daily Accommodation Payment (DAP)/Daily Accommodation Contribution (DAC) revenue, additional services revenue and other income. Other resident revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days.	Aged care

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 2 BUSINESS PERFORMANCE (Continued)

NOTE 2.1 REVENUE FROM CONTINUING OPERATIONS (Continued)

Revenue Recognition (Continued)

Type of revenue	Description	Type of services
Deferred Management Fee (DMF) revenue	DMF revenue represents a fee that is contractually deducted from the ingoing contribution. The ingoing contribution is paid back to a resident (net of DMF) upon exit from a retirement village. DMF revenue is recognised over the expected length of stay of a resident.	Retirement living
Other Operating Revenue	Other operating revenue comprises rental income, aged care bond retention amounts and other sundry revenue. Revenue is recognised over time as services are provided. Residents are typically invoiced on a monthly basis and revenue is usually payable within 30 days.	Aged care and retirement living

Donations, Bequests and Fundraising revenue

Donations, bequests and fundraising revenue are recognised only when the Trust gains control of the funds and when the funds do not give rise to specific performance obligations.

Interest Revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other Revenue

Other revenue is recognised when performance obligations are fulfilled.

The Trust, as a private sector not-for-profit entity, has elected not to recognise the financial impact of any volunteer services provided.

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 2 BUSINESS PERFORMANCE (Continued)

NOTE 2.1 REVENUE FROM CONTINUING OPERATIONS (Continued)

Revenue Recognition (Continued)

	2021 \$'000	2020 \$'000
Aged Care and Retirement Living Revenue		
Government Contributions	6,294	5,833
Resident/Maintenance Fees	2,865	2,950
Deferred Management Fees	604	607
Other Operating Revenue	662	809
	10,425	10,199
Other Revenue		
Donations, Bequests and Fundraising Revenue	25	-
Interest Revenue	320	364
Other Revenue	171	144
	516	508
Total Revenue	10,941	10,707

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 2 BUSINESS PERFORMANCE (Continued)

NOTE 2.2 EXPENSES

Recognition and Measurement

Depreciation

The depreciable amount of all fixed assets including buildings is depreciated on a straight-line basis over their useful lives to the Trust commencing from the time the asset is held ready for use. Land is not depreciated. The following table indicates the expected useful lives of non current assets on which the depreciation charges are based.

	2021	2020
Buildings – Owned	Up to 40 years	Up to 40 years
Investment Properties – Owned	Up to 40 years	Up to 40 years
Plant & Equipment	Up to 10 years	Up to 10 years
Furniture & Fittings	Up to 10 years	Up to 10 years

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

Gains or Losses on Disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the determination of Total Comprehensive Income.

Finance Costs

Finance costs directly attributable to the acquisition, construction or production of a qualifying assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in profit or loss in the period in which they are incurred.

Income Taxes

Rice Village Trust is a registered public benevolent institution and therefore exempt from paying income taxes at this time.

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 2 BUSINESS PERFORMANCE (Continued)

NOTE 2.2 EXPENSES (Continued)

Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, impairment losses are recognised in profit or loss in the determination of Total Comprehensive Income, except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of value in use and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. For assets not primarily held to generate net cash inflows, value in use is determined to be depreciated replacement cost.

	2021	2020
	\$'000	\$'000
Depreciation		
Buildings	404	581
Investment Properties	423	496
Plant & Equipment		
Plant	74	79
Computers & Communication	4	4
Furniture & Fittings	41	42
Total Depreciation, Amortisation & Impairment	946	1,202
Finance Costs		
Interest on Borrowings	65	87
Interest on Accommodation Bonds/Refundable Deposits	662	809
Total Finance Costs	727	896

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 OPERATING ASSETS AND LIABILITIES

This section provides information relating to the operating assets and liabilities of the Trust.

NOTE 3.1 PROPERTY PLANT & EQUIPMENT

Recognition and Measurement

Land and Buildings – Owned

Land and buildings are recognised at cost less depreciation and impairment losses. Land is not depreciated.

The carrying amount of land and buildings is reviewed annually to ensure it is not in excess of the recoverable amount from these assets.

Plant and Equipment and Furniture and Fittings

Plant and equipment and furniture and fittings are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 OPERATING ASSETS AND LIABILITIES (Continued)

NOTE 3.1 PROPERTY PLANT & EQUIPMENT (Continued)

	2021 \$'000	2020 \$'000
Freehold Land	<u>52</u>	<u>52</u>
Buildings - Owned	11,463	11,463
Less Accumulated Depreciation	<u>(11,392)</u>	<u>(10,988)</u>
Total Buildings - Owned	<u>71</u>	<u>475</u>
Plant & Equipment		
Plant	1,082	1,057
Less Accumulated Depreciation	<u>(829)</u>	<u>(760)</u>
Subtotal – Plant	<u>253</u>	<u>297</u>
Major Medical	63	43
Less Accumulated Depreciation	<u>(31)</u>	<u>(26)</u>
Subtotal – Major Medical	<u>32</u>	<u>17</u>
Computers & Communication	209	209
Less Accumulated Depreciation	<u>(209)</u>	<u>(205)</u>
Subtotal - Computers & Communication	<u>-</u>	<u>4</u>
Total Plant & Equipment	<u>285</u>	<u>318</u>
Furniture & Fittings	432	432
Less Accumulated Depreciation	<u>(304)</u>	<u>(263)</u>
Total Furniture & Fittings	<u>128</u>	<u>169</u>
Total Property, Plant & Equipment	<u>536</u>	<u>1,014</u>

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 OPERATING ASSETS AND LIABILITIES (Continued)

NOTE 3.1 PROPERTY PLANT & EQUIPMENT (Continued)

Reconciliations of the carrying amounts of each class asset at the beginning and end of the current financial year are set out below:

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Furniture & Fittings \$'000	Total \$'000
Balance at 1 July 2020	52	475	318	169	1,014
Additions	-	-	45	-	45
Depreciation (Refer Note 2.2)	-	(404)	(78)	(41)	(523)
Balance at 30 June 2021	52	71	285	128	536

NOTE 3.2 INVESTMENT PROPERTY

Recognition and Measurement

Investment property is property which is held to earn rental income, or for capital appreciation, or for both. Investment properties held for rental are measured on the cost basis including transaction costs less, where applicable, any accumulated depreciation and impairment losses. Investment properties are depreciated over a 20 year useful life. Investment property is representative of independent living units.

	2021 \$'000	2020 \$'000
At Cost		
Investment Properties	8,576	8,384
Less Accumulated Depreciation & Impairment	<u>(7,435)</u>	<u>(7,012)</u>
Balance at End of the Year	<u>1,141</u>	<u>1,372</u>

Reconciliation of the carrying amount at the beginning and end of the current financial year are set out below:

	Investment Properties \$'000
Balance at 1 July 2020	1,372
Additions	192
Depreciation (refer note 2.2)	<u>(423)</u>
Balance at 30 June 2021	<u>1,141</u>

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 OPERATING ASSETS AND LIABILITIES (Continued)

NOTE 3.2 INVESTMENT PROPERTY (Continued)

The following amounts have been recognised in the statement of profit or loss and other comprehensive income in relation to investment property:

	2021	2020
	\$'000	\$'000
Resident Charges (Management & Maintenance Fees)	317	328
Deferred Management Fees	604	606
Interest	-	3
Other Revenue	124	98
Employee Expenses	(294)	(260)
Depreciation	(424)	(497)
Other Expenses	(144)	(170)
Utilities (Gas, Water, Electricity)	(38)	(39)
Maintenance	(157)	(105)
	<u>(12)</u>	<u>(36)</u>

Contractual Obligations

The Trust has commitments to purchase or redevelop investment property contracted at 30 June 2021 but not recognised as a liability of \$nil (2020: \$nil).

The Trust has commitments for repairs, maintenance or enhancements contracted at 30 June 2021 but not recognised as a liability of \$nil (2020: \$nil).

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 OPERATING ASSETS AND LIABILITIES (Continued)

NOTE 3.3 RESIDENT LIABILITIES

Recognition and Measurement

RADs and accommodation bonds are non-interest bearing deposits made by aged care home residents to the Trust 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. RAD 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*.

Resident Liabilities are the refundable portion of ingoing contributions made in respect of Independent Living Units subject to the Retirement Villages Act (Vic) 1986. Resident liabilities are returned to tenants net of deferred management fees and other charges (if applicable) upon expiry of the lease or when they vacate the property. Accordingly resident liabilities are also classified as current liabilities.

RADs in which the Trust is a lessor

Contracts with residents includes provisions for room details, fees, charges and payments. The Trust has concluded that its accommodation arrangements relating to the provision of residential aged care and retirement living accommodation contains a lease, being the exclusive right to the use of an identified room/unit by a resident.

For residential aged care accommodation arrangements where the resident has elected to pay a Refundable Accommodation Deposit (RAD) or bond (prior to July 2014), the Trust receives a financing benefit, being non-cash consideration, in the form of an interest free loan. The fair value of this non-cash consideration is required, under AASB 16 and AASB 9, to be recognised as rental income (to reflect the resident's occupancy of the room) and corresponding interest expense (to record the financial liability associated with RADs and bonds at fair value) with no net impact on profit or loss.

	2021	2020
	\$'000	\$'000
Current		
Refundable Accommodation Deposits & Accommodation Bonds	18,118	18,844
Resident Unit Liabilities	<u>12,373</u>	<u>13,037</u>
Total Resident Liabilities	<u>30,491</u>	<u>31,881</u>

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 OPERATING ASSETS AND LIABILITIES (Continued)

NOTE 3.3 RESIDENT LIABILITIES (Continued)

From 1 July 2007, pursuant to the Aged Care Act 1997, interest is paid on refundable accommodation deposits and accommodation bonds following departure (or death) of a resident. Interest is required to be paid at two different rates:

- at the base interest rate for the period between when the refunding event and the earlier of the date the deposit balance is refunded and the date the legislated timeframe for the refund of the deposit balance expires; and
- at the maximum permissible interest rate for the period after the end of the legislated time frame (or the time set out in the Formal Agreement) until the balance is refunded.
- base interest for the year ended 30 June 2021 was 2.25% (2020: 2.25%).

NOTE 3.4 TRADE AND OTHER RECEIVABLES

Recognition and Measurement

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses. No interest is charged on trade debtors, with the exception of amounts receivable from related parties when interest is charged at short term money market rates. Trade receivables are generally due for settlement within 30 days.

The trust has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract Assets

Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except for Receivables and Payables which are stated with the amount of GST included and except, where the amount of GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. Cash flows are included in the statement of cash flows 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 ATO are classified as operating cash flows.

Significant Estimates and Judgement - Allowance for Expected Credit Losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 OPERATING ASSETS AND LIABILITIES (Continued)

NOTE 3.4 TRADE AND OTHER RECEIVABLES (Continued)

	2021 \$'000	2020 \$'000
Current		
Resident Fees	90	111
Contract Assets	53	56
GST Receivable	17	13
Prepayments	18	4
Sundry Debtors	-	2
	<u>178</u>	<u>186</u>
Allowance for Credit Losses	-	-
	<u>178</u>	<u>186</u>
Total Trade & Other Receivables	178	186

NOTE 3.5 TRADE & OTHER PAYABLES

Recognition and Measurement

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are usually net 30 days. No interest is charged on external trade and other payables while the invoice is current. Specific suppliers may choose to charge interest after that period however the Trust monitors cash flow so that suppliers are paid within normal credit terms. Interest is charged on amounts payable to related parties at short term money market rates.

	2021 \$'000	2020 \$'000
Current		
Trade Creditors	76	58
Accrued Salaries & Wages	158	124
Accrued Expenses	96	120
Contract Liabilities	-	6
	<u>330</u>	<u>308</u>
Total Trade & Other Payables	330	308

Contract liabilities

Contract liabilities also represent the Trust's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Trust recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Trust has transferred the goods or services to the customer.

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 OPERATING ASSETS AND LIABILITIES (Continued)

NOTE 3.6 INTANGIBLES

Recognition and Measurement

Bed licences have been initially recognised at fair value upon issue from the Federal Government which is deemed to represent cost under AASB 138 Intangible Assets and AASB 1058 Income of Not-for-Profit Entities. Licences acquired through business acquisition have been recognised at fair value at the time of acquisition.

The Trust considers the licences to have an indefinite useful life and as such does not amortise them. The licences are reviewed annually to assess whether there has been any impairment in their value as further explained in impairment of assets in Note 2.2. Where the carrying value exceeds the value of the expected future benefits, the difference is charged to profit or loss.

The recoverable amount of the cash generating units were determined based on fair value less costs to sell.

The current Government has stated its intention to abolish bed licence restrictions and the Aged Care Approval Rounds ("ACAR") from 1 July 2024. This proposal has the potential to impact the accounting value of bed licences. At 30 June 2021, the Company recognises bed licences at a book value of \$41,000. Legislation has not yet been drafted or passed to give effect to this intention and the exact nature of any changes to the licencing regime remains uncertain at the date of this report. Until such time as any legislation is passed, Approved Providers will still be required to own bed licences to be eligible for Government subsidies under the Aged Care Act. As a result, the Company has determined that bed licences continue to have an indefinite life and the carrying value remains appropriate at the date of this report.

The related intangible asset value is supported through the fair value calculation and no impairment has been recognised (2020: \$nil).

Significant Estimate and Judgement – Intangible Assets – Bed Licences

Bed licences are reviewed annually to assess whether there has been any impairment in their value. The recoverable amounts of cash generating units have been determined based on fair value less costs to sell valuations. The valuation is determined using a capitalisation rate ranging between 12.25% and 16.5% and a discount rate ranging between 12.25% and 16.5%.

	2021 \$'000	2020 \$'000
Non Current		
Bed Licences	3,780	3,780
Total Intangibles	3,780	3,780

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 OPERATING ASSETS AND LIABILITIES (Continued)

NOTE 3.7 OTHER FINANCIAL ASSETS

Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Advances to Related Parties

Advances to related parties are financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Interest income, where applicable, is recognised by applying the effective interest rate.

Impairment of Financial Assets

The trust recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the trust's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 OPERATING ASSETS AND LIABILITIES (Continued)

NOTE 3.7 OTHER FINANCIAL ASSETS (Continued)

Derecognition of Financial Assets

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the trust has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

	2021	2020
	\$'000	\$'000
Current		
Advances to Other Related Parties	46,214	46,331
Total Other Financial Assets	<u>46,214</u>	<u>46,331</u>

The related party advance is repayable on demand and interest is charged on the outstanding balance at market rates.

A related party, Mercy Aged & Community Care Ltd, operates a central treasury function to maximise interest earnings throughout the health ministry. Short term deposits with the central treasury are characterised as advances and interest is payable on the balances at money market rates.

Interest is charged at a commercial floating rate between 0.40% and 0.60% (2020: 0.60% and 1.60%) giving rise to interest income of \$320,000 (2020: \$361,000).

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 4 CAPITAL MANAGEMENT

This section provides information relating to the Trust's capital structure and its exposure to financial risk, how they affect the Trust's financial position and performance, and how the risks are managed. The capital structure of the Trust consists of debt and equity.

NOTE 4.1 BORROWINGS

Recognition and Measurement

Financial Liabilities

Financial liabilities, including borrowings are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on an effective yield basis.

The effective interest method calculates amortised cost and allocates interest expense over the relevant period so that estimated future cash payments are exactly discounted over the expected life of the liability.

Interest-Bearing Liabilities

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

All borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

	2021 \$'000	2020 \$'000
Current		
Amounts Being Forgiven Over Time	535	651
Loans – Other Financial Institutions	10	9
Total Current Non Interest Bearing Liabilities	545	660
Non Current		
Loans – Other Financial Institutions	226	227
Total Non Current, Non Interest Bearing Liabilities	226	227
Total Borrowings	771	887

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 4 CAPITAL MANAGEMENT (Continued)

NOTE 4.1 BORROWINGS (Continued)

The loans held with the Roman Catholic Trusts Corporation ("RCTC") shown as Amounts Being Forgiven Over Time contain demand features which allow the repayment terms of the agreement to be amended at six months' notice. If the demand clause did not exist the borrowings would have been presented as follows:

	2021 \$'000	2020 \$'000
Current		
Amounts Being Forgiven Over Time	107	107
Loans – Other Financial Institutions	10	9
Total Current, Non Interest Bearing Liabilities	117	116
Total Current Borrowings	117	116
Non Current		
Amounts Being Forgiven Over Time	428	544
Loans – Other Financial Institutions	226	227
Total Non Current, Non Interest Bearing Liabilities	654	771
Total Borrowings	771	887

A \$1,000,000 loan is held with RCTC. As per the loan agreement, no interest shall be charged over the loan period of 35 years. Under AASB 9: Financial Instruments: Recognition and Measurement a payable is recognised at amortised cost, which is representative of the present value of future cash flows. In calculating amortised cost, interest rates similar to that of other loan agreements entered into at similar times with similar organisations have been used. Other interest paying loans from RCTC provided at similar times allow for interest at 10%.

NOTE 4.2 CASH AND CASH EQUIVALENTS

Recognition and Measurement

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within interest bearing liabilities in current liabilities in the Statement of Financial Position. There were no bank overdrafts in 2021 (2020: \$Nil).

	2021 \$'000	2020 \$'000
Cash on Hand	1	1
Cash at Bank	98	99
	99	100

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 4 CAPITAL MANAGEMENT (Continued)

NOTE 4.3 FINANCIAL INSTRUMENTS

	2021	2020
	\$'000	\$'000
Financial Assets		
Cash and Cash Equivalents	98	99
Loans and Receivables	107	126
Other Financial Assets	46,214	46,331
Total Financial Assets	<u>46,419</u>	<u>46,556</u>
Financial Liabilities		
Payables	330	302
Borrowings	236	236
Resident Liabilities	30,491	31,881
Total Financial Liabilities	<u>31,057</u>	<u>32,419</u>
Net Financial Assets	<u>15,362</u>	<u>14,137</u>

NOTE 4.4 COMMITMENTS

Commitments in relation to Building assets and/or Equipment purchases contracted at the reporting date were \$nil (2020: \$nil).

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 5 EMPLOYEE REMUNERATION AND BENEFITS AND RELATED PARTIES

NOTE 5.1 PROVISIONS

Recognition and Measurement

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Measurement of Short-Term and Long-Term Employee Benefits

Short-term employee benefits are those benefits that are expected to be settled within 12 months of the end of the reporting period and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. They include wages and salaries and accrued days off that are expected to be settled within 12 months of the end of the reporting period.

Long-term employee benefits are those benefits that are not expected to be settled within 12 months, and are measured at the present value of the estimated future cash outflows to be made by the Trust in respect of services provided by employees up to reporting date. They include annual leave and long service.

The present value of long-term employee benefits is calculated in accordance with AASB 119 Employee Benefits. Long-term employee benefits are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

On-Costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

Superannuation

Contributions are made by the Trust to various accumulation superannuation funds and are charged as expenses when incurred.

Provisions

Provisions are recognised when a legal or constructive obligation exists, 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.

Significant Estimate and Judgement – Measurement of Annual Leave and Long Service Leave Provisions

Annual leave and long service leave are measured at the present value of estimated future cash flows. These estimations require the use of key assumptions including discount rates, expected future pay increases and the probability of reaching and taking entitlements. These assumptions have been determined based on the policy disclosed in this note.

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 5 EMPLOYEE REMUNERATION AND BENEFITS AND RELATED PARTIES

(Continued)

NOTE 5.1 PROVISIONS (Continued)

	2021 \$'000	2020 \$'000
Current		
Employee Entitlements - Long Service Leave	675	524
Employee Entitlements - Annual Leave	<u>526</u>	<u>438</u>
Total Current Provision for Employee Entitlements	<u>1,201</u>	<u>962</u>
Non Current		
Employee Entitlements - Long Service Leave	<u>181</u>	<u>242</u>
Total Non Current Provision for Employee Entitlements	<u>181</u>	<u>242</u>

The annual leave and long service leave provisions are measured at the present value of estimated future cash flows, discounted by between 0.18% and 3.37% (2020: 0.58% and 3.24%) being the interest rate applicable to various corporate bond rates. A 3.50% (2020 3.50%) per annum rate of increase in employee wages and salary rates was assumed in the present value calculations.

Contributions made by the Trust in relation to superannuation commitments are as follows:

Defined Contribution Superannuation Expense	<u>501</u>	<u>488</u>
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NOTE 5.2 RESPONSIBLE PERSON RELATED DISCLOSURES

Board of Directors of the Trustee Company

The Board of the Trustee Company may receive financial benefits in the form of salaries and fees and superannuation contributions for services provided.

Key Management Personnel

Key management personnel are persons who had authority and responsibility for planning, directing and controlling the activities of Rice Village Trust during the financial year.

The remuneration of the Board of the Trustee Company and that of key management personnel is paid by Mercy Aged & Community Care Ltd and is on-charged as part of the shared administrative services fee (refer note 5.3). The Board of the Trustee Company and key management personnel of Rice Village Trust did not receive any financial benefits from Rice Village Trust for services provided during the reporting period (2020: \$nil).

Rice Village Trust

Notes to the Financial Statements

For the Year Ended 30 June 2021

NOTE 5 EMPLOYEE REMUNERATION AND BENEFITS AND RELATED PARTIES

(Continued)

NOTE 5.3 OTHER RELATED PARTY TRANSACTIONS

Mercy Aged & Community Care Ltd ("MACC") is the coordinating entity established by the Institute of Sisters of Mercy of Australia and Papua New Guinea to oversee the operations of all of the health entities established as part of their health ministry including Rice Village Trust.

Purchases

Purchases from MACC for shared administrative made under mutually agreed terms and conditions totalled \$875,000 (2020: \$861,000). At reporting date \$Nil (2020:\$Nil) remains outstanding.

Advances

MACC operates a central treasury function to maximise interest earnings throughout the health ministry. Short term deposits with the central treasury are characterised as advances and interest is payable on the balances at money market rates (refer note 3.7).

At reporting date \$46,214,000 was advanced to MACC (2020: \$46,331,000). Interest is charged at a commercial floating rate between 0.40% and 0.60% (2020: 0.60% and 1.60%) giving rise to interest income of \$320,000 (2020: \$361,000).

NOTE 6. OTHER

NOTE 6.1 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At the date of signing these accounts, the Directors of the Trustee Company are not aware of any contingent liabilities or contingent assets of Rice Village Trust.

NOTE 6.2 AFTER REPORTING PERIOD EVENTS

During the financial year the COVID-19 pandemic has had a significant impact on local and international economies. Subsequent to balance date, another wave of the COVID-19 pandemic has occurred within Victoria. While the short-term impact to the Company has been estimated when considering the going concern assumption in the preparation of the financial report, the longer term impacts of COVID-19 on the operations of the Company remain uncertain and cannot be quantified at this time.

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

Auditor's Independence Declaration

To the Directors of the Rice Village Ltd as trustee for the Rice Village Trust

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of the Rice Village Trust for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants



A C Pitts
Partner – Audit & Assurance

Melbourne, 5 October 2021

Independent Auditor's Report

To the Beneficiaries of the Rice Village Trust

Report on the audit of the financial report

Opinion

We have audited the financial report of the Rice Village Trust (the Trust), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors of the Trustee Company.

In our opinion, the financial report of the Rice Village Trust has been prepared 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 Trust's financial position as at 30 June 2021 and of its performance and cash flows for the year then ended; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

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

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

Information other than the Financial Report and Auditor's Report thereon

The Directors of the Trustee Company are responsible for the other information. The other information comprises the information included in the Directors of the Trustee Company's report for the year ended 30 June 2021, 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 of the Trustee Company for the financial report

The Directors of the Trustee Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors of the Trustee Company determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors of the Trustee Company are responsible for assessing the Trust'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 of the Trustee Company either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Directors of the Trustee Company are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



A C Pitts
Partner – Audit & Assurance

Melbourne, 5 October 2021