



RSL CARE SA

ANNUAL REPORT 2015/2016



RSL Care SA is a proud not for profit charitable care provider serving the ex-service and wider community for 100 years, celebrating our centenary in 2015.

We offer a number of options for residential aged care, retirement living and affordable housing in various locations throughout South Australia.

Our mission is to support veterans, their dependents and the broader Australian community through a range of integrated retirement living and aged care services.

Residential Aged Care

War Veterans Home, Myrtle Bank

RSL Villas, Angle Park

Retirement Living

War Veterans Home Retirement Village, Myrtle Bank

Hamilton Retirement Village, Glengowrie

Sturt Village, Marion

Affordable Housing

Angle Park

Campbelltown

Clovelly Park

Wallaroo

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CHAIR'S REPORT



Loretta Byers

I am very pleased to present the Chair's report for a period of time that has also seen the 100th year of operations for RSL Care SA and the Centenary of World War 1.

After 100 years of service our fundamental purpose remains the provision of accommodation and support to members of the ex-service community in South Australia.

It is significant that after 100 years of support to ex-service personnel RSL Care SA has recently expanded the provision of our accommodation support services to include contemporary veterans, given that this was very much the source of our origins in 1917 when we first acquired the War Veterans Home in Myrtle Bank.

The financial year 2015/16 has been another rewarding one with our business operations performing well, the realisation of our retirement living expansion program, groundwork put in place for further growth initiatives of significance, and many advances in terms of how we apply contemporary management, governance, and care practices.

Thanks are extended to The Honourable Sir Eric Neal AC CVO as Patron of RSL Care SA, I am grateful for the support that Sir Eric continues to show for our organisation.

While it has been covered in detail elsewhere, I would again like to acknowledge the retirement of Geoff Tattersall as CEO of RSL Care SA, who resigned early in this financial year effective 21st July 2015. As our first CEO Geoff played an instrumental role in establishing RSL Care SA following our merger in 2012, and he has also served in a casual vacancy on our Board for the past few months demonstrating his ongoing commitment to our organisation. I would also like to acknowledge Nathan Klinge our current CEO who has made

an outstanding contribution to the success of this business. His dedication and commitment to leadership and his introduction of new programs for veterans particularly to the Vietnam Veterans is commendable. Nathan has demonstrated his ability to positively link RSL Care SA to not only the ex-service community but the wider South Australian community.

Services

Our dominant activity remains residential aged care in which we provide support to 150 residents and their families on a 24/7 basis, in what is a highly regulated and very competitive industry. This is achieved across two sites (RSL Villas and the War Veterans Home) in well maintained facilities through the good work of 233 staff (127.9 full time equivalent). Feedback from resident and family satisfaction surveys continually indicate high levels of satisfaction that exceed benchmark standards.

2015 saw both RSL Villas and the War Veterans Home retain their Accreditation status following the routine review of these sites by the Australian Aged Care Quality Agency, and in 2016 RSL Care SA has again been successfully audited by the Agency through their spot visit of RSL Villas, and through a funding-validation of the War Vets. Both audits revealed solid care and management practise across all assessed criteria. My congratulations to the staff for their ongoing efforts in ensuring that we meet and often exceed all aspects of governance, compliance and regulation.

Retirement living

Our retirement living villages continue to be an important part of our business operations, and they also form a critical

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component of our social capacity given that the residents of our 92 Independent living units are such an important part of who we are at RSL Care SA. We have three lovely villages that are filled with wonderful residents, and I thank them all for the contributions they make to our village life. This year has also seen the completion of our two premium retirement units at Myrtle Bank, with both units offering a broader product range for our Myrtle Bank community.

Donations and bequests

The results of our donations and bequests are recorded in the financial papers.

These donations and bequests remain an important part of our capacity to fund our altruistic pursuits, and I would like to personally thank all of the individuals and groups who have supported us financially across these past 12 months. Your financial contributions, no matter how large or modest are gratefully received, and each and every dollar is directly spent on providing services and outcomes that benefit the people we serve.

Repatriation General Hospital

While it is disappointing that our consortium was not able to secure the Repat site, I'd like to pass on my thanks to the Board of RSL LifeCare (NSW), whose foresight, professionalism and mission-based focus enabled us to get as close as we did to achieving our dream for RSL Repat Park.

Facility upgrade at RSL Villas

Plans are currently underway to upgrade our 55 rooms at RSL Villas residential care facility at Angle Park, which will see a gradual works program undertaken to improve the quality and amenity of each of the rooms as well as the common areas. This program will also see the creation of an additional six new rooms at the Villas, taking our total residential care offerings at the site to 61 beds.

Redevelopment of the War Veterans Home, Myrtle Bank

Commencing in 2017 we will undertake a significant program of refurbishment and expansion at Myrtle Bank, and I look forward to reporting on this plan in subsequent correspondence with the RSL community.

Support for the wider veteran community

We are a mission-based organisation, and quite rightly much of our effort and energy is directed towards altruistic pursuits that align with our constitution.

By way of example, in the year just gone RSL Care SA has provided the following support:

- Funding to Soldier On to support the provision of transitional services in South Australia.
- We are the principal-funder of Homes for Heroes in South Australia, ably supported by RSL LifeCare who offer not only financial support to the program, but also their considerable

CHAIR'S REPORT

experience and governance given the success of their H4H program in NSW (which is a number of years senior to our RSL-led program here in SA)

- Funding support to Trojans Trek, an organisation that conducts programs for veterans in the Flinders Ranges aimed at helping veterans to address a broad range of personal issues.
- Sponsoring various ex-service events and activities, including current-serving members of 7 RAR, Veterans Mental Health Activities, the RSL Women's Forum, Trigger's Big Trek, and families of deployed ADF personnel at Edinburgh.
- Affordable housing: RSL Care SA provides permanent accommodation solutions through our affordable housing portfolio, and in conjunction with the RSL and RSL LifeCare we provide temporary housing assistance for former service personnel through the Homes for Heroes program.

Growing connections

RSL Care SA continues to expand its relationships with the ex-service community of South Australia, as well as with a diverse group of kindred organisations nationally. The Board of RSL Care SA has a deliberate strategy to reposition our organisation to provide relevant service and support to ex-service personnel, their families and to the general community for another 100 years.

Conclusion

Whilst RSL Care SA is a 'Not for Profit' organisation it uses its assets to achieve charitable purposes, which requires the

Board and management to take a commercially responsible approach to our affairs in order to generate capacity that enables the achievement of our values-driven objectives. It is worth noting that the aged care industry is going through a period of significant change and reform. The Board of RSL Care SA is well aware of these changes, and we are pursuing a path of bold and deliberate action in order to ensure our continued growth and success.

In closing I'd like to pass on my thanks to Deputy Chair Dennis Chamberlain and the members of the RSL Care SA Board for their support and expertise. I would also like to extend my personal thanks to the staff and volunteers of RSL Care SA. I am grateful for the fine work they do in providing care and support to our residents, but I am also inspired by the level of commitment that they display towards our organisation and towards each other.

CEO'S REPORT



Nathan Klinge

The financial year 2015/16 has been one of contrast for the RSL Care SA Association.

On the one hand our operational performance has again exceeded expectations, both in terms of our financial performance as well as through a range of continued improvements we have made in the delivery of our care operations and retirement living functions. This year has also seen the commencement of the Homes For Heroes program in Adelaide, which is a program that seeks to provide accommodation solutions for contemporary veterans who are homeless or at risk of homelessness. I'll cover each of these aspects in more detail shortly.

In acknowledging our operational successes, it is also important that we acknowledge that it has been a difficult year strategically for the Board of RSL Care SA, who have had to work extremely hard to try and manage a complicated relationship with the State Board of the RSL (SA) who have communicated a range of strategic objectives that do not align with the mission and objects of RSL Care SA. At the time of writing this report these discussions continue, and so for now it is sufficient for me to comment that this strategic instability has made it extremely difficult for RSL Care SA to focus on our own growth initiatives, and indeed this instability directly resulted in the loss of the Repat site as an area of potential growth and mission for our Association.

Fundamentally though, despite these strategic challenges FY15/16 has been another productive and rewarding year for RSL Care SA with existing operations performing very well, plans established for the redevelopment and expansion of RSL Villas, groundwork put in place for the redevelopment of the

War Veterans Home, and continued advances in contemporary clinical and governance practices.

A significant milestone this year for us has seen the establishment of a Vietnam Veterans Support program, which specifically recognises that Vietnam Veterans are increasingly requiring support through residential aged care accommodation options. Our Vietnam Veterans program is covered in more detail in the Chief Operating Officer's (COO) report so I'll not look to cover this information again here, but I do want to pass on my personal thanks to the COO and the Lifestyle team, led by Sue Thomson, who have made our Vietnam Veterans program not only possible but extremely successful. So much so that our program was a finalist in this year's Hesta Awards, where it was recognised for its innovation in providing transitional and social support services to Vietnam Veterans who are entering aged care. Notably, a number of these residents have left the Ward 17 environment to come and live with us, which demonstrates the positive impact that this program has on the lived-experience of this substantial veteran cohort.

Affordable housing

The acquisition of the Warmington Square affordable housing community in Wallaroo has seen our assets grow from eight to 15 units in this important region. RSL Care SA is very pleased to welcome the residents of Warmington Square Village into our family, and we are also very pleased that we are able to maintain a footprint of support for ex-service personnel in country SA which is an outcome that many not-for-profit organisations struggle to achieve.

CEO'S REPORT

RSL Care SA is now set to expand our affordable housing services further, through a strategic partnership with the Westside Housing Association that will see them take over ownership of our 10 Darby and Joan Cottages at Clovelly Park. While maintaining these assets for the continued use of ex-service personnel, Westside Housing will now specifically offer another 10 housing units across Adelaide for use by the veteran community.

Repat Hospital

The Chair has already mentioned our disappointment at not being successful in acquiring the Repat site, however I would like to pass on my personal thanks to the CEO of RSL LifeCare, Ron Thompson, who has been tireless in his support of RSL Care SA over the past 12 months. As an organisation RSL Care SA has learnt much through our association with RSL LifeCare and Ron in particular, and I look forward to maintaining this strong professional and personal association with Ron and the rest of the RSL LifeCare team in the years to come.

Services

I would encourage you to take the time to read the Chief Operating Officer's report in these papers, because he provides a very good summary of the many significant outcomes that we have achieved this year across all aspects of our care operations. At the risk of repeating some of this fine work, I'll highlight a couple of aspects that I feel are of particular importance:

- Care Staff Review: This was a mammoth undertaking that saw each and every aspect of our care operations

scrutinised against national benchmarking data. This review showed us that whilst we were performing very well and above benchmark standards in many areas, there was an opportunity for us to improve our performance in preparation for the significant industry reforms that are headed our way. At the time of writing this report the final strategies of the Care Staff Review are being implemented across RSL Care SA, and I'd like to thank our Executive Team and our staff for making these critical reforms possible.

- Vietnam Veterans: I am pleased to welcome an increasing number of Vietnam Veterans into our residential care community. These veterans add much to our social fabric, and I very much enjoy spending time with them in both formal and informal settings. A particular thanks to Digger (Steve), who rounds up the troops and helps to keep things running on track. He also keeps me honest by letting me know if I set a foot out of place, or if I leave work too late in the evening!
- Improved practices: Many aspects of our business operations have been tweaked with the intent of providing improved services to our residents. Examples of such practice improvements include a reduction in our use of agency staff which demonstrably results in better care-outcomes for our residents, and the implementation of an ongoing quality assessment and management program that ensures we are continually seeking improvements in our workplace practices.
- Physio reforms: Reforms and growth opportunities in our physio department have resulted in improved and broader care outcomes for our residents (including retirement living),

CEO'S REPORT

and we have also welcomed physio students from Uni SA onto our sites which has been a fantastic program enabling us to ensure that our physio practices remain contemporary. I would like to pass on my thanks to the manager of our Physiotherapy department, Alice Josaf, who is an absolute powerhouse and who is always looking for ways to do things better.

My thanks to David Walshaw for managing and driving many of our care reforms over the past year, and also to the members of our Care and Compliance Committee (led by Geoff Tattersall) who contribute much to the framework that enables us to deliver the highest standards of care outcomes.

Altruistic pursuits

In her report the Chair has provided an excellent summary of some of our main altruistic activities for FY15/16, which clearly demonstrates the reality that our core business remains the support of ex-service personnel in line with our Association's mission and objects. In broad terms these activities have represented a commitment of around \$243K towards these mission-based activities over this past financial year, across a variety of services, grants, and sponsorship activities that all directly support the ex-service community. This is in addition to the on-going care and support that we provide to our residents 24/7, which currently sees us supporting 95 DVA-entitled residents in our residential care settings alone with more ex-service personnel represented across our affordable housing and retirement living portfolios.

Financials

The specifics of our financial achievements for the year are explained in detail in the Chief Financial Officer's (CFO) report, but I will take the time to highlight that RSL Care SA continues to perform well with a strong and responsible surplus for FY15/16 that will enable us to meet our future altruistic pursuits and growth initiatives. This year's surplus of \$2.2m provides a good indication of our sound financial management practices and our strong business position.

I'd like to take the opportunity to recognise the considerable

efforts of Aldo Fonovic as CFO and his Finance and Administration team members, all of whom have facilitated the professional and responsible management of our accounts. This small team has driven a number of critical reforms in our business management and workflow practices over this past 12 months, which has in turn generated efficiencies and improvements that posture us extremely well to respond to an ever-changing business environment.

I would also like to thank the members of our Audit, Finance and Governance committee, led by our AFG Chair David White, for the marvellous contribution this group makes in enabling RSL Care SA to meet its numerous financial and governance requirements.

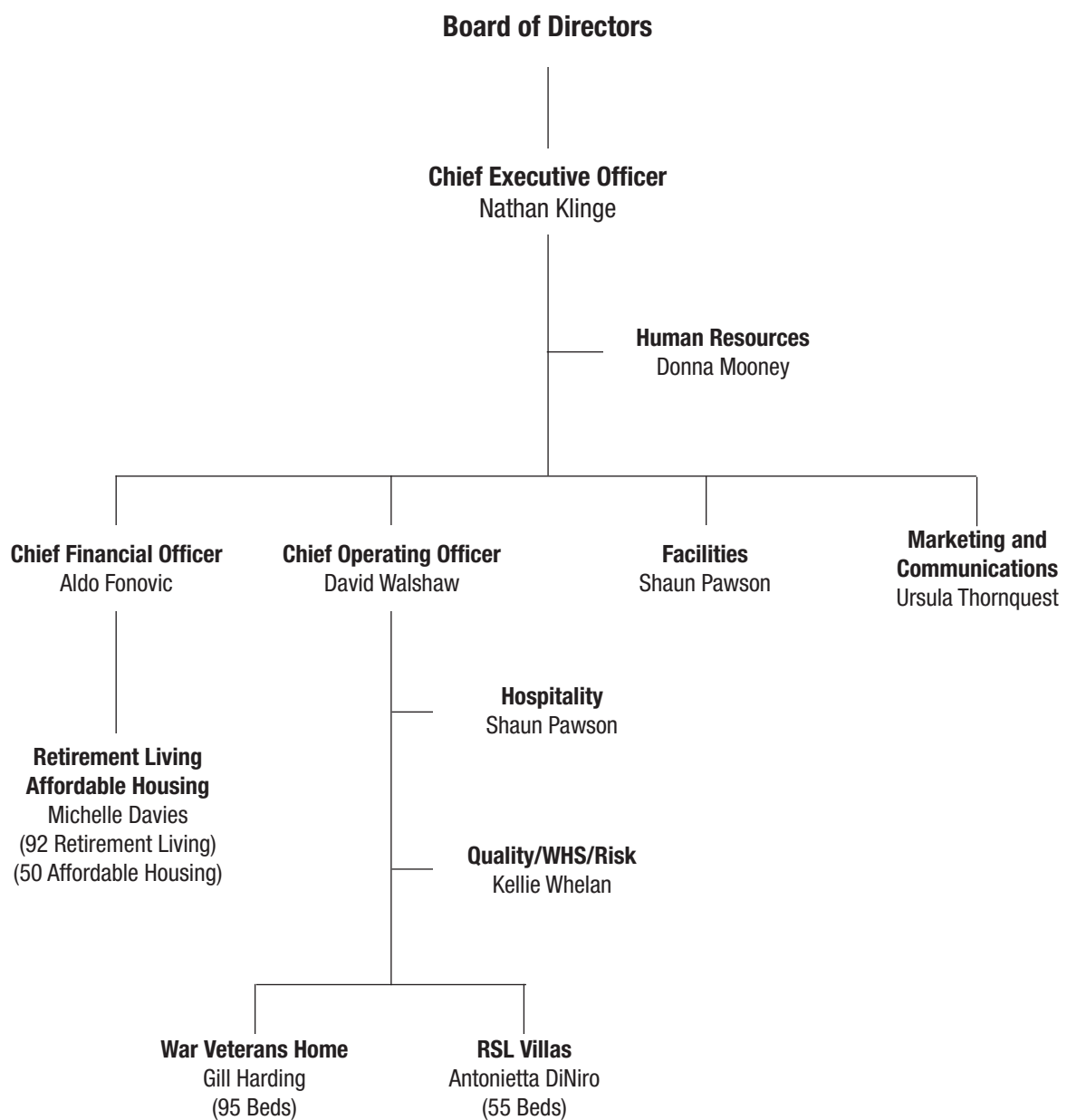
Conclusion

I thank and acknowledge the efforts of our care staff, support staff and volunteers who all make wonderfully positive contributions in the daily life of our residents. I stand in complete admiration of our workforce and volunteers, and I thank them most emphatically for choosing to live a life that makes the lives of others better.

I am also grateful for the contribution that my senior management team make across all arms of our operations, and for the fact that without fear or favour this group will quickly let me know when things are going well or when they can improve. I consider myself to be very lucky to have such a marvellous support network, and it is a group that I lean on frequently. Make no mistake RSL Care SA has an exceptional team, and they have weathered many different storms throughout this past year but they have always come through smiling – usually with a glass of wine in one hand and some type of pastry in the other, but still, they were smiling! I can't thank this team enough.

Lastly I would like to thank the Board of RSL Care SA. All of our Board members are volunteers, and their commitment and tenacity in supporting our organisation is beyond question. I would also like to personally thank them for their ongoing counsel, and for the confidence they have placed in me as CEO.

CORPORATE STRUCTURE



BOARD OF DIRECTORS



Loretta Byers (Chair)

Loretta Byers is well known as one of the retirement village industry's pioneers having experience in the nursing, gerontology and aged care industry, and more specifically over 25 years in the retirement village industry. In 2004 Loretta was awarded Life Membership of the Retirement Village Association for her services to the industry.

She held the position of Managing Director, Cooperative Retirement Services, where she was responsible for over 50 villages across Australia prior to her ownership of Village Care which she developed into a national management and marketing company working across all Australian States.

Loretta has served 8 years as a board member, Deputy Chair from 2013-2015 and appointed Chair in 2015.



Dennis Chamberlain (Deputy Chair)

Dennis Chamberlain was nominated to the RSL Care SA Board by the RSL (SA Branch) in November 2013. For a number of years until August 2013 he had served on the RSL Board (SA Branch) as a co-opted Director with aged care specialist knowledge.

Prior to his recent retirement, Dennis was the Chief Executive Officer at James Brown Memorial Trust, a charitable Trust founded in 1892 which continues to deliver support to the frail aged, disabled and disadvantaged through its residential aged care, retirement living, in-home support and affordable housing programs. He has been involved in the aged care sector since 1985 with a career spanning aged care, community nursing and local government.

Dennis has formal qualifications in accounting, human resource management, industrial relations and business management. As well as his present commitment to RSL Care SA, he was a Board member of the not-for-profit peak body Aged and Community Services for a number of years and held the position of State Chairman. He was also a director of the national parent peak body, Aged and Community Services Australia and a Director of various other disability and service organisations.

BOARD OF DIRECTORS



Rob Hankins

Rob has had extensive experience as a CEO and board member in the human services sectors. He sees his role as that of a strategist and facilitator, combining the notion of 'risk and opportunity' while ensuring long term sustainability and growth.

He has successfully led and directed positive organisational change and development initiatives in many businesses. Having managed single entities and large complex groups, Rob understands the issues, challenges and critical success factors for an organisation to achieve its vision and mission. A strong, positive staff culture is just one of these.

More recently he focused on identifying and developing innovative services, designed to enable our older citizens to continue living as independently as they can, in the community where they choose to live. He has also sought to influence government policies and strategies in the aged care and housing sectors, both directly and through state and national industry bodies.

In stepping away from full time executive roles, Rob established his own consulting and advisory business. He is keen to use the knowledge and experience he has gained to assist organisations improve the services they provide to enhance the lives of our older citizens.



Geoff Tattersall

Geoff had a 37 year career in the public health system before taking up roles in the aged care sector culminating in his appointment as the inaugural CEO of RSL Care SA in 2011. Previous senior roles include: Deputy CEO/Chief Operating Officer, Masonic Homes; CEO, Repatriation General Hospital; Chief Finance Officer, SA Department of Health; CEO, Noarlunga Health Service; Executive roles at Women's and Children's Hospital initially as Chief Finance Officer followed by Assistant CEO (Corporate and Diagnostic Services); Director of Administration, Julia Farr Centre.

Concurrently to his civilian career he served 29 years in the Army Reserve as an Infantry Officer. He has served on various not for profit boards and was recently appointed by the state Minister of Health as Presiding Officer of the Veterans Health Advisory Council.

He is an economics graduate of Flinders University, a Life Member and Fellow of the Australasian College of Health Service Management and a member of the AICD including participation in their Company Directors course.

BOARD OF DIRECTORS



Elizabeth Clare

Elizabeth Clare is a communication consultant and project management adviser in the not for profit and SME sectors. She holds post graduate qualifications in communications, public relations and business management.

She was previously the General Manager, Property for the Masonic Homes and subsequently the Executive Director of the Mary Potter Foundation.

She served as a Director of the Bedford Group for 10 years and Chaired the Bedford property committee for eight years.

Elizabeth has been a Board member of RSL Care SA for four years.



Robin Turner

In 1969 Robin was called up for National Service during which he served in South Vietnam in 1st Armoured Regiment. This was the genesis of his interest in veterans' wellbeing which has seen him on the Poppy Day Trust Board and that of RSL Care SA where he also serves on the Property Strategy Committee.

Robin employs about 40 staff in property sales and management with his company now in its 26th year. He has been recognised by his profession with two fellowships and is a Sir Robert Torrens Awardee, as well as being the longest serving president of REISA. The Attorney General has appointed him as an Assessor to the District Court which is a semi judicial role.



David White

David is a Chartered Accountant (BA, CA) with extensive exposure to a wide range of commercial issues in the operation and growth of a diverse range of corporates.

He has held senior financial positions with Zen Technologies, Valex Group, Minelab Electronics, Origin Energy, F H Faulding and Deloitte.

BOARD OF DIRECTORS



Bronson Horan

Bronson Horan has been a commissioned officer in both the United States and Australian Army for over 15 years. He initially served with the US Army 10th Mountain Division and then 1st Special Forces Groups. Later he gained a commission in the Australian Army where Bronson served five years as a Commando Officer in 1 Commando Regiment. Bronson has been on active service in both armies in places such as Bosnia, Sinai, Philippines, Iraq and Afghanistan.

Bronson is currently the Managing Director for Ludus Training International (LTI). Ludus specialises in, Security Risk Management, Explosive Services and Job Employment Support Services for Veterans. He is a Wounded Ambassador for Soldier On, President of the Adelaide Sub-Branch of the RSL, Member of the Department of Veterans Affairs Human Research Ethics Committee, Member of the Australian Defence Force Human Research Ethics Committee, and a Member of the Veterans Advisory Council.



Peter Krajc

Peter is the Managing Director of Cost Management Partnerships Pty Ltd, a Member of the Australian Institute of Project Management, current AIPM Representative on Construction Industry Forum and Past Chapter Councillor of the Australian Institute of Project Management.

Peter's main areas of interest are in the development of methodology processes and contract procedures to establish appropriate methods of facility procurement in the construction and infrastructure sectors.

Peter has served as an RSL Care SA Board Member for 11 years.



Julia Sweeney

Julia Sweeney is a senior partner in Fisher Jeffries' Corporate Group. Julia's principal area of practice is in aged care and retirement villages, together with providing corporate and commercial advice to corporations and associations, for profit and not for profit.

Julia has been an RSL Care SA Board member since 2009.

CARE OPERATIONS

David Walshaw

This year in Care Operations has been one of consolidation of our existing business practices as well as the implementation of a range of initiatives designed to make our organisation more relevant and viable against a backdrop of the Commonwealth's reforms to the Aged Care Act. These changes caused us to rethink many of our business activities to determine where efficiencies or economies of scale could be achieved without adversely impacting on resident care and it was pleasing to see that we were able to create many positive opportunities for reform over the 12 months within this context.

As part of those reforms, it was particularly rewarding to finalise the implementation of the care staff review which was a significant piece of work designed to review all of our care operations across both sites against a background of increased resident acuity and length of stay and while it is still early days, it appears that the review is paying dividends in improved resident outcomes and staff and resident satisfaction levels.

This year also saw us "insource" our physiotherapy operations from a contracted provider in an effort to provide a more individualised and tailored service to our residents while reducing our overall operating costs. With the savings achieved, we were able to recruit an additional physiotherapist which has enabled the team to provide privately billed services to residents on respite as well as services into our retirement living units. This strategy has also delivered an additional source of income to the organisation while increasing the profile of the service across all aspects of our care operations.

Insourcing physiotherapy services has also meant that we have also been able to have 4th year physiotherapy students on site for placement from Uni SA which has meant that they

have been able to assist with the resident workload as well as provide clinics at no charge for the staff. At this stage we are fully booked for next year and the feed back we receive from the students indicate that they enjoy their five weeks with us and learn new skills along the way.

Another pleasing initiative this year has been our supported resident program which has provided us with improved waiting list numbers and a source of income we would not normally have achieved had the rooms been closed and unoccupied. In essence, at the WWH site we have a number of double rooms which when fully occupied means that we can have up to 3 unlicensed single beds at any one time so by placing private residents in the unlicensed rooms and charging them out at 75% of the pension rate we potentially have our next resident ready to go when a vacancy occurs as well as providing a source of income we would not normally have received.



CARE OPERATIONS

This year we were honoured to be nominated as one of five finalists for a HESTA Team Innovation award for our Vietnam Veterans Social program out of some 400 other nominations across the aged care sector. We attended the awards ceremony in Canberra, and while we did not receive the first prize, we were thrilled to be sharing the stage with some very illustrious company and getting our brand name out there into the wider aged care community.

This initiative which formally commenced in February this year has been very successful in providing a safe, positive and health orientated environment which has enabled Vietnam Veterans to have the opportunity to socialise with their peers as well as obtain new skills along the way. The program captures permanent and respite residents living within all RSL Care SA's facilities as well as veterans on ward at Ward 17, veterans living in the wider community and veterans living at other residential aged care facilities.

The program is now widely recognised within the Vietnam Veteran community as well as at the Repat (where we are getting direct referrals from the ward) and the DVA. We are at the forefront of Vietnam Veteran specific day programs within a residential setting and I suspect that the program will eventually grow beyond our capacity to resource it if the current trend continues. At the current time we are looking at all options to build capacity within the program to ensure we are ahead of the breaking wave as more Vietnam Veterans enter our facilities.

On the 10th of April we took great pride in arranging for "Rat of Tobruk" Cliff Brice to attend the 75th anniversary of the Siege of Tobruk in Canberra. Cliff who was 98 at the time was residing at the Villas and was the poster boy for the "Wish Me Luck"

exhibition which showcased portraits of World War Two veterans in the Centenary of Anzac. We sent two care staff with Cliff who attended all of the official ceremonies and while he admitted he was tired at the end of the occasion he was thrilled to be there. Sadly, Cliff passed away on the 30th of July but he never forgot the reunion with his old mates and his family were so thrilled at the opportunity we presented to Cliff, they arranged for his funeral to be held in its entirety at the RSL Villas site and delivered by one of our staff.

Cliff's photo from the exhibition now proudly sits on the wall outside of his former room at the Villas and it captures his gentle



Cliff Brice. Photograph Louise Bagger

CARE OPERATIONS

and kind nature, as well as his pride at being a “Rat of Tobruk”. He represented everything that is remarkable about the unsung heroes of our communities. The shy, humble and unassuming servicemen and women who we care for every day, whose stories of service are incredible, and whom we would never know had served because their humility prevents them from sharing this fact with us. Lest we Forget.

The ACS Awards dinner was held once again this year on the 3rd June and we had two nominees up for an award, Doug Smith who volunteers at the RSL Villas in an untiring capacity won the Volunteer Award while Nick Atkins who is our Maintenance Manager was a finalist for the Staff award. Both Doug and Nick were winners in our eyes even before they attended the awards night, because they both epitomise the very things that RSL Care SA values most in its workforce, trust, pride, empathy, teamwork, resilience and respect. Their recognition was well deserved and celebrated by all of our staff.



Commemorations of Anzac Day, Remembrance Day and Vietnam Veterans Day were held at both sites to support residents and their families who served in the wars. The Vietnam Veterans Day was particularly poignant this year given that it was the 50th anniversary and the event was well attended by residents and visitors. The Dawn Service at the WWH site is proving to be very popular not only with residents but also for members of the wider community who are attending as their site of choice on this very important day in the veteran calendar.

Over the past 12 months, our organisation has undergone many changes as it continues to evolve to meet the continually changing aged care needs of our residents and the reform agenda of the Commonwealth Government and it will continue to do so for many years ahead. Consumer Choice in aged care is a constantly evolving science and this organisation is well poised through its excellent facilities, staff and visiting medical officers to capitalise on changes to aged care practices as they occur in the future with altruism being at the cornerstone of everything we do. We are proud of the last 100 years of service and are looking forward to the next chapter of our organisations growth.

Finally, I would like to pay my respect and admiration to all staff that provide care either directly or indirectly to our residents. Only by your collective efforts can our organisation continue to achieve its objective of providing quality aged care services to its consumers. To the veteran and wider community and to our many supporters, we salute you and thank you for your support and faith in our organisation, and to our residents we thank you for the trust you place in our team of excellent health care professionals.

FINANCIAL PERFORMANCE

Aldo Fonovic

Our ability to grow revenue without increasing costs has enabled us to deliver another solid operating surplus from continuing operations of \$2.2m for 2015/16.

This result reflects our prudent financial and operational management throughout 2015/16 and improving returns from careful strategic investments made in previous years.

Key financial headlines to note for the year are as follows:

Operating results flowing to Profit and Loss

A. Total revenue rose to \$15.6m up 5% from last year. This was largely driven by the retirement living portfolio continuing to improve with earnings at \$1.3m, up 78% on the previous year. This was due to a higher number of settlements than previously achieved combined with a once off development profit of \$620K recognised on our newly built units at Myrtle Bank.

Returns from residential aged care remain strong at \$1.1m allowing for corporate overheads. This is an increase of 15% on the previous year. This is an encouraging result given the ever increasing compliance and statutory complexity surrounding the delivery of aged care.

B. There were both positive and negative variances on individual expenditure categories compared to last year however it is pleasing that total overall recurring expenditure for the year was 1% lower than last year excluding one-time transactions. This improves to 2% when the one off effects are included.

A one time saving was achieved where we were successful in

securing a one-off ex-gratia payment from the SA Government relating to stamp duty on land purchased in the previous year totalling \$154K.

Non Operating results flowing to Profit and Loss

C. Net non cash valuation increases of \$611K were brought to account following an independent valuation of our retirement living property undertaken in line with our Board governance policies.

Non Operating results flowing to Balance Sheet

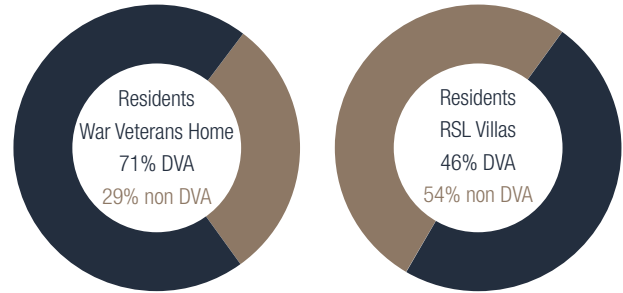
D. Valuations undertaken in line with our Board governance policies have been affected by recent changes in the accounting standards regarding accepted valuation methodology.

These valuations have resulted in non-cash adjustments being applied to our aged care and affordable housing property values. Independent valuations using the prescribed methodology have resulted in a reduction in value of \$6.3m which have been underwritten by existing reserves in our balance sheet.

Financial Position/Balance Sheet

E. Our financial position remains strong and continues to strengthen. We are well funded to identify and undertake strategic investment opportunities that support the veteran community.

FINANCIAL PERFORMANCE



Gross assets excluding the effect of non-cash asset revaluations grew by \$4m or almost 4%.

The growth in cash on hand of \$4.1m or 22%, represents a turnaround from the previous year where cash holdings dropped \$2.7m. The increasing returns in 2015/16 were largely due to key strategic investments funded in 2014/15 namely the acquisition of retirement villages (\$1.7m) and construction of new units (\$857K). A \$3.5m one-off payment was also made in 2014/15 to RSL (SA) for trade mark and branding licensing.

Total liabilities increased \$1.3m or 3% due to new licenses recognised in our retirement living portfolio.

Altruistic objectives

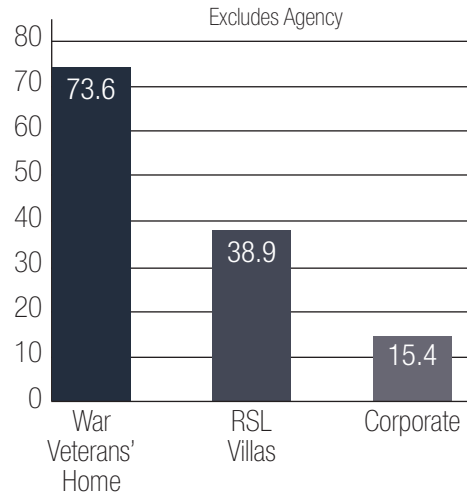
F. Our affordable housing portfolio is valued at \$2.4m and we charge our 38 residents in this portfolio just enough to cover our costs.

G. We continue to contribute and financially support Homes for Heroes, Soldier On, Trojans Trek, and the Road Home and also provide support for various ex-service related initiatives and fundraising activities.

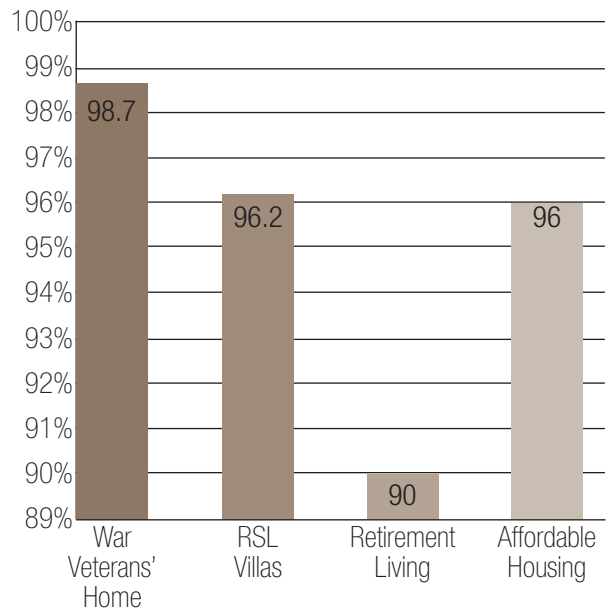
Efforts in the finance and administration area continue to focus on improving efficiency in line with continuous improvement expectations in aged care. The improvements are aimed at streamlining processes, increased efficiency and better business management information to assist Board, executive and line managers.

Finally I would like to thank the finance and administration team for their ongoing efforts in delivering services to our clients.

WORKFORCE - FTE



OCCUPANCY



FINANCIAL PERFORMANCE

STATEMENT OF PROFIT AND LOSS

	2016	2015
	\$	\$
TOTAL REVENUE	15,690,769	14,957,167
EXPENSES		
Salaries and employee benefits	(9,510,939)	(8,988,934)
Depreciation and amortisation	(826,951)	(868,197)
Other expenses	(3,087,585)	(3,874,351)
TOTAL EXPENSES	(13,425,475)	(13,731,482)
Surplus from continuing operations	2,265,294	1,225,685
Gain/loss on revaluation of property	276,266	-
Surplus for the year	2,541,560	1,225,685

STATEMENT OF FINANCIAL POSITION

	2016	2015
	\$	\$
ASSETS		
Cash	24,437,099	20,339,319
Investment property	29,930,001	27,639,236
Property, plant and equipment	43,462,699	50,738,875
Other assets	5,546,368	6,779,032
TOTAL ASSETS	103,376,167	105,496,462
LIABILITIES		
Trade and other payables	1,015,945	1,238,232
Refundable loans due within 12 months	8,662,003	8,424,875
Refundable loans due after 12 months	31,636,467	30,286,035
Other liabilities	2,798,173	2,849,547
TOTAL LIABILITIES	44,112,588	42,798,689
NET ASSETS	59,263,579	62,697,773
EQUITY		
Accumulated funds	45,409,221	40,558,388
Reserves	13,854,358	22,139,385
TOTAL EQUITY	59,263,579	62,697,773

FINANCIAL COMPLIANCE

RSL Care SA received an unqualified audit report from BDO Audit (SA). Full copies of our financial statements are available to Association members, current and prospective residents on request, and are also available on the Australian Charities and Not-for-profits Commission (ACNC) website.



RSL CARE SA

www.rslcaresa.com.au

Corporate Office

55 Ferguson Avenue, Myrtle Bank, South Australia 5064
Tel: 08 8379 2600 • Fax: 08 8338 2577
email: warvets@rslcaresa.com.au

War Veterans' Home

55 Ferguson Avenue, Myrtle Bank, South Australia 5064
Tel: 08 8379 2600 • Fax: 08 8338 7369
email: warvets@rslcaresa.com.au

RSL Villas

18 Trafford Street, Angle Park, South Australia 5010
Tel: 08 8268 7277 • Fax: 08 8268 7211
email: reception@rslcaresa.com.au



Original Soldier's Home fundraising buttons