AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES

ABN: 32 193 862 750

Financial Report For The Year Ended 30 June 2022

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AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
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STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	Restated 2021 $
Revenue			
Rental income		115,004	79,419
Revenue		160,849,248	148,108,745
Total Revenue	3	160,964,252	148,188,164
Total revenue and other income		160,964,252	148,188,164
Expenses			
Wages and salaries		103,151,735	96,764,127
Depreciation expense	9	11,283,942	15,036,724
Other expenses		15,312,715	13,603,528
Administration fees		7,180,860	7,288,384
Agency and contracted services		16,491,386	12,945,640
Finance costs		2,100,313	2,577,267
Insurance		2,084,600	1,928,813
Rent		30,417	0
Rates, taxes and utilities		5,999,876	5,669,011
Lease Interest Expense	13	785,324	844,567
Amortisation of right of use assets	13	1,271,814	1,271,815
Loss on disposal of land and buildings held for sale		864,721	216,062
Total Expenses		166,557,703	158,145,938
Profit /(loss) before Income Tax		(5,593,451)	(9,957,774)
Income tax expense	4	(157,622)	(153,955)
Profit /(loss) attributable to unitholders		(5,751,073)	(10,111,729)

The accompanying notes form part of these financial statements.

Refer to note 28 for details regarding prior year adjustment due to a change in accounting policy.

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
ABN: 32 193 862 750
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	Restated 2021 $
Profit /(loss) for the year		(5,751,073)	(10,111,729)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings	10	10,783,879	14,535,801
Changes in minority interest		470,082	470,496
Total other comprehensive income		11,253,961	15,006,297
Total comprehensive income for the year		5,502,888	4,894,568
Total comprehensive income attributable to unit holders		5,502,888	4,894,568

The accompanying notes form part of these financial statements.

Refer to note 28 for details regarding prior year adjustment due to a change in accounting policy.

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
ABN: 32 193 862 750
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 $	Restated 2021 $	Restated 1 July 2020 $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6	67,573,924	68,808,811	68,574,302
Trade and other receivables	7	84,809,923	71,186,536	70,775,846
Inventories		201,352	160,213	130,934
Land and buildings held for sale	12	670,531	2,741,211	0
TOTAL CURRENT ASSETS		153,255,730	142,896,771	139,481,082
NON-CURRENT ASSETS				
Financial assets	8	135	135	135
Investment property	11	0	0	0
Property, plant and equipment	9	416,591,984	414,460,746	393,685,367
Land and buildings held for sale	12	22,407,366	26,346,528	21,923,850
Amounts receivable from related entities and parent Trust	7	32,083,913	31,346,302	30,770,389
Amounts receivable from non-related entities	7	0	345,620	449,370
Right of use assets	13	11,689,466	12,961,281	14,233,096
TOTAL NON-CURRENT ASSETS		482,772,864	485,460,612	461,062,207
TOTAL ASSETS		636,028,594	628,357,383	600,543,289
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	14	395,057,321	370,772,131	356,571,094
Borrowings	15	99,559,169	117,750,080	110,009,691
Provisions	16	17,350,209	16,193,932	14,405,867
Current tax liabilities	18	879	6,670	42,261
Lease liabilities	17	1,074,223	1,011,271	952,028
TOTAL CURRENT LIABILITIES		513,041,801	505,734,084	481,980,941
NON-CURRENT LIABILITIES				
Trade and other payables	14	10,731,020	11,403,465	10,750,013
Borrowings	15	17,000,000	20,437,500	20,712,500
Provisions	16	1,876,632	1,645,314	1,664,013
Deferred tax liabilities	18	3,360,462	3,360,462	3,360,462
Lease liabilities	17	11,596,308	12,670,530	13,681,801
TOTAL NON-CURRENT LIABILITIES		44,564,422	49,517,271	50,168,789
TOTAL LIABILITIES		557,606,223	555,251,355	532,149,730
NET ASSETS		78,422,371	73,106,028	68,393,559
EQUITY				
Issued units	19	25,001	25,001	25,001
Minority interest		13,409,681	13,763,489	13,899,621
Revaluation surplus	10	103,327,086	92,543,207	78,007,406
Retained earnings		(38,339,397)	(33,225,669)	(23,538,469)
TOTAL EQUITY		78,422,371	73,106,028	68,393,559

The accompanying notes form part of these financial statements.

Refer to note 28 for details regarding prior year adjustment due to a change in accounting policy.

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
ABN: 32 193 862 750
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Note	Issued Units	Retained Earnings	Revaluation Surplus	Sub Total	Minority Interest	Total
		$	$			$	$
Balance at 1 July 2020		25,001	63,155,617	0	63,180,618	5,212,941	68,393,559
Change in accounting policy	28	0	(86,694,086)	78,007,406	(8,686,680)	8,686,680	0
Restated balance at 1 July 2020		25,001	(23,538,469)	78,007,406	54,493,938	13,899,621	68,393,559
Comprehensive income							
Loss for the year		0	(9,687,200)	0	(9,687,200)	(424,529)	(10,111,729)
Other comprehensive income	10	0	0	14,535,801	14,535,801	470,496	15,006,297
Total comprehensive income for the year attributable to unitholders		0	(9,687,200)	14,535,801	4,848,601	45,967	4,894,568
Transactions with unitholders in their capacity as owners							
Distribution to unitholders	5	0	0	0	0	(182,099)	(182,099)
Total transactions with unitholders		0	0	0	0	(182,099)	(182,099)
Restated balance at 30 June 2021		25,001	(33,225,669)	92,543,207	59,342,539	13,763,489	73,106,028
Restated balance at 1 July 2021		25,001	(33,225,669)	92,543,207	59,342,539	13,763,489	73,106,028
Comprehensive income							
Loss for the year		0	(5,113,728)	0	(5,113,728)	(637,345)	(5,751,073)
Other comprehensive income	10	0	0	10,783,879	10,783,879	470,082	11,253,961
Total comprehensive income for the year attributable to unitholders		0	(5,113,728)	10,783,879	5,670,151	(167,263)	5,502,888
Transactions with unitholders in their capacity as owners							
Distribution to unitholders	5	0	0	0	0	(186,545)	(186,545)
Total transactions with unitholders		0	0	0	0	(186,545)	(186,545)
Balance at 30 June 2022		25,001	(38,339,397)	103,327,086	65,012,690	13,409,681	78,422,371

The accompanying notes form part of these financial statements.

Refer to note 28 for details regarding prior year adjustment due to a change in accounting policy.

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
ABN: 32 193 862 750
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and government grants		157,152,838	144,247,222
Payments to suppliers and employees		(152,315,375)	(138,276,686)
Interest received		2,199,500	3,021,280
Finance costs		(2,100,313)	(2,577,267)
Taxation paid		(163,413)	(189,546)
Net cash provided by operating activities	20	4,773,237	6,225,003
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(2,161,219)	(29,888,208)
Proceeds from sale of land and buildings held for sale		5,694,994	1,922,142
Purchase and development costs of land and buildings held for sale		(549,872)	(220,426)
Net cash provided by/(used in) investing activities		2,983,903	(28,186,492)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(3,712,500)	(275,000)
Loans refunded to non related parties		(1,407,990)	0
Distributions paid	5	(186,545)	(182,099)
Loans to related parties		0	70,419
Funds from Refundable Accomodation Deposits		14,898,637	15,683,446
Principal repayment of lease liabilities	13	(1,011,270)	(952,028)
Loans to non related parties		343,552	110,871
Net cash provided by financing activities		8,923,884	14,455,609
Net increase/(decrease) in cash held		16,681,024	(7,505,880)
Cash and cash equivalents at beginning of financial year		(48,666,269)	(41,160,389)
Cash and cash equivalents at end of financial year	6	(31,985,245)	(48,666,269)

The accompanying notes form part of these financial statements.

The financial statements cover the economic entity of Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust and Controlled Entities. Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust and Controlled Entities is a unit Trust, established and domiciled in Australia.

The financial statements were authorised for issue on 27th October 2022 by the directors of the Trustee company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Aged Care Act 1997, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The consolidated Trust is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent and all subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from it's involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 8a.

The assets, liabilities and results of the subsidiaries are fully consolidated into the financial statements of the Trust from the date on which control is obtained by the Trust. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure the uniformity of the accounting policies adopted by the consolidated Trust.

Equity interests in a subsidiary not attributable, directly or indirectly, to the consolidated Trust are presented as "non-controlling interests". The consolidated Trust initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiaries net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests' are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured in each reporting period to fair value recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combinations, other than those associated with the issue of financial instruments, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

The amount of goodwill recognised on acquisition of each subsidiary in which the Trust holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Trust can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). In such circumstances the Trust determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Trust's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(b) Fair Value of Assets and Liabilities

The consolidated Trust measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standards.

Fair value is the price the consolidated Trust would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

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

(c) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of investment property measured at fair value, the related deferred tax liability or deferred tax assets is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Land and buildings

Land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by management or external independent valuers. At the date of revaluation, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset i.e. restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Plant and equipment, Computer software, Motor vehicles and Buildings under construction (work in progress)

Plant and equipment, computer software, motor vehicles and buildings under construction are carried at cost less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Trust includes the cost of materials, direct labour and borrowing costs.

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

Depreciation

The depreciable amount of all fixed assets, but excluding freehold land, is depreciated on a straight-line basis or reducing balance basis over the asset's useful life to the Trust commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Buildings	2.50%	Straight Line
Leasehold Improvements	2.50%	Straight Line
Plant and Equipment	10% - 50%	Reducing Balance
Furniture and Fittings	10% - 40%	Reducing Balance
Low Value Pool	18.75% - 37.52%	Reducing Balance
Solar Panel Project	10%	Reducing Balance
Computer Software	25%	Straight Line
Motor Vehicles	25%	Reducing Balance

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

In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to note 1(i) for details of impairment).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Land and Buildings Held for Sale

Land and buildings held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Borrowing costs and holding costs incurred after development is completed are expensed. Profits are brought to account on the signing of an unconditional contract of sale if significant risks and rewards and effective control over the land and buildings are passed on to the buyer at this point.

(f) Refundable accommodation deposit (RAD)/accommodation bond liabilities

RADs/accommodation bond liabilities are non-interest bearing deposits made by aged care facility residents to the consolidated Trust upon admission.These deposits are liabilities which fall due and payable when the resident leaves the facility. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

RAD/accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/acommodation bond in accordance with the Aged Care Act 1997.

(g) Leases

The Trust as lessee

At inception of a contract, the consolidated Trust assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the consolidated Trust where the consolidaetd Trust is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the consolidated Trust uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:
- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the consolidated Trust anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Operating Leases

The minimum rental revenue of operating leases with fixed rental increases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are recognised on a straight-line basis.

Revenue from other leases is recognised in accordance with the lease agreement, which is considered to best represent the pattern of service rendered through the provision of the leased asset.

h) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the consolidated Trust becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consoldiated Trust commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.
A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at amortised cost on the basis of two primary criteria, being:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.
All of the following criteria need to be satisfied for derecognition of a financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Trust no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

Impairment

The consolidated Trust recognises a loss allowance for expected credit losses on contract assets (eg amount due from customers under contracts);
Loss allowance is not recognised for financial assets measured at fair value through profit or loss.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.
This approach is applicable to trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

The Directors of the Trust believe that no impairment needs to be accounted as at 30 June 2022.

(i) Impairment of Non Financial Assets

At the end of each reporting period, the consolidated Trust assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Employee Benefits

Short-term employee benefits

Provision is made for the consolidated Trust's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Long-term employee benefits

Provision is made for employees' long service leave, annual leave and sick leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The consolidated Trust's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the consolidated Trust does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(k) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Cash and Cash Equivalents

Cash and cash equivalents in the statement of cash flows include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(m) Revenue and Other Income

Revenue recognition

Aged care facility revenue comprises daily resident fees and Government funding grants and subsidies. Revenue from the rendering of a service or supply of a good is recognised upon the delivery of the service or good to the Resident. The Trust is entitled to charge retention fees to residents in respect of pre 1 July 2014 accommodation bonds held. These fees are regulated by the Department of Health and accrued by the Trust during the Resident's period of occupancy.
Interest income is recognised using the effective interest method.

All performance obligations are considered to be met on a daily basis and therefore the Trust does not have any outstanding performance obligations that have not been met at the reporting date.
All revenue is stated net of the amount of goods and services tax.

(n) Economic Dependency

The consolidated Trust is dependent on the Department of Health for the majority of its revenue used to operate the business. At the date of this report, the Trustees have no reason to believe the Department will not continue to provide such funding.

(o) Trade and Other Receivables

Trade and other receivables include amounts due from aged care residents and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. Refer to note 1(h) for further discussion on the determination and treatment of impairment losses.

(p) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of 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 borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

(s) Comparative Figures

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

Where the consolidated Trust retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, is presented.

(t) Critical Accounting Estimates and Judgements

The directors of the Trust evaluate estimates and judgements 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 consolidated Trust.

Key estimates

(i) Impairment

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

Key judgements

(i) Provisions for employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the consolidated Trust expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the following 12-month period, obligations for annual leave entitlements are required to be measured at the present value of the expected future payments to be made to employees.

(ii) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(iii) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably certain of being exercised is a key management judgement that the consolidated Trust will make. The consolidated Trust determines the likeliness to exercise on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the consolidated Trust.

(iv) Property, Plant and Equipment: Measurement of fair value

Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	**Level 2**	**Level 3**
Measurements based on quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly.	Measurements based on unobservable inputs for the asset.

Valuation Techniques

The consolidated Trust selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset being measured.

Land and buildings have been valued by management and/or external independent valuation experts using the Market approach which involves the utlisation of level 2 inputs such as prices and other relevant information generated by market transactions for similar assets.

(u) New and Amended Accounting Standards Adopted by the Trust

No new accounting standards had a material affect on the financial statements.

Note 2 Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2022 $	2021 $
Statement of Financial Position		
ASSETS		
Current assets	137,209,580	121,893,133
Non-current assets	420,728,769	425,844,524
TOTAL ASSETS	557,938,349	547,737,657
LIABILITIES		
Current liabilities	471,436,549	461,844,266
Non-current liabilities	38,197,979	41,206,405
TOTAL LIABILITIES	509,634,528	503,050,671
	48,303,821	44,686,986
EQUITY		
Issued capital	25,001	25,001
Revaluation Surplus	68,267,373	60,833,615
Retained earnings	(19,988,553)	(105,545,602)
TOTAL EQUITY	48,303,821	(44,686,986)
Statement of Profit or Loss and Other Comprehensive Income		
Income	138,883,316	125,913,231
Expense	(144,864,224)	(135,717,890)
Other comprehensive income : Gain on revaluation of land and buildings	741,269	741,269
Total net loss	(5,239,639)	(9,063,390)

Guarantees

At 30 June 2022, Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust and Controlled Entities has not entered into any guarantees, in relation to the debts of its subsidiaries.

Contingent liabilities

At 30 June 2022, Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust doesn't have any contingent liabilities.

Contractual commitments

At 30 June 2022, Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust has not entered into any contractual commitments for the development costs of land and buildings.

Note 3 Revenue and Other Income

	Note	2022 $	2021 $
Revenue and other income			
Other Income:			
- rent received		115,004	79,419
- Interest revenue - related entities	22c	2,118,419	2,948,597
- Interest Income on DAP		64,263	45,705
- Interest Income - Accommodation Bond		16,818	26,978
- Sundry Income		159,394	62,031
Total Other Income		2,473,898	3,162,730
- services revenue		157,285,616	142,730,354
- Covid-19 support supplement and allowance recoveries		1,204,738	2,295,080
Total service revenue		158,490,354	145,025,434
Total revenue and other income		160,964,252	148,188,164

Note 4 Income Tax Expense

The income tax expenses relates to one of the subsidiaries, Aegis Aged Care Mindarie Pty Ltd which is not a Trust entity.

	2022 $	2021 $
The components of tax expense comprise:		
Current tax	157,622	153,955
	157,622	153,955

(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2022	2021
Prima facie tax payable on profit from ordinary activities before income tax at 30%.	246,524	243,415
Less:		
Tax effect of:		
— Depreciation Deductible	88,902	89,460
Income tax attributable to subsidiary company	157,622	153,955
The applicable weighted average effective tax rates are as follows:	30%	30%

Note 5 Distribution Paid

	2022 $	2021 $
Distributions paid during the year	186,545	182,099

Note 6 Cash and Cash Equivalents

	Note	2022 $	2021 $
CURRENT			
Cash at bank		67,573,924	68,808,811
	25	67,573,924	68,808,811
Bank Overdraft	15	(99,559,169)	(117,475,080)
Total cash and cash equivalents		(31,985,245)	(48,666,269)

Reconciliation of cash

Cash at end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2022 $	2021 $
Cash at bank	67,573,924	68,808,811
Bank Overdraft	(99,559,169)	(117,475,080)
	(31,985,245)	(48,666,269)

Note 7 Trade and Other Receivables

	Note	2022 $	2021 $
CURRENT			
Trade receivables	*	1,319,974	1,068,216
Accommodation bonds and refundable accommodation deposits	*	79,644,939	67,733,027
Accrued income		1,851,902	443,828
Prepayments		1,696,102	1,571,828
Other debtors	*	297,006	369,637
Total assets classified as trade and other receivables		84,809,923	71,186,536

Accommodation bonds and refundable accommodation deposits represent the unpaid portion of the amounts contractually owed to the consolidated Trust as per the resident agreement.

NON-CURRENT			
Amounts receivable from non-related entities		0	345,620
Amounts receivable from parent Trust		18,306	18,306
Amounts receivable from related entities		32,065,607	31,327,996
		32,083,913	31,691,922
Total trade and other receivables		116,893,836	102,878,458

		2022 $	2021 $
(a) Financial assets at amortised cost			
Trade and other receivables			
- Total current	*	81,261,919	69,170,880
- Total non-current		32,083,913	31,691,922
Financial assets as trade and other receivables	25	113,345,832	100,862,802

Note 8 Financial Assets

	Note	2022 $	2021 $
NON-CURRENT			
Available-for-sale financial assets	25	135	135
Available-for-sale financial assets comprise:			
Unlisted investments, at cost			
- shares in unlisted corporations		135	135
		135	135
Total available-for-sale financial assets		135	135

Note 9 Property, Plant and Equipment

	2022 $	Restated 2021 $
Land and buildings - at fair value		
Freehold land	54,214,624	48,050,739
Buildings	392,819,367	379,318,712
Accumulated Depreciation - Buildings	(45,560,943)	(39,612,177)
Total buildings	347,258,424	339,706,535
Leasehold Improvements	8,541,500	8,541,500
Accumulated Depreciation - Leasehold Improvements	(2,448,049)	(2,441,474)
Total leasehold improvements	6,093,451	6,100,026
Total land and buildings	407,566,499	393,857,300
Plant and equipment - at cost		
Plant & Equipment	16,033,791	14,408,630
Accumulated Depreciation - Plant & Equipment	(12,360,726)	(9,773,853)
Furniture & Fittings	13,768,922	12,998,146
Accumulated Depreciation - Furniture & Fittings	(10,644,320)	(9,028,417)
Low Value Pool	898,552	898,552
Accumulated Depreciation - Low Value Pool	(753,316)	(666,411)
Solar Panel Project	3,076,811	3,244,459
Accumulated Depreciation - Solar Panel	(1,375,447)	(1,193,380)
Total plant and equipment	8,644,267	10,887,726
Computer Software - at cost		
Computer Software	111,309	111,309
Accumulated Depreciation - Computer Software	(102,204)	(74,422)
Total computer software	9,105	36,887
Motor Vehicles - at cost		
Motor Vehicles	115,911	115,911
Accumulated Depreciation - Motor Vehicles	(109,316)	(107,118)
Total motor vehicles	6,595	8,793
Building Under Construction - at cost		
Building Under Construction	365,518	9,670,040
Total Building Under Construction	365,518	9,670,040
Total property, plant and equipment	416,591,984	414,460,746

Movements in Carrying Amounts

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

	Freehold land $	Buildings $	Leasehold improvements $	Plant and equipment $	Computer software $	Motor vehicles $	Building under construction $	Total $
Restated balance as at 1 July 2020	52,045,342	257,346,291	6,104,387	12,863,507	62,085	12,477	65,251,278	393,685,367
Additions	0	355,850	2,202	3,845,753	0	0	25,684,403	29,888,208
Disposals	0	0	0	0	0	(735)	0	(735)
Reclassification from building under construction	31,363	76,934,223	0	3,358,373	2,280	0	(80,326,239)	0
Reclassification to land and buildings held for sale - Shoreline	(4,025,966)	(526,685)	0	0	0	0	0	(4,552,651)
Reclassification to land and buildings held for sale - Dundebar (excluding land tax refund)	0	(3,589,614)	0		0	0	(939,402)	(4,529,016)
Revaluation increments/ (decrements) transferred to revaluation surplus and minority interest	0	14,859,547	146,750	0	0	0	0	15,006,297
Depreciation expense	0	(5,673,077)	(153,313)	(9,179,907)	(27,478)	(2,949)	0	(15,036,724)
Restated balance as at 30 June 2021	48,050,739	339,706,535	6,100,026	10,887,726	36,887	8,793	9,670,040	414,460,746
Net additions	0	85,559	0	1,315,162	0	0	760,498	2,161,219
Reclassification from building under construction	6,163,885	2,998,162	0	902,973	0	0	(10,065,020)	0
Revaluation increments/ (decrements) transferred to revaluation surplus and minority interest	0	11,107,211	146,750	0	0	0	0	11,253,961
Depreciation expense	0	(6,639,043)	(153,325)	(4,461,594)	(27,782)	(2,198)	0	(11,283,942)
Balance as at 30 June 2022	54,214,624	347,258,424	6,093,451	8,644,267	9,105	6,595	365,518	416,591,984

Note 10 Revaluation Surplus

	Restated 2021 Opening Balance $	2021 Revaluation Increment $	2021 Revaluation (Decrement) $	Total Movement on Revaluation $	Restated 2021 Closing Balance $
Revaluation Surplus	78,007,406	14,535,801	0	14,535,801	92,543,207
Revaluation Surplus as 30 June 2021	78,007,406	14,535,801	0	14,535,801	92,543,207

	2022 Opening Balance $	2022 Revaluation Increment $	2022 Revaluation (Decrement) $	Total Movement on Revaluation $	2022 Closing Balance $
Revaluation Surplus	92,543,207	10,783,879	0	10,783,879	103,327,086
Revaluation Surplus as 30 June 2022	92,543,207	10,783,879	0	10,783,879	103,327,086

Note 11 Investment Property

	2022 $	Restated 2021 $
Balance at beginning of period	0	0
Balance at end of the period	0	0

Note 12 Land and Buildings Held for Sale

	2022 $	2021 $
LAND AND BUILDINGS HELD FOR SALE :		
CURRENT		
Land and development costs - Ellenvale Apartments	0	2,083,404
Land and development costs - Amherst Apartments	670,531	657,807
	670,531	2,741,211
NON-CURRENT		
Land and development costs - Ellenvale Apartments	1,730,426	3,796,889
Land and development costs - Ellenvale Villas	2,132,270	2,115,988
Land and development costs - Amherst Apartments	9,241,237	11,367,692
Land and development costs - Dundebar	4,690,752	4,512,925
Land and development costs - Shoreline	4,612,681	4,553,034
	22,407,366	26,346,528
Total Land and building held for sale	23,077,897	29,087,739

Note 13 Right of Use Assets

Leased Land and Buildings
(i) AASB 16 related amounts recognised in the statement of financial position

	2022 $	2021 $
Cost	15,504,911	15,504,911
Less accumulated amortisation	(3,815,445)	(2,543,630)
Carrying amount.	11,689,466	12,961,281
(ii) AASB 16 related amounts recognised in the statement of profit and loss		
Depreciation charge related to right of use assets	1,271,814	1,271,815
Cash Outflows from Leases		
- Interest expenses on lease liabilities	785,324	844,567
- Lease principal repayment	1,011,270	952,028
Total Cash Outflow from Leases	1,796,594	1,796,595

Note 14 Trade and Other Payables

	Note	2022 $	2021 $
CURRENT			
Sundry payables	*	21,576	23,569
Trade payables	*	176,635	321,904
Accommodation bonds and refundable accomodation deposits	*	391,925,426	365,114,877
Accrued expenses		1,617,725	1,513,204
Accrued salaries and wages		465,837	3,330,922
Deferred revenue		795,014	437,260
GST payable	*	55,108	30,395
		395,057,321	370,772,131
NON-CURRENT			
Amounts payable to non-related entities		36,274	38,342
Amounts related to parent Trust		12,821	12,821
Amounts payable to related entities		10,681,925	11,352,302
		10,731,020	11,403,465

Amounts payable to related entities are in relation to Aegis core debt. The core debt secured by a registered fixed and floating charge over the assets of combined entities of Aegis Group.

The consolidated Trust has significant levels of accommodation bonds and refundable accommodation deposits and they are classified as current liabilities as per Note 1(f). Notwithstanding this, due to their nature, the accommodation bonds and refundable accommodation deposits repaid are generally replaced with new refundable accommodation deposits and do not impact the liquidity of the Trust.

a. Financial liabilities at amortised cost classified as trade and other payables:

		2022 $	2021 $
Trade and other payables			
- Total current	*	392,178,745	365,490,745
- Total non-current		10,731,020	11,403,465
	25	402,909,765	376,894,210

Note 15 Borrowings

	Note	2022 $	2021 $
CURRENT			
Secured liabilities			
Department of health loan		0	275,000
Bank overdraft	6	99,559,169	117,475,080
		99,559,169	117,750,080
NON-CURRENT			
Secured liabilities			
Department of health loan		0	3,437,500
Bankwest		17,000,000	17,000,000
		17,000,000	20,437,500
TOTAL BORROWINGS	25	116,559,169	138,187,580

(a) Loan from Bankwest is secured on the Aegis Aged Care Assets and charged interest at the BBSY plus a margin of 1.25% with the outstanding amount repayable on the facility expiry date.

Note 16 Provisions

Analysis of Provisions

	2022	2021
CURRENT		
Annual and sick Leave	$	$
Balance at the start of the period	12,482,320	11,140,003
Additional provisions raised during year	967,153	1,506,976
Amounts used	(288,125)	(164,659)
Balance at the end of the period	13,161,348	12,482,320
Long Service Leave		
Balance at the start of the period	3,711,612	3,265,864
Additional provisions raised during year	477,249	457,773
Amounts used	0	(12,025)
Balance at the end of the period	4,188,861	3,711,612
Total Current	17,350,209	16,193,932
NON-CURRENT		
Long-term Employee Benefits		
Balance at the start of the period	1,645,314	1,664,013
Additional provisions raised during year	231,318	0
Amounts used	0	(18,699)
Balance at the end of the period	1,876,632	1,645,314

	2022 $	2021 $
Current	17,350,209	16,193,932
Non-current	1,876,632	1,645,314
	19,226,841	17,839,246

Provision for employee benefits

Provision of sick leave is an accrual for full time and part time employees to be used to pay personal sick leave and carer leave. The provision is measured at 60% of sick leave balances based on historical review of sick leave taken. Liabilities recognised in respect of sick leave provision are expected to be settled in the foreseeable future.

Provision for employee benefits represents amounts accrued for annual leave,sick leave and long service leave.
The current portion for this provision includes the total amount accrued for annual leave entitlements and long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Trust does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Trust does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.
The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 17 Lease Liabilities

	2022 $	2021 $
Current liabilities	1,074,223	1,011,271
Non-current liabilities	11,596,308	12,670,530
Total Lease Liabilities	12,670,531	13,681,801

Note 18 Tax

	2022 $	2021 $
CURRENT		
Income tax		
Current tax liability	879	6,670
	879	6,670

	Opening Balance	Charged to Profit or Loss	Closing Balance
NON-CURRENT			
Deferred tax liability	$	$	$
Asset revaluations	3,360,462	0	3,360,462
Balance as at 30 June 2021	3,360,462	0	3,360,462
Asset revaluations	3,360,462	0	3,360,462
Balance as at 30 June 2022	3,360,462	0	3,360,462

Note 19 Issued Units

	2022 No.	2021 No.
Number of fully paid units		
At beginning of the reporting period	25,001	25,001
At the end of the reporting period	25,001	25,001

Units are of equal value and unit holders are entitled to share in the income of Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust and Controlled Entities in proportion to their unit holding. Upon liquidation each unit holder is entitled to a pro rata share of the Trust's net assets.

Note 20 Cash Flow Information

	2022 $	Restated 2021 $
Reconciliation of profit attributable to unitholders to net cash provided by		
Loss for the year	(5,751,073)	(10,111,729)
Non cash flows in profit for the year:		
– Depreciation	11,283,942	15,036,724
– Loss on asset dispossal	0	735
– Amortisation expenses of right of use assets	1,271,814	1,271,815
– (Profit)/ Loss on sales of land & building for sale	864,721	216,062
Changes in assets and liabilities:		
– Decrease/(increase) in trade and other receivables	(1,711,475)	(885,917)
– Decrease/(increase) in inventories	(41,137)	(29,280)
– (Decrease)/increase in provisions	1,387,595	1,769,366
– (Decrease)/increase in trade and other payables	(2,525,359)	(1,007,182)
– (Decrease)/increase in income taxes payable	(5,791)	(35,591)
Net cash provided by operating activities	4,773,237	6,225,003

a. Loan facilities and Bank guarantees

(i) The Aegis Group has a bank facility limit of $85,000,000 (unused limit of $34,800,000) with Bankwest and a direct debit facility of $6,500,000 with Bankwest.

(ii) The core debt is secured by a registered fixed and floating charge over the assets of the Aegis combined entities.

Note 21 Events After the Reporting Period

The directors are not aware of any event subsequent to the end of the financial year which requires disclosure in the financial report.

Note 22 Related Party Transactions

Transaction with related parties:

(a) Key Management Personnel

The directors of Aegis Aged Care Group Pty Ltd, being the Trustee company of NHM Unit Trust, have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and are considered key management personnel (KMP) of the consolidated Trust. The directors are paid by Aegis Aged Care Management Pty Ltd. The directors appoint key facility management personnel to manage each facility in Aegis group and report directly to the directors.

(b) Remuneration of Key Facility Management Personnel

The totals of remuneration paid to the key facility management personnel of the Trust during the year are as follows:

	2022 $	2021 $
Salaries and wages	2,730,620	2,426,491
Short-term employee benefits	266,115	214,071
Long-term employee benefits	259,017	280,702
	3,255,752	2,921,264

(c) Other related entities

They are reported under note 7 (trade and other receivables) and note 14 (trade and other payables).

Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2022 $	2021 $
• Interest received	2,118,419	2,948,597
• Interest paid	931,960	1,763,023
• Admin Fees paid	6,085,282	6,086,539
• Agency Fees paid	9,387,476	7,706,607
• Rental paid	620,628	614,417

Note 23 Capital Commitments

The consolidated Trust does not have any capital commitments for the year ended 30th June 2021 and 30th June 2022.

Note 24 Contingent assets or liabilities

The consolidated Trust does not have any contingent assets or liabilities for the year ended 30th June 2021 and 30th June 2022.

Note 25 Financial Risk Management

The consolidated Trust's financial instruments consist mainly of deposits with banks, financial assets, accounts receivables and payables, and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 $	2021 $
Financial assets at amortised cost			
Cash and cash equivalents	6	67,573,924	68,808,811
Trade and other receivables	7a	113,345,832	100,862,802
Available-for-sale financial assets:			
- unlisted investments	8	135	135
		135	135
Total financial assets		180,919,891	169,671,748

		2022 $	2021 $
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	14a	402,909,765	376,894,210
- Borrowings	15	116,559,169	138,187,580
- Lease liabilities	17	12,670,531	13,681,801
Total financial liabilities		532,139,465	528,763,591

Financial Risk Management Policies

Management's overall risk management strategy seeks to assist the Trust in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Directors of the Trustee company on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for Trust operations. The consolidated Trust does not have any derivative instruments at 30 June 2022.

Risk management policies are approved and reviewed by the Directors on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the consolidated Trust is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a. Credit risk

The majority of the Trade receivables balance are Accommodation Bond and refundable accommodation deposits. These are refundable upon leaving the facility and as such there is no credit risk related to these assets and a corresponding liability is carried in the accounts. If bonds are not paid, the Trust are compensated with government mandated interest charge.

A less significant component of the Trade receivable balance relates to resident care fees outstanding. These fees are set by the government so they are easy covered by the lowest pension, with some funds to spare. The majority of these fees are automatically collected each month by direct debit or direct receipt of a residents pension. The current and potential exposure to bad debts is immaterial and as a result, the Trust have not reported a schedule of overdue receivables. The consolidated Trust does not have any material credit risk exposure to any single receivable or group receivables under financial instruments entered into by the consolidated Trust.

b. Liquidity risk

Liquidity risk arises from the possibility that the Trust might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Trust manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The consolidated Trust does not directly hold any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the tables to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		**1 to 5 Years**		**Over 5 Years**		**Total**	
	2022 **$**	**2021** **$**	**2022** **$**	**2021** **$**	**2022** **$**	**2021** **$**	**2022** **$**	**2021** **$**
Financial liabilities due for payment								
Sundry payables	392,178,745	365,490,745	0	0	10,731,020	11,403,465	402,909,765	376,894,210
Borrowings	99,559,169	117,750,080	0	1,100,000	17,000,000	19,337,500	116,559,169	138,187,580
Lease liabilities	1,074,223	1,011,271	6,459,147	6,081,119	5,137,161	6,589,411	12,670,531	13,681,801
Total contractual outflows	492,812,137	484,252,096	6,459,147	7,181,119	32,868,181	37,330,376	532,139,465	528,763,591
Financial assets - cash flows realisable								
Cash and cash equivalents	67,573,924	68,808,811	0	0	0	0	67,573,924	68,808,811
Trade and other receivables	81,261,919	69,170,880	0	0	32,083,913	31,691,922	113,345,832	100,862,802
Available-for-sale financial assets	0	0	0	0	135	135	135	135
Total anticipated inflows	148,835,843	137,979,691	0	0	32,084,048	31,692,057	180,919,891	169,671,748
Net (outflow)/inflow of financial instruments	(343,976,294)	(346,272,405)	(6,459,147)	(7,181,119)	(784,133)	(5,638,319)	(351,219,574)	(359,091,843)

c. Market risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Trust is also exposed to earnings volatility on floating rate debt which are limited to cash and cash equivalents.

d. Fair Values

Fair value estimation

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

e. Sensitivity analysis

The following table illustrates sensitivities to the Trust's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit/Equity
	$
Year ended 30 June 2022	
+/– 1% in interest rates	319,852
Year ended 30 June 2021	
+/– 1% in interest rates	486,663

Note 26 Fair Value Measurements

The consolidated Trust measures and recognises land and buildings at fair value on a recurring basis after initial recognition.

The carrying amount of land and buildings were previously valued at level 2 input fair value hierarchy using the market approach valuation technique.

Given the significance of the Level 2 inputs into the overall fair value measurement, these land and buildings are deemed to have been valued using Level 2 inputs.

Note 27 Segment Reporting

The approved consolidated Trust delivers only aged care services and this GPFR therefore relates only to such operations.

Note 28 Prior Period Adjustment

In previous financial years, the directors concluded the property, plant and equipment assets would be accounted for as Investment Properties in accordance with AASB 140 - Investment property on the basis, amongst other things, the properties are being held for capital appreciation.

As a consequence of changes currently occurring in the Aged Care industry in relation to the funding model and bed licences, along with current industry practice and Australian Accounting Standards, the directors have changed the accounting policy for property, plant and equipment assets. Refer to note 1(d) for further details. As a result where previously there was a single investment property carried at fair value through profit and loss (which included land and buildings, plant and equipment and fixtures and fittings), these have now been recognised as separate assets in accordance with the requirements of AASB 116. The land and buildings are carried at fair value. with adjustments recognised in the revaluation reserve and all other property, plant and equipment are now measured at cost.

The change in accounting policy has been reflected as a retrospective restatement in accordance with AASB 108 Accounting policies, changes in estimates and errors by restating each of the affected financial statement line items as follows:

	1-Jul-20 Original Balance	Increase/ (Decrease)	1-Jul-20 Restated
	$	$	$
1-July-2020 Statement of Financial Position			
Non-Current Assets			
Property, Plant and Equipment	74,562	393,610,805	393,685,367
Investment property	393,610,805	(393,610,805)	0
Equity			
Revaluation Surplus	0	78,007,406	78,007,406
Retained earnings	63,155,617	(86,694,086)	(23,538,469)
Minority interest	5,212,941	8,686,680	13,899,621

	1-Jul-20 Original Balance	Increase/ (Decrease)	1-Jul-20 Restated
	$	$	$
1-July-2020 Statement of Changes in Equity			
Revaluation Surplus	0	78,007,406	78,007,406
Minority Interest	5,212,941	8,686,680	13,899,621
Retained earnings	63,155,617	(86,694,086)	(23,538,469)

	30-Jun-21 Original Balance	Increase/ (Decrease)	30-Jun-21 Restated
	$	$	$
30-June-2021 Statement of Profit or Loss			
Expenses			
Depreciation expense	30,427	15,006,297	15,036,724
Profit/(loss) before income tax	5,048,523	(15,006,297)	(9,957,774)
Profit/(loss) attributable to unitholders	4,894,568	(15,006,297)	(10,111,729)

	30-Jun-21 Original Balance	Increase/ (Decrease)	30-Jun-21 Restated
	$	$	$
30-June-2021 Statement of Comprehensive income			
Profit/(loss) for the year	4,894,568	(15,006,297)	(10,111,729)
Gain on revaluation of land and buildings	0	14,535,801	14,535,801
Changes in minority interest	0	470,496	470,496
Total other comprehensive income	0	15,006,297	15,006,297

	30-Jun-21 Original Balance	Increase/ (Decrease)	30-Jun-21 Restated
	$	$	$
30-June-2021 Statement of Financial Position			
Non-Current Assets			
Property, Plant and Equipment	45,680	414,415,066	414,460,746
Investment property	414,415,066	(414,415,066)	0
Equity			
Revaluation Surplus	0	92,543,207	92,543,207
Retained earnings	68,430,218	(101,655,887)	(33,225,669)
Minority Interest	4,650,809	9,112,680	13,763,489

	30-Jun-21 Original Balance	Increase/ (Decrease)	30-Jun-21 Restated
	$	$	$
30-June-2021 Statement of Changes in Equity			
Profit /(loss) for the year	4,894,568	(15,006,297)	(10,111,729)
Other comprehensive income	0	15,006,297	15,006,297
Revaluation Surplus	0	92,543,207	92,543,207
Minority Interest	4,650,809	9,112,680	13,763,489
Retained earnings	68,430,218	(101,655,887)	(33,225,669)

	30-Jun-21 Original Balance	Increase/ (Decrease)	30-Jun-21 Restated
	$	$	$
Note 9 - Property, Plant and Equipment			
Land	0	48,050,739	48,050,739
Buildings	0	379,318,712	379,318,712
Accumulated Depreciation - Buildings	0	(39,612,177)	(39,612,177)
Leasehold Improvements	0	8,541,500	8,541,500
Accumulated Depreciation - Leasehold Improvements	0	(2,441,474)	(2,441,474)
Plant & Equipment	0	14,408,630	14,408,630
Accumulated Depreciation - Plant & Equipment	0	(9,773,853)	(9,773,853)
Furniture & Fittings	0	12,998,146	12,998,146
Accumulated Depreciation - Furniture & Fittings	0	(9,028,417)	(9,028,417)
Low Value Pool	0	898,552	898,552
Accumulated Depreciation - Low Value Pool	0	(666,411)	(666,411)
Solar Panel Project	0	3,244,459	3,244,459
Accumulated Depreciation - Solar Panel	0	(1,193,380)	(1,193,380)
Building Under Construction	0	9,670,040	9,670,040
Computer Software	111,309	0	111,309
Accumulated Depreciation - Computer Software	(74,422)	0	(74,422)
Motor Vehicles	115,911	0	115,911
Accumulated Depreciation - Motor Vehicles	(107,118)	0	(107,118)
Total Property, Plant and Equipment	45,680	414,415,066	414,460,746

	30-Jun-21 Original Balance	Increase/ (Decrease)	30-Jun-21 Restated
	$	$	$
Note 10 - Revaluation surplus			
Opening balance	0	78,007,406	78,007,406
Closing balance	0	92,543,207	92,543,207

	30-Jun-21 Original Balance	Increase/ (Decrease)	30-Jun-21 Restated
	$	$	$
Note 11 - Investment Property	414,415,066	(414,415,066)	0

	30-Jun-21 Original Balance	Increase/ (Decrease)	30-Jun-21 Restated
	$	$	$
Note 20 - Cash Flow Information			
Profit / (loss) for the year	4,894,568	(15,006,297)	(10,111,729)
Depreciation	30,427	15,006,297	15,036,724

Note 29 Investment in Subsidiaries

a. Information about Principal Subsidiaries

The Subsidiaries listed below have capital consisting of ordinary units, all of which are held directly by the Trust. The proportion of ownership interest held equals the voting rights held by the Trust. The subsidiaries principal place of business are also their country of registration.

Name of Subsidiary	Principal place of business	Ownership Interest held by Trust	
		2022 $ %	2021 $ %
Village Investment Trust	Perth, Western Australia	63.86%	63.86%
Aegis Aged Care Mindarie Pty Ltd	Perth, Western Australia	100.00%	100.00%
FNH Unit Trust	Perth, Western Australia	100.00%	100.00%
Ivermey St Trust	Perth, Western Australia	66.32%	66.32%
HHNH Unit Trust	Perth, Western Australia	67.64%	67.64%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Trust's financial statements.

b. Significant Restrictions

There are no significant restrictions over the Trust's ability to use assets and settle liabilities of the Trust.

Note 30 Trust Details

The registered office of the Trustee company is 90 Goodwood Parade Burswood WA 6100. Its principal activity is the provision of residential aged care services.

The principal places of business are:

Aegis Anchorage
340 Anchorage Drive
Mindarie WA 6030
RACS ID 7298

Aegis Woodlake
40 Woodlake Retreat
Kingsley WA 6026
RACS ID 7325

Aegis Banksia Park
44 Chilcott St
Calista WA 6167
RACS ID 7901

Aegis The Pines
167 Ponte Vecchio Boulevard
Ellenbrook WA 6100
RACS ID 7244

Aegis Carrington
27 Ivermey Road
Hamilton Hill WA
RACS ID 7874

Aegis Karalee
68 Lyall Street
Redcliffe WA 6104
RACS ID 7448

Aegis Alfred Carson
30 Bay Road
Claremont WA
RACS ID 7414

Aegis Hilton Park
19 Laidlaw Street
Hilton WA
RACS ID 7431

Aegis Lincoln Park
21 Wright Street
Highgate WA
RACS ID 7066

Aegis Ellenvale
Cnr Broadwater Blvd & Bell Drive
Broadwater (Busselton) WA 6280
RACS ID 7446

Aegis St Michaels
53 Wasley Street
North Pert WA 6006
RACS ID 7757

Aegis Montgomery House
One Heritage Lane
Mount Claremont WA 6010
RACS ID 7463

Aegis Amherst
75 Amherst Road
Canning Vale WA 6155
RACS ID 7410

Aegis Shorehaven
49 Scotthorn Drive
Alkimos WA 6038
RACS ID 7474

Aegis Shoreline
2 Kaleep Close
North Coogee WA 6163
RACS ID 7475

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
ABN: 32 193 862 750
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust and Controlled Entities, the directors of the trustee company declare that:

1. the financial statements and notes, as set out on pages1 to 19, present fairly the unit trust's financial position as at 30 June 2022 and its performance for the year ended on that date in accordance with Australian Accounting Standards; and

2. in the director's opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Director ______________________________

M C Cross

Dated this 27th day of October 2022

Moore Australia Audit (WA)

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INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF THE TRUSTEE COMPANY
AEGIS AGED CARE GROUP PTY LTD
ATF NHM UNIT TRUST AND CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust and controlled entities (the Trust), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust and controlled entities is in accordance with the *Aged Care Act 1997*:

i. giving a true and fair view of the Trust's financial position as at 30 June 2022 and of its performance for the year ended; and

ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations).

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 fulfilled our other ethical responsibilities with the Code.

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

Responsibilities of the Directors for the Financial Report

The directors of the Trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), *Aged Care Act 1997* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Trust's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF THE TRUSTEE COMPANY
AEGIS AGED CARE GROUP PTY LTD
ATF NHM UNIT TRUST AND CONTROLLED ENTITIES (CONTINUED)

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 Standard Board website at https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our audit report.

GREG GODWIN
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 27th day of October 2022.