

AEGIS AGED CARE SHOALWATER PTY LTD

ABN: 70 092 260 252

**Financial Report For The Year Ended
30 June 2022**



Aegis Aged Care Shoalwater Pty Ltd

ABN: 70 092 260 252

Financial Report For The Year Ended 30 June 2022

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AEGIS AGED CARE SHOALWATER PTY LTD
ABN: 70 092 260 252
DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2022.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

M C Cross
G S W Taylor

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$1,384,757.

A review of the operations of the company during the financial year and the results of those operations found that the company delivered a promising result for the year. Occupancy and Income results were good with staffing costs meeting expectations.

Significant Changes in the State of Affairs

No significant changes in the state of affairs of the company occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were the provision of residential aged care services. No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

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

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

Dividends of \$3,000,000 has been paid during the year.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

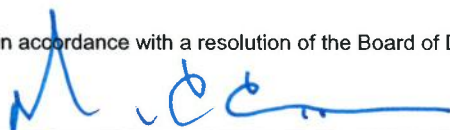
The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director



M C Cross

Dated this 27th day of October 2022

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AEGIS AGED CARE SHOALWATER PTY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



GREG GODWIN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 27th day of October 2022.

AEGIS AGED CARE SHOALWATER PTY LTD
ABN: 70 092 260 252
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2022

		2022	Restated*
	Note	\$	2021
		\$	\$
Revenue and other income	2	18,750,084	18,189,532
Employee benefits expense	3(a)	(11,373,323)	(11,305,782)
Depreciation expense	10	(807,536)	(1,059,842)
Administration fees		(758,698)	(818,520)
Agency and contracted services		(1,371,095)	(1,043,430)
Insurance		(219,236)	(213,618)
Rates, taxes and utilities		(498,708)	(516,767)
Finance costs	3(a)	(103,352)	(100,077)
Other expenses		(1,597,377)	(1,547,144)
Profit before income tax		2,020,759	1,584,352
Tax (expense) income	4(a)	(636,002)	(421,214)
Profit for the year		1,384,757	1,163,138

The accompanying notes form part of these financial statements.

* Refer to note 24 for details regarding the prior year adjustment due to a change in accounting policy.

AEGIS AGED CARE SHOALWATER PTY LTD
ABN: 70 092 260 252
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

		2022	Restated*
	Note	\$	\$
Profit for the year		1,384,757	1,163,138
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings	11	803,943	1,055,676
		<u>803,943</u>	<u>1,055,676</u>
Total other comprehensive income for the year		<u>803,943</u>	<u>1,055,676</u>
Total comprehensive income for the year		<u><u>2,188,700</u></u>	<u><u>2,218,814</u></u>

The accompanying notes form part of these financial statements.

* Refer to note 24 for details regarding the prior year adjustment due to a change in accounting policy.

AEGIS AGED CARE SHOALWATER PTY LTD
ABN: 70 092 260 252
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	4,463,877	4,181,504	5,871,573
Trade and other receivables	7	8,725,234	7,347,156	7,038,790
Inventories	8	10,470	14,276	12,317
Other current assets	9	159,957	165,196	192,533
TOTAL CURRENT ASSETS		13,359,538	11,708,132	13,115,213
NON-CURRENT ASSETS				
Property, Plant and Equipment	10	36,461,867	36,296,937	35,929,594
Investment Property	12	0	0	0
Deferred tax assets	14	740,974	743,211	727,317
TOTAL NON-CURRENT ASSETS		37,202,841	37,040,148	36,656,911
TOTAL ASSETS		50,562,379	48,748,280	49,772,124
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	13	28,588,888	25,920,190	28,861,152
Current tax liabilities	14	168,968	56,114	247,731
Provisions	15	2,311,535	2,340,366	2,262,499
TOTAL CURRENT LIABILITIES		31,069,391	28,316,670	31,371,382
NON-CURRENT LIABILITIES				
Trade and other payables	13	1,506,776	1,652,625	1,723,391
Deferred tax liabilities	14	2,192,509	2,195,354	2,287,652
Provisions	15	158,377	137,005	161,887
TOTAL NON-CURRENT LIABILITIES		3,857,662	3,984,984	4,172,930
TOTAL LIABILITIES		34,927,053	32,301,654	35,544,312
NET ASSETS		15,635,326	16,446,626	14,227,812
EQUITY				
Issued capital	16	1,000	1,000	1,000
Revaluation Surplus	11	14,844,831	14,040,888	12,985,212
Retained earnings		789,495	2,404,738	1,241,600
TOTAL EQUITY		15,635,326	16,446,626	14,227,812

The accompanying notes form part of these financial statements.

* Refer to note 24 for details regarding the prior year adjustment due to a change in accounting policy.

AEGIS AGED CARE SHOALWATER PTY LTD
ABN: 70 092 260 252
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

		Share Capital		Reserves	
	Note	Ordinary	Retained	Revaluation	Total
		\$	Earnings	Surplus	\$
			\$	\$	
Balance at 1 July 2020		1,000	14,226,812	0	14,227,812
Change in accounting policy	24	0	(12,985,212)	12,985,212	0
Restated balance at 1 July 2020*		1,000	1,241,600	12,985,212	14,227,812
Comprehensive income					
Profit for the year		0	1,163,138	0	1,163,138
Other comprehensive income for the year	11	0	0	1,055,676	1,055,676
Restated total comprehensive income for the year attributable to members of the entity*		0	1,163,138	1,055,676	2,218,814
Transactions with owners, in their capacity as owners, and other transfers					
Dividends paid or provided for	5	0	0	0	0
Total transactions with owners and other transfers		0	0	0	0
Restated Balance at 30 June 2021*		1,000	2,404,738	14,040,888	16,446,626
Restated Balance at 1 July 2021*		1,000	2,404,738	14,040,888	16,446,626
Comprehensive income					
Profit for the year		0	1,384,757	0	1,384,757
Other comprehensive income for the year	11	0	0	803,943	803,943
Total comprehensive income for the year attributable to members of the entity		0	1,384,757	803,943	2,188,700
Transactions with owners, in their capacity as owners, and other transfers					
Dividends paid or provided for	5	0	(3,000,000)	0	(3,000,000)
Total transactions with owners and other transfers		0	(3,000,000)	0	(3,000,000)
Balance at 30 June 2022		1,000	789,495	14,844,831	15,635,326

The accompanying notes form part of these financial statements.

* Refer to note 24 for details regarding the prior year adjustment due to a change in accounting policy.

AEGIS AGED CARE SHOALWATER PTY LTD
ABN: 70 092 260 252
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and government grants	18,319,994	18,161,252
Payments to suppliers and employees	(16,001,636)	(15,433,724)
Interest received	16,089	106,315
Finance costs	(103,352)	(100,077)
Income tax paid	(523,757)	(721,024)
Net cash provided by operating activities	17(a) <u>1,707,338</u>	<u>2,012,742</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	10 (168,523)	(371,509)
Loan payments made to related parties	<u>(145,849)</u>	<u>(70,766)</u>
Net cash used in investing activities	<u>(314,372)</u>	<u>(442,275)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	5 (3,000,000)	0
Funds from Refundable Accommodation Deposits	<u>1,889,407</u>	<u>(3,260,536)</u>
Net cash used in financing activities	<u>(1,110,593)</u>	<u>(3,260,536)</u>
Net increase/(decrease) in cash held	282,373	(1,690,069)
Cash at beginning of financial year	4,181,504	5,871,573
Cash at end of financial year	6 <u>4,463,877</u>	<u>4,181,504</u>

The accompanying notes form part of these financial statements.

AEGIS AGED CARE SHOALWATER PTY LTD
ABN: 70 092 260 252
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

These financial statements and notes represent Aegis Aged Care Shoalwater Pty Ltd. Aegis Aged Care Shoalwater Pty Ltd is a company limited by shares, incorporated and domiciled in Australia

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

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and the Aged Care Act 1997. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at 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) Income Tax

The income tax expense (income) 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.

No deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable 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 property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset 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 than 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 entirely 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.

(b) Fair Value of Assets and Liabilities

The company 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 company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. 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 (ie 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.

AEGIS AGED CARE SHOALWATER PTY LTD**ABN: 70 092 260 252****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022****(c) Refundable accommodation deposit (RAD)/accommodation bond liabilities**

RADs/accommodation bond liabilities are non-interest bearing deposits made by aged care facility residents to the company upon admission. These deposits are liabilities which fall due and payable when the resident leaves the facility. As there is no unconditional rights 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/accommodation bond in accordance with the Aged Care Act 1997.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(e) 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 Vehicle and Buildings under construction (work in progress)

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

The cost of fixed assets constructed within the Company 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 Company 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 or reducing balance basis over the asset's useful life to the Company 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
Plant and Equipment	10 - 20%	Reducing Balance
Furniture and Fittings	10 - 33%	Reducing Balance
Low Value Pool	18.75% - 37.52%	Reducing Balance
Solar Panel Project	10%	Reducing Balance
Computer Software	25%	Straight Line
Motor Vehicle	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(g) 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.

(f) Financial Instruments**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sale of the asset (i.e. 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.

AEGIS AGED CARE SHOALWATER PTY LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 the 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 company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The company 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 company believe that no impairment needs to be accounted as at 30 June 2022.

AEGIS AGED CARE SHOALWATER PTY LTD

ABN: 70 092 260 252

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(g) Impairment of Non-Financial Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information 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: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

(h) Employee Benefits

Short-term employee benefits

Provision is made for the company'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 and 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 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 company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company 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.

(i) Provisions

Provisions are recognised when the company 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.

(j) 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.

(k) 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 company 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 company 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.

(l) Economic Dependency

The company 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 company have no reason to believe the Department will not continue to provide such funding.

(m) Trade and other receivables

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(f) for further discussion on the determination of impairment losses.

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company 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.

(o) 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.

AEGIS AGED CARE SHOALWATER PTY LTD

ABN: 70 092 260 252

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(p) 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.

(q) 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 company 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 earliest comparative period will be disclosed.

(r) Critical Accounting Estimates and Judgements

The directors 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 company.

Key estimates

(i) Impairment - general

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company 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) Provision 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 services. As the company 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) 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 Company 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 utilisation of level 2 inputs such as prices and other relevant information generated by market transactions for similar assets.

(s) New and Amended Accounting Standards Adopted by the Company

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

AEGIS AGED CARE SHOALWATER PTY LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 2 Revenue and Other Income

	Note	2022 \$	2021 \$
Other revenue:			
— Interest revenue - related entities	20(c)	8,527	92,024
— Interest Income on DAP		7,562	14,291
— Sundry Income		21,684	37,907
Total other revenue		<u>37,773</u>	<u>144,222</u>
— Services revenue		18,434,879	17,759,932
— Covid-19 support supplement and allowance recoveries		277,432	285,378
Total service revenue		<u>18,712,311</u>	<u>18,045,310</u>
Total revenue and other income		<u><u>18,750,084</u></u>	<u><u>18,189,532</u></u>

Note 3 Profit before Income Tax

Profit before income tax from continuing operations includes the following specific expenses:

(a) Expenses

		2022 \$	2021 \$
Interest expense on financial liabilities			
— Related entities	20(c)	38,659	45,045
— Bond and RAD Refunds		64,205	54,529
— Bank charges		488	503
Total finance costs		<u>103,352</u>	<u>100,077</u>
Employee benefits expense:			
— Employee remuneration including superannuation		11,373,323	11,305,782
Total employee benefits expense		<u>11,373,323</u>	<u>11,305,782</u>

Note 4 Tax Expense

		2022 \$	2021 \$
(a) The components of tax expense/(income) comprise:			
Current tax		636,610	529,408
Deferred tax	14	(608)	(24,327)
Over/(under) provision in respect of prior years		<u>0</u>	<u>(83,867)</u>
		<u>636,002</u>	<u>421,214</u>
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2021: 30%)		606,228	475,306
Add:			
Tax effect of:			
— increase/(decrease) in provisions		(2,237)	(15,895)
— decrease/(increase) in prepayments		2,845	(92,298)
— others		29,166	54,101
		<u>636,002</u>	<u>421,214</u>
The applicable weighted average effective tax rates are as follows:		31.5%	26.6%

Note 5 Dividends

	2022 \$	2021 \$
Distributions paid		
Declared partially franked ordinary dividend of \$3,000 (2021: NIL) dollars per share franked at the tax rate of 30%.	3,000,000	0
Total dividends (dollars) per share for the period	<u>3,000,000</u>	<u>0</u>

Note 6 Cash and Cash Equivalents

	2022 \$	2021 \$
CURRENT		
Cash at bank	<u>4,463,877</u>	<u>4,181,504</u>
	<u>4,463,877</u>	<u>4,181,504</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>4,463,877</u>	<u>4,181,504</u>
	<u>4,463,877</u>	<u>4,181,504</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 7 Trade and Other Receivables

	Note	2022 \$	2021 \$
CURRENT			
Trade receivables		153,451	60,483
Accommodation bonds and refundable accommodation		8,094,771	7,111,185
Deferred revenue		0	61,363
Other debtors		477,012	114,125
Total current trade and other receivables	7(a) *	<u>8,725,234</u>	<u>7,347,156</u>

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

(a) Financial assets at amortised cost

	Note	2022 \$	2021 \$
Trade and other Receivables			
— Total Current		8,725,234	7,347,156
Total financial assets classified as trade and other receivables	22	<u>8,725,234</u>	<u>7,347,156</u>

Note 8 Inventories

	2022 \$	2021 \$
CURRENT		
Consumables-at cost	10,470	14,276
	<u>10,470</u>	<u>14,276</u>

Note 9 Other Assets

	2022 \$	2021 \$
CURRENT		
Prepayments	159,957	165,196
	<u>159,957</u>	<u>165,196</u>

Note 10 Property, Plant and Equipment

	2022 \$	Restated 2021 \$
Land and buildings - at fair value		
Freehold land	8,138,528	8,138,528
Total land	<u>8,138,528</u>	<u>8,138,528</u>
Buildings	33,570,842	32,766,898
Accumulated Depreciation - Buildings	(6,051,110)	(5,583,301)
Total buildings	<u>27,519,732</u>	<u>27,183,597</u>
Total Land and buildings	<u>35,658,260</u>	<u>35,322,125</u>
Plant and equipment - at cost		
Plant & Equipment	1,775,144	1,620,456
Accumulated Depreciation - Plant & Equipment	(1,473,084)	(1,248,690)
Furniture & Fittings	1,215,255	1,201,420
Accumulated Depreciation - Furniture & Fittings	(933,431)	(850,030)
Low Value Pool	39,125	39,125
Accumulated Depreciation - Low Value Pool	(29,800)	(24,201)
Solar Panel Project	364,864	364,864
Accumulated Depreciation - Solar Panel	(160,187)	(137,446)
Total plant and equipment	<u>797,886</u>	<u>965,498</u>
Motor Vehicle - at cost		
Motor Vehicle	17,000	17,000
Accumulated Depreciation - Motor Vehicle	(11,849)	(10,132)
Total Motor Vehicle	<u>5,151</u>	<u>6,868</u>
Computer Software - at cost		
Computer Software	7,505	7,505
Accumulated Depreciation - Computer Software	(6,935)	(5,059)
Total Computer Software	<u>570</u>	<u>2,446</u>
Total Property, Plant and Equipment	<u>36,461,867</u>	<u>36,296,937</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Movement in carrying amounts

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

	Freehold land	Buildings	Plant and equipment	Computer software	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Restated Balance as at 30 June 2020	8,138,528	26,595,728	1,181,859	4,322	9,157	35,929,594
Net additions	0	0	371,509	0	0	371,509
Revaluation increments / (decrements) transferred to revaluation surplus	0	1,055,676	0	0	0	1,055,676
Depreciation expense	0	(467,807)	(587,870)	(1,876)	(2,289)	(1,059,842)
Restated Balance as at 30 June 2021	8,138,528	27,183,597	965,498	2,446	6,868	36,296,937
Net additions	0	0	168,523	0	0	168,523
Revaluation increments / (decrements) transferred to revaluation surplus	0	803,943	0	0	0	803,943
Depreciation expense	0	(467,808)	(336,135)	(1,876)	(1,717)	(807,536)
Balance as at 30 June 2022	8,138,528	27,519,732	797,886	570	5,151	36,461,867

Note 11 Revaluation Surplus

	Restated 2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	Restated 2021 Closing Balance
	\$	\$	\$	\$	\$
Revaluation Surplus	12,985,212	1,055,676	0	1,055,676	14,040,888
Revaluation Surplus as at 30 June 2021	12,985,212	1,055,676	0	1,055,676	14,040,888
	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$
Revaluation Surplus	14,040,888	803,943	0	803,943	14,844,831
Revaluation Surplus as at 30 June 2022	14,040,888	803,943	0	803,943	14,844,831

Note 12 Investment Property

	2022	Restated 2021
	\$	\$
Balance at start of the period	0	0
Addition resulting from capitalised expenditure	0	0
Balance at end of the period	0	0

Note 13 Trade and Other Payables

	Note	2022	2021
		\$	\$
CURRENT			
Accrued expenses		147,715	130,592
Accrued salaries and wages		54,360	366,782
Accommodation bonds and refundable accommodation deposits	*	28,295,809	25,422,816
Deferred Revenue	13(a)	91,004	0
		<u>28,588,888</u>	<u>25,920,190</u>
NON-CURRENT			
Amounts payable to:			
— other related parties	13(a)	1,506,776	1,652,625
		<u>1,506,776</u>	<u>1,652,625</u>
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
— Total Current	*	28,295,809	25,422,816
— Total Non-Current		1,506,776	1,652,625
Financial liabilities as trade and other payables	22	<u>29,802,585</u>	<u>27,075,441</u>

The company has significant levels of Accommodation Bonds and Refundable Accommodation Deposits and they are classified as current liabilities as per Note 1(c). Notwithstanding this, due to their nature, the balances remain constant as those repaid are generally replaced with new residents and do not impact the liquidity of the company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 14 Tax

		2022 \$	2021 \$
CURRENT			
Income tax payable		168,968	56,114
Total		<u>168,968</u>	<u>56,114</u>
NON-CURRENT			
	Opening Balance	(Charged)/ Credited to Profit or Loss	Closing Balance
Deferred tax liabilities	\$	\$	\$
Other	135,377	(92,298)	43,079
Asset Revaluations	2,152,275	0	2,152,275
Balance as at 30 June 2021	<u>2,287,652</u>	<u>(92,298)</u>	<u>2,195,354</u>
Other	43,079	(2,845)	40,234
Asset Revaluations	2,152,275	0	2,152,275
Balance as at 30 June 2022	<u>2,195,354</u>	<u>(2,845)</u>	<u>2,192,509</u>
	Opening Balance	(Charged)/ Credited to Profit or Loss	Closing Balance
Deferred tax assets	\$	\$	\$
Provisions - employee benefits	727,317	15,894	743,211
Balance as at 30 June 2021	<u>727,317</u>	<u>15,894</u>	<u>743,211</u>
Provisions - employee benefits	743,211	(2,237)	740,974
Balance as at 30 June 2022	<u>743,211</u>	<u>(2,237)</u>	<u>740,974</u>

Note 15 Provisions

Analysis of Provisions

	2022 \$	2021 \$
CURRENT		
Employee Benefits		
Balance at start of the year	2,340,366	2,262,499
Additional provisions raised during year	42,453	112,461
Amounts used	(71,284)	(34,594)
Balance at end of the year	<u>2,311,535</u>	<u>2,340,366</u>
NON-CURRENT		
Long-term Employee Benefits		
Balance at start of the year	137,005	161,887
Movement during year	21,372	(24,882)
Balance at end of the year	<u>158,377</u>	<u>137,005</u>

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, sick 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 company 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 company 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 16 Issued Capital

	2022 \$	2021 \$
1000 fully paid ordinary shares	<u>1,000</u>	<u>1,000</u>
	<u>1,000</u>	<u>1,000</u>
(a) Ordinary Shares		
	No. of shares	No. of shares
At the beginning of the reporting period	1,000	1,000
At the end of the reporting period	<u>1,000</u>	<u>1,000</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 17 Cash Flow Information

	2022 \$	Restated 2021 \$
(a) Reconciliation of cash flows from operating activities with profit after income tax		
Profit after income tax	1,384,757	1,163,138
Depreciation for the year	807,536	1,059,842
— (increase)/decrease in trade debtors and other receivables	(394,492)	78,035
— (increase)/decrease in other assets	5,239	27,337
— (increase)/decrease in inventories	3,805	(1,958)
— increase/(decrease) in deferred tax payable	(2,845)	(92,298)
— increase/(decrease) in trade and other payables	(204,294)	(66,830)
— increase/(decrease) in income taxes payable	112,854	(191,615)
— increase/(decrease) in deferred taxes receivable	2,237	(15,894)
— increase/(decrease) in provisions	(7,459)	52,985
Net cash provided by operating activities	<u>1,707,338</u>	<u>2,012,742</u>

(b) Loan facilities and Bank Guarantees

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

The core debt is secured by a registered fixed and floating charge over the assets of the Aegis combined entities, including the company and guarantees from the Directors.

Note 18 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 19 Capital Commitments

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

Note 20 Related Party Transactions

Transaction with related parties:

(a) Key Management Personnel

The directors of Shoalwater Pty Ltd, 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 company. 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 company during the year are as follows:

	2022 \$	2021 \$
Salaries and wages	184,313	164,257
Short-term employee benefits	53,574	56,738
Long-term employee benefits	62,974	56,117
	<u>300,861</u>	<u>277,112</u>

(c) Other related entities

They are reported under note 7 (trade and other receivables) and note 13 (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

The following transactions occurred with related parties:

	2022 \$	2021 \$
• Interest received	8,527	92,024
• Interest paid	38,659	45,045
• Admin Fees paid	661,633	732,613
• Agency Fees paid	845,720	615,052

Note 21 Contingent assets or liabilities

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 22 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

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	4,463,877	4,181,504
Trade and other receivables	7(a)	8,725,234	7,347,156
Total Financial Assets		<u>13,189,111</u>	<u>11,528,660</u>
Financial Liabilities at amortised costs			
— Trade and other payables	13(a)	29,802,585	27,075,441
Total Financial Liabilities		<u>29,802,585</u>	<u>27,075,441</u>

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors 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 company operations. The company 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 company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness.

(b) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained. Liquidity sensitivity has not been reported as there is no expectation or requirement to repay 'core debt' and debt on new projects is reduced by contributing a proportion of bonds received to repayments and does not result in liquidity risk.

The table below reflect an undiscounted contractual analysis for non-derivative financial liabilities. The company does not directly hold any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table 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	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	28,295,809	25,422,816	0	0	1,506,776	1,652,625	29,802,585	27,075,441
Total contractual outflows	28,295,809	25,422,816	0	0	1,506,776	1,652,625	29,802,585	27,075,441
Financial assets — cash flows realisable								
Cash and cash equivalents	4,463,877	4,181,504	0	0	0	0	4,463,877	4,181,504
Trade and other receivables	8,725,234	7,347,156	0	0	0	0	8,725,234	7,347,156
Total anticipated inflows	13,189,111	11,528,660	0	0	0	0	13,189,111	11,528,660
Net (outflow) / inflow on financial instruments	(15,106,698)	(13,894,156)	0	0	(1,506,776)	(1,652,625)	(16,613,474)	(15,546,781)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 company is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the company to interest rate risk are limited to cash and cash equivalents.

Interest rate risk for the company is managed together with other entities comprising the Aegis Group of residential aged care facilities which is a mix of fixed and floating rate debt. The Aegis Group maintains 'core debt' with the banks lending on the value of established aged care facilities on an interest only basis and with no expectation or requirement to reduce the borrowing. As a result we have not reported a schedule of the maturity of financial instruments exposed to interest rate risk.

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

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	4,463,877	4,463,877	4,181,504	4,181,504
Trade and other receivables	8,725,234	8,725,234	7,347,156	7,347,156
Total financial assets	<u>13,189,111</u>	<u>13,189,111</u>	<u>11,528,660</u>	<u>11,528,660</u>
Financial liabilities				
Trade and other payables	29,802,585	29,802,585	27,075,441	27,075,441
Total financial liabilities	<u>29,802,585</u>	<u>29,802,585</u>	<u>27,075,441</u>	<u>27,075,441</u>

The fair values disclosed in the above table have been determined based on the following methodologies:

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.

e. Sensitivity analysis

The following table illustrates sensitivities to the company'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	44,639
Year ended 30 June 2021	
+/- 1% in interest rates	41,815

Note 23 Fair Value Measurements

The company 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 24 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(e) 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:

AEGIS AGED CARE SHOALWATER PTY LTD
ABN: 70 092 260 252
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	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	13,480	35,916,114	35,929,594
Investment property	35,916,114	(35,916,114)	0
Equity			
Revaluation Surplus	0	12,985,212	12,985,212
Retained earnings	14,226,812	(12,985,212)	1,241,600
	1-Jul-20		1-Jul-20
	Original	Increase/	Restated
	Balance	(Decrease)	
	\$	\$	\$
1-July-2020 Statement of Changes in Equity			
Revaluation Surplus	0	12,985,212	12,985,212
Retained earnings	14,226,812	(12,985,212)	1,241,600
	30-Jun-21		30-Jun-21
	Original	Increase/	Restated
	Balance	(Decrease)	
	\$	\$	\$
30-June-2021 Statement of Profit or Loss			
Expenses			
Depreciation expense	(4,166)	(1,055,676)	(1,059,842)
Profit for the year	2,218,814	(1,055,676)	1,163,138
	30-Jun-21		30-Jun-21
	Original	Increase/	Restated
	Balance	(Decrease)	
	\$	\$	\$
30-June-2021 Statement of Comprehensive income			
Profit for the year	2,218,814	(1,055,676)	1,163,138
Gain on revaluation of land and buildings	0	1,055,676	1,055,676
Total other comprehensive income	0	1,055,676	1,055,676
	30-Jun-21		30-Jun-21
	Original	Increase/	Restated
	Balance	(Decrease)	
	\$	\$	\$
30-June-2021 Statement of Financial Position			
Non-Current Assets			
Property, Plant and Equipment	9,314	36,287,623	36,296,937
Investment property	36,287,623	(36,287,623)	0
Equity			
Revaluation Surplus	0	14,040,888	14,040,888
Retained earnings	16,445,626	(14,040,888)	2,404,738
	30-Jun-21		30-Jun-21
	Original	Increase/	Restated
	Balance	(Decrease)	
	\$	\$	\$
30-June-2021 Statement of Changes in Equity			
Profit for the year	2,218,814	(1,055,676)	1,163,138
Other comprehensive income	0	1,055,676	1,055,676
Revaluation Surplus	0	14,040,888	14,040,888
Retained earnings	16,445,626	(14,040,888)	2,404,738

AEGIS AGED CARE SHOALWATER PTY LTD
ABN: 70 092 260 252
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	30-Jun-21	30-Jun-21	
	Original Balance	Increase/ (Decrease)	Restated
	\$	\$	\$
Note 10 - Property, Plant and Equipment			
Land	0	8,138,528	8,138,528
Buildings	0	32,766,898	32,766,898
Accumulated Depreciation - Buildings	0	(5,583,301)	(5,583,301)
Plant & Equipment	0	1,620,456	1,620,456
Accumulated Depreciation - Plant & Equipment	0	(1,248,690)	(1,248,690)
Furniture & Fittings	0	1,201,420	1,201,420
Accumulated Depreciation - Furniture & Fittings	0	(850,030)	(850,030)
Low Value Pool	0	39,125	39,125
Accumulated Depreciation - Low Value Pool	0	(24,201)	(24,201)
Solar Panel Project	0	364,864	364,864
Accumulated Depreciation - Solar Panel	0	(137,446)	(137,446)
Motor Vehicle	17,000	0	17,000
Accumulated Depreciation - Motor Vehicle	(10,132)	0	(10,132)
Computer Software	7,505	0	7,505
Accumulated Depreciation - Computer Software	(5,059)	0	(5,059)
Total Property, Plant and Equipment	9,314	36,287,623	36,296,937

	30-Jun-21	30-Jun-21	
	Original Balance	Increase/ (Decrease)	Restated
	\$	\$	\$
Note 11 - Revaluation surplus			
Opening balance	0	12,985,212	12,985,212
Closing balance	0	14,040,888	14,040,888

	30-Jun-21	30-Jun-21	
	Original Balance	Increase/ (Decrease)	Restated
	\$	\$	\$
Note 12 - Investment Properties	36,287,623	(36,287,623)	0

	30-Jun-21	30-Jun-21	
	Original Balance	Increase/ (Decrease)	Restated
	\$	\$	\$
Note 17(a) - Cash Flow Information			
Profit / (loss) for the year	2,218,814	(1,055,676)	1,163,138
Depreciation	4,166	1,055,676	1,059,842

Note 25 Segment Reporting

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

Note 26 Company Details

The registered office of the company is:
Aegis Aged Care Shoalwater Pty Ltd
90 Goodwood Parade
Burswood WA 6100

The principal place of business is:
Aegis Aged Care Shoalwater Pty Ltd
Aegis Shoalwater
70 Fourth Avenue
Shoalwater WA 6169

AEGIS AGED CARE SHOALWATER PTY LTD
ABN: 70 092 260 252
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Aegis Aged Care Shoalwater Pty Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 21, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company 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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AEGIS AGED CARE SHOALWATER PTY LTD
ABN 70 092 260 252**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aegis Aged Care Shoalwater Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and 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 Shoalwater Pty Ltd is in accordance with the *Aged Care Act 1997* and the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 company in accordance with the independence requirements of the *Corporation Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethical responsibilities 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 company 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*, *Corporations Act 2001* 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 company are responsible for assessing the company'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 company to cease operations, or have no realistic alternative but to do so.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AEGIS AGED CARE SHOALWATER PTY LTD
ABN 70 092 260 252 (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 http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.



GREG GODWIN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 27th day of October 2022.