CARRINGTON AGED CARE FACILITY PTY LTD ATF IVERMEY STREET TRUST AND CONTROLLED ENTITY

ABN: 80 590 856 024

Financial Report For The Year Ended 30 June 2023

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CONTENTS **Page**

Statement of Profit or Loss	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Directors' Declaration	20
Independent Auditor's Report	21

CARRINGTON AGED CARE FACILITY PTY LTD ATF IVERMEY STREET TRUST AND CONTROLLED ENTITY

ABN: 80 590 856 024

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue			
Revenue and other income	3	13,077,579	12,113,550
Total Revenue		13,077,579	12,113,550
Expenses			
Wages and salaries		7,727,403	7,447,916
Depreciation Expense	6	629,160	716,642
Other expenses		1,240,159	1,101,962
Administration fees		543,521	537,912
Agency and contracted services		978,704	1,063,734
Finance costs		281,102	275,087
Insurance		164,256	149,966
Rates, taxes and utilities		418,629	378,018
Total Expenses		11,982,934	11,671,237
Profit attributable to unitholders		1,094,645	442,313

The accompanying notes form part of these financial statements.

CARRINGTON AGED CARE FACILITY PTY LTD ATF IVERMEY STREET TRUST AND CONTROLLED ENTITY
ABN: 80 590 856 024
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Profit for the year		1,094,645	442,313
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings	7	654,797	589,748
Changes in minority interest		166,502	125,018
Total other comprehensive income	6	821,299	714,766
Total comprehensive income for the year		1,915,944	1,157,079
Total comprehensive income attributable to unit holders		1,915,944	1,157,079

The accompanying notes form part of these financial statements.

CARRINGTON AGED CARE FACILITY PTY LTD ATF IVERMEY STREET TRUST AND CONTROLLED ENTITY
ABN: 80 590 856 024
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,365,630	319,764
Trade and other receivables	5	4,727,907	3,654,023
Inventories		12,886	15,688
TOTAL CURRENT ASSETS		7,106,423	3,989,475
NON-CURRENT ASSETS			
Property, plant and equipment	6	31,242,101	30,523,957
Trade and other receivables	5	3,144,879	2,960,528
TOTAL NON-CURRENT ASSETS		34,386,980	33,484,485
TOTAL ASSETS		41,493,403	37,473,960
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	21,817,919	19,326,380
Borrowings	9	0	263,538
Provisions	10	1,089,114	1,037,021
TOTAL CURRENT LIABILITIES		22,907,033	20,626,939
NON-CURRENT LIABILITIES			
Trade and other payables	8	791,436	686,733
Provisions	10	124,686	142,015
TOTAL NON-CURRENT LIABILITIES		916,122	828,748
TOTAL LIABILITIES		23,823,155	21,455,687
NET ASSETS		17,670,248	16,018,273
EQUITY			
Issued units	11	21,110	21,110
Minority interest		904,069	886,709
Revaluation surplus	7	18,567,509	17,912,712
Retained earnings		(1,822,440)	(2,802,258)
TOTAL EQUITY		17,670,248	16,018,273

The accompanying notes form part of these financial statements.

CARRINGTON AGED CARE FACILITY PTY LTD ATF IVERMEY STREET TRUST AND CONTROLLED ENTITY
ABN: 80 590 856 024
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Note	Issued Units	Retained Earnings	Revaluation Surplus	Sub Total	Minority Interest	Total
		$	$	$	$	$	$
Balance at 1 July 2021		21,110	(2,993,780)	17,322,964	14,350,294	761,671	15,111,965
Comprehensive income							
Profit for the year		0	191,522	0	191,522	250,791	442,313
Other comprehensive income	6, 7	0	0	589,748	589,748	125,018	714,766
Total comprehensive income for the year attributable to unitholders		0	191,522	589,748	781,270	375,809	1,157,079
Transactions with unitholders in their capacity as owners							
Distribution to unitholders		0	0	0	0	(250,771)	(250,771)
Total transactions with unitholders		0	0	0	0	(250,771)	(250,771)
Balance at 30 June 2022		21,110	(2,802,258)	17,912,712	15,131,564	886,709	16,018,273
Balance at 1 July 2022		21,110	(2,802,258)	17,912,712	15,131,564	886,709	16,018,273
Comprehensive income							
Profit for the year		0	979,818	0	979,818	114,827	1,094,645
Other comprehensive income	6, 7	0	0	654,797	654,797	166,502	821,299
Total comprehensive income for the year attributable to unitholders		0	979,818	654,797	1,634,615	281,329	1,915,944
Transactions with unitholders in their capacity as owners							
Distribution to unitholders		0	0	0	0	(263,969)	(263,969)
Total transactions with unitholders		0	0	0	0	(263,969)	(263,969)
Balance at 30 June 2023		21,110	(1,822,440)	18,567,509	16,766,179	904,069	17,670,248

The accompanying notes form part of these financial statements.

CARRINGTON AGED CARE FACILITY PTY LTD ATF IVERMEY STREET TRUST AND CONTROLLED ENTITY

ABN: 80 590 856 024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and government grants		12,663,467	11,247,716
Payments to suppliers and employees		(11,105,566)	(10,825,241)
Interest received		664,292	580,389
Finance costs		(281,102)	(275,087)
Net cash provided by operating activities	12	1,941,091	727,777
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment	6	(526,005)	(259,797)
Net cash used in investing activities		(526,005)	(259,797)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in loans to related parties		(184,351)	(101,416)
Distributions paid		(263,969)	(250,771)
Net movement in loans from related parties		104,703	(147,275)
Funds from Refundable Accommodation deposits		1,237,935	958,597
Net cash provided by financing activities		894,318	459,135
Net increase in cash held		2,309,404	927,115
Cash and cash equivalents at beginning of financial year		56,226	(870,889)
Cash and cash equivalents at end of financial year	4	2,365,630	56,226

The accompanying notes form part of these financial statements.

The financial statements cover the economic entity of Carrington Aged Care Facility Pty Ltd ATF Ivermey Street Trust and Controlled Entity. Carrington Aged Care Facility Pty Ltd ATF Ivermey Street Trust and Controlled Entity is a unit Trust, established and domiciled in Australia.

The financial statements were authorised for issue on 30th October 2023 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.

The assets, liabilities and results of the subsidiaries are fully consolidated into the financial statements of the consolidated 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.

(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 Standard.

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) 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 and Buildings under construction (work in progress)

Plant and equipment, computer software 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 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% - 20%	Reducing Balance
Furniture and Fittings	10% - 20%	Reducing Balance
Low Value Pool	18.75% - 37.52%	Reducing Balance
Solar Panel Project	10%	Reducing Balance
Computer Software	25%	Straight Line

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(f) 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.

(d) 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 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/acommodation bond in accordance with the Aged Care Act 1997.

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the 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 assets

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 consolidated Trust 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 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 consolidated Trust believe that no impairment needs to be accounted as at 30 June 2023.

(f) 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 consolidated Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) 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, 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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(e) for further discussion on the determination and treatment of impairment losses.

(m) Trade and Other Payables

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

(n) 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.

(o) 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.

(p) 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.

(q) 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 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 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) 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 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.

(iv) 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.

(r) 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.

	2023 $	2022 $
Statement of Financial Position		
ASSETS		
Current assets	6,841,990	3,408,650
Non-current assets	29,803,983	29,387,409
TOTAL ASSETS	36,645,973	32,796,059
LIABILITIES		
Current liabilities	22,961,307	20,455,727
Non-current liabilities	863,091	787,968
TOTAL LIABILITIES	23,824,398	21,243,695
NET ASSETS	12,821,576	11,552,364
EQUITY		
Issued capital	21,110	21,110
Revaluation surplus	14,374,862	13,936,326
Retained earnings	(1,574,396)	(2,405,072)
TOTAL EQUITY	12,821,576	11,552,364
Statement of Profit or Loss and Other Comprehensive Income		
Income	13,404,357	12,431,526
Expense	(12,573,681)	(12,166,485)
Other comprehensive income : Gain on revaluation of land and buildings	438,536	427,369
Total comprehensive income	1,269,212	692,410

Guarantees

Carrington Aged Care Facility Pty Ltd has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

Contingent liabilities

Carrington Aged Care Facility Pty Ltd is investigating compliance with employment entitlements. A complicated process is currently underway to determine any potential underpayments. We are unable to quantify the amounts as at 30 June 2023.

Note 3 Revenue and Other Income

	Note	2023 $	2022 $
Other revenue			
- Interest revenue - related entities	14(c)	409,537	328,820
- Interest revenue - other entities		254,181	251,382
- Interest Income on DAP		574	187
- Sundry income		126,515	6,227
Total other revenue		790,807	586,616
- Services revenue		12,100,509	11,411,785
- Covid-19 support supplement and allowance recoveries		186,263	115,149
Total service revenue		12,286,772	11,526,934
Total revenue and other income		13,077,579	12,113,550

Note 4 Cash and Cash Equivalents

		2023	2022
CURRENT	Note	$	$
Cash at bank	17	2,365,630	319,764
Bank Overdraft	9	0	(263,538)
Total cash and cash equivalents		2,365,630	56,226

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:

		2023	2022
		$	$
Cash at bank	17	2,365,630	319,764
Bank Overdraft	9	0	(263,538)
		2,365,630	56,226

Note 5 Trade and Other Receivables

		2023	2022
		$	$
CURRENT			
Trade receivables	*	54,936	139,121
Accommodation bonds and refundable accomodation deposits	*	4,536,110	3,229,940
Prepayments		136,861	118,968
Other debtors	*	0	165,994
Total assets classified as loans and receivables		4,727,907	3,654,023

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

		2023	2022
NON-CURRENT			
Trade and other receivables (amounts receivable from Parent Trust)		22,158	21,397
Trade and other receivables (amounts receivable from Ultimate Parent Trust)		14,637	14,637
Trade and other receivables (amounts receivable from related entities)		3,107,610	2,924,020
Trade and other receivables (amounts receivable from other shareholder)		474	474
Total assets classified as loans and receivables		3,144,879	2,960,528
Total Trade and Other Receivables		7,872,786	6,614,551

		2023	2022
(a) Financial assets at amortised cost		$	$
Trade and other receivables			
- Total current	*	4,591,046	3,535,055
- Total non-current		3,144,879	2,960,528
Financial assets as trade and other receivables	17	7,735,925	6,495,583

Note 6 Property, Plant and Equipment

	2023	2022
	$	$
Land and buildings - at fair value		
Freehold land	4,479,478	3,003,566
Buildings	26,851,191	27,505,804
Accumulated Depreciation - Buildings	(4,123,270)	(3,855,641)
Total buildings	22,727,921	23,650,163
Leasehold Improvements	4,371,906	4,371,906
Accumulated Depreciation - Leasehold Improvements	(1,505,406)	(1,431,906)
Total leasehold improvements	2,866,500	2,940,000
Total land and buildings	30,073,899	29,593,729
Plant and equipment - at cost		
Plant & Equipment	1,539,433	1,420,043
Accumulated Depreciation - Plant & Equipment	(1,251,524)	(1,058,038)
Furniture & Fittings	1,093,483	1,083,970
Accumulated Depreciation - Furniture & Fittings	(828,848)	(755,699)
Low Value Pool	107,620	107,620
Accumulated Depreciation - Low Value Pool	(104,021)	(98,155)
Solar Panel Project	278,108	278,107
Accumulated Depreciation - Solar Panel	(140,163)	(124,835)
Total plant and equipment	694,088	853,013

	2023	2022
Computer Software - at cost	$	$
Computer Software	7,505	7,505
Accumulated Depreciation - Computer Software	(7,505)	(7,301)
Total computer software	0	204
Building Under Construction - at cost		
Building Under Construction	474,114	77,011
Total Building Under Construction	474,114	77,011
Total property, plant and equipment	31,242,101	30,523,957

Movement in carrying amounts

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

	Freehold land $	Buildings $	Leasehold improvements $	Plant and equipment $	Computer software $	Building Under Construction $	Total $
Balance as at 1 July 2021	3,003,566	23,276,526	2,940,000	1,043,864	2,080	0	30,266,036
Net additions	0	0	0	182,786	0	77,011	259,797
Revaluation increments / (decrements) transferred to revaluation surplus and minority interest	0	641,266	73,500	0	0	0	714,766
Depreciation expense	0	(267,629)	(73,500)	(373,637)	(1,876)	0	(716,642)
Balance as at 30 June 2022	3,003,566	23,650,163	2,940,000	853,013	204	77,011	30,523,957
Net additions	0	0	0	128,902	0	397,103	526,005
Transfer	1,355,712	(1,355,712)	0	0	0	0	0
Revaluation increments / (decrements) transferred to revaluation surplus and minority interest	120,200	701,099	0	0	0	0	821,299
Depreciation expense	0	(267,629)	(73,500)	(287,827)	(204)	0	(629,160)
Balance as at 30 June 2023	4,479,478	22,727,921	2,866,500	694,088	0	474,114	31,242,101

Asset revaluations

Buildings
At the end of the reporting period, the buildings held by the Trust were valued by management based on benchmark fair values obtained from an external valuer. The fair value of the buildings was determined to be $22,727,921. The fair value of the buildings increased by $701,099.

This revaluation increment was credited directly to the revaluation surplus.

Freehold land
At the end of the reporting period, the freehold land held by the Trust was valued by management based on benchmark fair values obtained from an external valuer. The fair value of the freehold land was determined to be $4,479,478. The fair value of the freehold land increased by $120,200. The revaluation increment was credited directly to the revaluation surplus.

Refer to Note 18 for detailed disclosures regarding the fair value measurement of the Trust's freehold land and buildings.

Note 7 Revaluation Surplus

	2022 Opening Balance $	2022 Revaluation Increment $	2022 Revaluation (Decrement) $	Total Movement on Revaluation $	2022 Closing Balance $
Revaluation Surplus	17,322,964	589,748	0	589,748	17,912,712
Revaluation Surplus at 30 June 2022	17,322,964	589,748	0	589,748	17,912,712

	2023 Opening Balance $	2023 Revaluation Increment $	2023 Revaluation (Decrement) $	Total Movement on Revaluation $	2023 Closing Balance $
Revaluation Surplus	17,912,712	654,797	0	654,797	18,567,509
Revaluation Surplus at 30 June 2023	17,912,712	654,797	0	654,797	18,567,509

Note 8 Trade and Other Payables

	Note	2023 $	2022 $
CURRENT			
Sundry payables	*	27,945	0
Trade payables	*	0	2,640
Accommodation bonds and refundable accomodation deposits	*	21,547,783	19,003,678
Accrued expenses		97,468	121,831
Accrued salaries and wages		57,573	35,193
GST Payable	*	21,562	23,145
Deferred revenue		65,588	139,893
		21,817,919	19,326,380
NON-CURRENT			
Amounts payable to non related entities		38,708	36,274
Amounts payable to related entities (Parent Trust)		18,359	17,205
Amounts payable to related entities		734,369	633,254
	8a	791,436	686,733

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

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

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

		2023 $	2022 $
Trade and other payables			
- Total current	*	21,597,290	19,029,463
- Total non-current		791,436	686,733
Financial liabilities as trade and other payables	17	22,388,726	19,716,196

Note 9 Borrowings

	Note	2023 $	2022 $
CURRENT			
Secured liabilities			
Bank overdraft	4	0	263,538
TOTAL BORROWINGS	17	0	263,538

Aegis Aged Care Group has a cross guarantee which supports all entities within the group.

Note 10 Provisions

	2023	2022
Analysis of Provisions		
CURRENT		
Annual Leave and Sick leave	$	$
Balance at the start of the period	776,842	813,071
Movement during the year	67,429	(36,229)
Balance at the end of the period	844,271	776,842
Long Service Leave		
Balance at the start of the period	260,179	251,452
Movement during the year	(15,336)	8,727
Balance at the end of the period	244,843	260,179
Total Current	1,089,114	1,037,021
NON-CURRENT		
Long-term Employee Benefits		
Balance at the start of the period	142,015	122,383
Movement during the year	(17,329)	19,632
Balance at the end of the period	124,686	142,015

	2023	2022
	$	$
Current	1,089,114	1,037,021
Non-current	124,686	142,015
	1,213,800	1,179,036

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 consolidated Trust does not expect the full amount of annual 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 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 11 Issued Units

a. Units on Issue

	2023	**2022**
	No.	**No.**
Number of fully paid units		
At beginning of the reporting period	21,110	21,110
At the end of the reporting period	21,110	21,110

Units are of equal value and unit holders are entitled to share in the income of Carrington Aged Care Facility Pty Ltd ATF Ivermey Street Trust and Controlled Entity in proportion to their unit holding. Upon liquidation each unit holder is entitled to a pro rata share of the consolidated trust's net assets.

Note 12 Cash Flow Information

	2023	2022
	$	$
Reconciliation of loss attributable to unitholders with net cash provided by operating activities		
Profit/(Loss) for the year	1,094,645	442,313
Depreciation	629,160	716,642
Decrease/(increase) in inventories	2,801	(6,301)
Decrease/(increase) in trade and other receivables	232,287	(245,975)
Increase/(decrease) in provisions	34,764	(7,869)
Increase/(decrease) in trade and other payables	(52,566)	(171,033)
Net cash provided by operating activities	1,941,091	727,777

a. Loan facilities and Bank guarantees

(i) The Aegis Group has a bank facility limit of $105,000,000 (unused limit of $59,800,000) 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 13 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 14 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 Carrington 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:

	2023 $	2022 $
Salaries and wages	167,328	242,355
Short-term employee benefits	14,954	39,972
Long-term employee benefits	0	18,286
	182,282	300,613

(c) Other related entities

They are reported under Note 5 (trade and other receivables) and Note 8 (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:

	2023 $	2022 $
● Interest received	409,537	328,820
● Interest paid	239,889	241,259
● Admin Fees paid	445,610	466,236
● Agency Fee paid	815,783	979,115

Note 15 Capital Commitments

The Consolidated trust does not have any capital commitments for the year ended 30th June 2022 and 30th June 2023.

Note 16 Contingent liabilities

The Consolidated trust is investigating compliance with employment entitlements. A complicated process is currently underway to determine any potential underpayments. We are unable to quantify the amounts as at 30 June 2023.

Note 17 Financial Risk Management

The consolidated trust's financial instruments consist mainly of deposits with banks, 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	2023 $	2022 $
Financial assets at amortised cost			
Cash and cash equivalents	4	2,365,630	319,764
Trade and other receivables	5a	7,735,925	6,495,583
Total financial assets		10,101,555	6,815,347
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	8	22,388,726	19,716,196
- Borrowings	9	0	263,538
Total financial liabilities		22,388,726	19,979,734

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 consolidated trust operations. The consolidated trust does not have any derivative instruments at 30 June 2023.

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 bonds 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 accomodatiom bonds and refundable accomodation deposits 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 resident 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 consolidated trust might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated 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	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment								
Sundry payables	21,597,290	19,029,463	0	0	791,436	686,733	22,388,726	19,716,196
Bank overdraft	0	263,538	0	0	0	0	0	263,538
Total contractual outflows	21,597,290	19,293,001	0	0	791,436	686,733	22,388,726	19,979,734
Financial assets - cash flows realisable								
Cash and cash equivalents	2,365,630	319,764	0	0	0	0	2,365,630	319,764
Trade and other receivables	4,591,046	3,535,055	0	0	3,144,879	2,960,528	7,735,925	6,495,583
Total anticipated inflows	6,956,676	3,854,819	0	0	3,144,879	2,960,528	10,101,555	6,815,347
Net (outflow)/inflow of financial instruments	(14,640,614)	(15,438,182)	0	0	2,353,443	2,273,795	(12,287,171)	(13,164,387)

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 consolidated trust is also exposed to earnings volatility on floating rate debt.

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 2023	
+/– 1% in interest rates	23,656
Year ended 30 June 2022	
+/– 1% in interest rates	562

Note 18 Fair Value Measurements

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

a. Fair Value Hierarchy

		30 June 2023			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	**$**	**$**	**$**
Non-financial assets					
Freehold land	6	0	4,479,478	0	4,479,478
Buildings	6	0	22,727,921	0	22,727,921
Total non-financial assets recognised at fair value		0	27,207,399	0	27,207,399

		30 June 2022			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	**$**	**$**	**$**
Non-financial assets					
Freehold land	6	0	3,003,566	0	3,003,566
Buildings	6	0	23,650,163	0	23,650,163
Total non-financial assets recognised at fair value		0	26,653,729	0	26,653,729

b. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 30 June 2023	Valuation Technique(s)	Inputs Used
	$		
Non-financial assets			
Freehold land	4,479,478	Market approach using recent observable market data for similar lots of land	Number of beds, geographical location, demographics of facility, EBITDA forecasts, RAD book (excluding unrefunded RADs awaiting probate) and capitalisation rate
Buildings	22,727,921	Market approach using recent observable market data for similar properties	Number of beds, geographical location, demographics of facility, EBITDA forecasts, RAD book (excluding unrefunded RADs awaiting probate) and capitalisation rate
	27,207,399		

The fair value of freehold land and buildings is determined at least every three to five years based on valuations by management and/or external valuer. At the end of each intervening period, the directors review the valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data.

There were no changes during the period in the valuation techniques used by the Trust to determine Level 2 fair values.

Note 19 Segment Reporting

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

Note 20 Controlled Entities Consolidated

	Country of establishment	Percentage Owned	
		2023	2022
Parent entity			
Carrington Aged Care Facility Pty Ltd as trustee for the Ivermey Street Trust	Australia		
Subsidiaries			
Hamilton Hill Ownership Pty Ltd as trustee for the HHNH Unit Trust	Australia	56.50%	56.50%

Note 21 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 Carrington
27 Ivermey Road
Hamilton Hill WA
RACS ID 7874

CARRINGTON AGED CARE FACILITY PTY LTD ATF IVERMEY STREET TRUST AND CONTROLLED ENTITY
ABN: 80 590 856 024
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Carrington Aged Care Facility Pty Ltd ATF Ivermey Street Trust and Controlled Entity, the directors of the trustee company declare that:

1. the financial statements and notes, as set out on pages 1 to 19, present fairly the unit trust's financial position as at 30 June 2023 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 30th day of October 2023

Moore Australia Audit (WA)

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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE TRUSTEE COMPANY CARRINGTON AGED CARE FACILITY PTY LTD ATF IVERMEY STREET TRUST AND CONTROLLED ENTITY

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Carrington Aged Care Facility Pty Ltd ATF Ivermey Street Trust and controlled entity (the Trust), which comprises the consolidated statement of financial position as at 30 June 2023, 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 Carrington Aged Care Facility Pty Ltd ATF Ivermey Street Trust and controlled entity is in accordance with the *Aged Care Act 1997*, including:

i. giving a true and fair view of the Trust's financial position as at 30 June 2023 and of its financial performance for the year then 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
CARRINGTON AGED CARE FACILITY PTY LTD
ATF IVERMEY STREET TRUST AND CONTROLLED ENTITY (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 Standards 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 30th day of October 2023.