LAKESIDE HOSTEL PTY LTD ATF LAKESIDE HOSTEL UNIT TRUST AND CONTROLLED ENTITIES

ABN: 72 488 415 126

Financial Report For The Year Ended 30 June 2023

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ABN: 72 488 415 126
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue and other Income			
Service revenue	3	79,267,106	75,700,511
Other Income	3	8,031,350	5,160,820
Total revenue and other income		87,298,456	80,861,331
Expenses			
Wages and salaries		51,545,945	50,673,802
Depreciation Expense	7	3,642,879	3,798,116
Other expenses		8,055,265	7,609,369
Administration fees		3,371,671	3,440,151
Agency and contracted services		8,791,290	8,566,540
Finance costs		2,197,543	1,996,684
Insurance		1,111,258	998,385
Rates, taxes and utilities		2,825,099	2,715,360
Total Expenses		81,540,950	79,798,407
Profit attributable to unitholders		5,757,506	1,062,924

The accompanying notes form part of these financial statements.

LAKESIDE HOSTEL PTY LTD ATF LAKESIDE HOSTEL UNIT TRUST AND CONTROLLED ENTITIES
ABN: 72 488 415 126
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Profit for the year		5,757,506	1,062,924
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings	8	26,483,637	3,781,309
Total other comprehensive income		26,483,637	3,781,309
Total comprehensive income for the year		32,241,143	4,844,233
Total comprehensive income attributable to unit holders		32,241,143	4,844,233

The accompanying notes form part of these financial statements.

LAKESIDE HOSTEL PTY LTD ATF LAKESIDE HOSTEL UNIT TRUST AND CONTROLLED ENTITIES
ABN: 72 488 415 126
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	74,992,678	58,180,852
Trade and other receivables	5	39,817,404	43,439,184
Inventories		108,640	103,223
TOTAL CURRENT ASSETS		114,918,722	101,723,259
NON-CURRENT ASSETS			
Financial assets	6	138,755	138,755
Property, plant and equipment	7	233,776,710	209,779,073
Land and building held for sale	9	11,021,347	10,492,210
Trade and other receivables	5	19,381,296	16,649,308
TOTAL NON-CURRENT ASSETS		264,318,108	237,059,346
TOTAL ASSETS		379,236,830	338,782,605
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	197,461,306	189,093,773
Borrowings	11	13,445,818	14,785,676
Provisions	12	8,352,030	8,571,824
TOTAL CURRENT LIABILITIES		219,259,154	212,451,273
NON-CURRENT LIABILITIES			
Trade and other payables	10	36,356,898	28,246,410
Provisions	12	831,493	977,582
TOTAL NON-CURRENT LIABILITIES		37,188,391	29,223,992
TOTAL LIABILITIES		256,447,545	241,675,265
NET ASSETS		122,789,285	97,107,340
EQUITY			
Issued units	13	101	101
Revaluation Surplus	8	127,096,559	100,612,922
Retained earnings		(4,307,375)	(3,505,683)
TOTAL EQUITY		122,789,285	97,107,340

The accompanying notes form part of these financial statements.

LAKESIDE HOSTEL PTY LTD ATF LAKESIDE HOSTEL UNIT TRUST AND CONTROLLED ENTITIES
ABN: 72 488 415 126
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

		Issued Units	Retained Earnings	Revaluation Surplus	Total
		$	$		$
Balance at 1 July 2021		101	(4,245,080)	96,831,613	92,586,634
Comprehensive income					
Profit for the year		0	1,062,924	0	1,062,924
Other comprehensive income	8	0	0	3,781,309	3,781,309
Total comprehensive income for the year attributable to unitholders		0	1,062,924	3,781,309	4,844,233
Transactions with unitholders in their capacity as owners					
Distribution to unitholders		0	(323,527)	0	(323,527)
Total transactions with unitholders		0	(323,527)	0	(323,527)
Balance at 30 June 2022		101	(3,505,683)	100,612,922	97,107,340
Balance at 1 July 2022		101	(3,505,683)	100,612,922	97,107,340
Comprehensive income					
Profit for the year		0	5,757,506	0	5,757,506
Other comprehensive income	8	0	0	26,483,637	26,483,637
Total comprehensive income for the year attributable to unitholders		0	5,757,506	26,483,637	32,241,143
Transactions with unitholders in their capacity as owners					
Distribution to unitholders		0	(6,559,198)	0	(6,559,198)
Total transactions with unitholders		0	(6,559,198)	0	(6,559,198)
Balance at 30 June 2023		101	(4,307,375)	127,096,559	122,789,285

The accompanying notes form part of these financial statements.

LAKESIDE HOSTEL PTY LTD ATF LAKESIDE HOSTEL UNIT TRUST AND CONTROLLED ENTITIES
ABN: 72 488 415 126
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		81,082,443	75,077,060
Payments to suppliers and employees		(76,314,380)	(75,583,928)
Interest received		7,198,175	4,376,595
Finance costs		(2,197,543)	(1,996,684)
Net cash provided by operating activities	14	9,768,695	1,873,043
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase and development costs of land and buildings held for sale		(529,136)	(118,169)
Additions to Property, Plant and Equipment	7	(1,156,879)	(685,896)
Net cash used in investing activities		(1,686,015)	(804,065)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		0	(440,000)
Distributions paid		(6,559,198)	(323,527)
Loans from/(to) related parties		5,378,501	(990,287)
Funds from Refundable Accomodation Deposits		11,249,701	(3,936,015)
Net cash provided by/(used in) financing activities		10,069,004	(5,689,829)
Net decrease in cash held		18,151,684	(4,620,851)
Cash and cash equivalents at beginning of financial year		43,395,176	48,016,027
Cash and cash equivalents at end of financial year	4	61,546,860	43,395,176

The accompanying notes form part of these financial statements.

The financial statements cover the economic entity of Lakeside Hostel Pty Ltd ATF Lakeside Hostel Unit Trust and Controlled Entities. Lakeside Hostel Pty Ltd ATF Lakeside Hostel Unit Trust and Controlled Entities 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 Trust is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent and all subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from it's involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 6a.

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

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

Business combinations

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

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

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

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

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

Goodwill

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

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

Goodwill on acquisition of subsidiaries is included in intangible assets.

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

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

(b) Fair Value of Assets and Liabilities

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

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

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

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

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

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

(c) 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 basis or reducing balance basis over the asset's useful life to the Trust commencing from the time the asset is held ready for use.

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

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

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

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

(d) Land and Buildings Held for Sale

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

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

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

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

(f) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost.

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

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows

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

Impairment

The consolidated Trust recognises a loss allowance for expected credit losses on contract assets (eg amount due from customers under contracts);

Loss allowance is not recognised for financial assets measured at fair value through profit or loss.

Simplified approach

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

This approach is applicable to trade receivables.

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

Recognition of expected credit losses in financial statements

The Directors of the Trust believe that no impairment needs to be accounted as at 30 June 2023.

(g) Impairment of Non-Financial Assets

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

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

(h) Employee Benefits

Short-term employee benefits

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

Long-term employee benefits

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

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

(i) 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.

(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 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.

(l) 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.

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

(n) Trade and Other Payables

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

(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.

(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 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.

(r) Critical Accounting Estimates and Judgements

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

Key estimates

(i) Impairment

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

Key judgements

(i) Provisions for employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the 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.

(s) New and Amended Accounting Standards Adopted by the Trust
No new accounting standards had a material affect on the financial statements.

Note 2

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	5,038,669	5,570,384
Non-current assets	61,842,232	55,797,616
TOTAL ASSETS	66,880,901	61,368,000
LIABILITIES		
Current liabilities	28,798,936	30,872,918
Non-current liabilities	26,475,541	19,012,330
TOTAL LIABILITIES	55,274,477	49,885,248
Net assets	11,606,424	11,482,752
EQUITY		
Issued capital	101	101
Revaluation Surplus	15,910,205	15,483,574
Retained earnings	(4,303,882)	(4,000,923)
TOTAL EQUITY	11,606,424	11,482,752
Statement of Profit or Loss and Other Comprehensive Income		
Income	18,078,851	11,790,133
Expense	(12,572,770)	(11,569,300)
Other comprehensive income : Gain on revaluation of land and buildings	426,631	82,125
Total comprehensive income	5,932,712	302,958

Guarantees

Lakeside Hostel 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

Lakeside Hostel 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.

Contractual commitments

At 30 June 2023, Lakeside Hostel Pty Ltd has not entered into any contractual commitments for the acquisition of property, plant and equipment (2022: NIL).

Note 3 Revenue and Other Income

	Note	2023 $	2022 $
Revenue and other income			
Other Income:			
- rent received		654,679	632,628
- Interest revenue - related entities	16c	3,942,302	1,544,074
- Interest revenue - other entities		3,167,854	2,758,732
- Interest Income on DAP		62,839	41,726
- Interest Income - Accommodation Bond		25,180	32,063
- Sundry Income		178,496	151,597
Total Other Income		8,031,350	5,160,820
- Services revenue		78,574,468	75,002,369
- Covid-19 support supplement and allowance recoveries		692,638	698,142
Total service revenue		79,267,106	75,700,511
Total revenue and other income		87,298,456	80,861,331

Note 4 Cash and Cash Equivalents

	Note	2023 $	2022 $
CURRENT			
Cash at bank		74,992,678	58,180,852
	19	74,992,678	58,180,852
Bank overdraft	11	(13,445,818)	(14,785,676)
Total cash and cash equivalents		61,546,860	43,395,176

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		74,992,678	58,180,852
Bank Overdraft	11	(13,445,818)	(14,785,676)
		61,546,860	43,395,176

Note 5 Trade and Other Receivables

		2023 $	2022 $
CURRENT			
Trade receivables	*	925,339	968,479
Accommodation bonds and refundable accommodation deposits	*	37,692,368	40,495,455
Prepayments		903,297	739,829
Other receivables	*	296,400	1,235,421
Total assets classified as trade and other receivables		39,817,404	43,439,184
NON-CURRENT			
Amounts receivable from related entities		19,096,296	16,364,308
Amounts receivable from ultimate Parent Trust		285,000	285,000
		19,381,296	16,649,308
Total trade and other receivables		59,198,700	60,088,492

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 $
(a) Financial assets at amortised cost			
Trade and other receivables			
- Total current	*	38,914,107	42,699,355
- Total non-current		19,381,296	16,649,308
Financial assets as trade and other receivables	19	58,295,403	59,348,663

Note 6 Financial Assets

	Note	2023 $	2022 $
NON-CURRENT			
Unlisted investment, at cost			
- shares in unlisted corporation		138,755	138,755
Total available-for-sale financial assets	19	138,755	138,755

Available-for-sale financial assets comprise investment in the ordinary share capital of one entity. There are no fixed returns or fixed maturity date attached to this investment. The fair value of unlisted available-for-sale assets cannot be reliably measured as variability in the range of reasonable fair value estimates is insignificant. As a result, all unlisted investments are reflected at cost.

Note 7 Property, Plant and Equipment

	2023 $	2022 $
Land and buildings - at fair value		
Freehold land	69,983,167	27,571,863
Total land	69,983,167	27,571,863
Buildings	194,159,557	210,706,045
Accumulated Depreciation - Buildings	(35,579,730)	(33,907,443)
Total buildings	158,579,827	176,798,602
Leasehold Improvements	749,820	749,821
Accumulated Depreciation - Leasehold Improvements	(242,671)	(223,926)
Total leasehold improvements	507,149	525,895
Total land and buildings	229,070,143	204,896,360
Plant and equipment - at cost		
Plant & Equipment	7,455,299	6,849,287
Accumulated Depreciation - Plant & Equipment	(6,515,825)	(5,709,069)
Furniture & Fittings	5,147,211	4,947,083
Accumulated Depreciation - Furniture & Fittings	(4,493,864)	(4,129,801)
Low Value Pool	277,016	277,016
Accumulated Depreciation - Low Value Pool	(259,395)	(233,818)
Solar Panel Project	2,144,991	2,144,991
Accumulated Depreciation - Solar Panel	(1,057,708)	(936,900)
Total plant and equipment	2,697,725	3,208,789
Computer software - at cost		
Cost	67,755	67,755
Accumulated Depreciation	(67,755)	(63,359)
Total Computer Software	0	4,396
Building Under Construction - at cost		
Building Under Construction	2,008,842	1,669,528
Total Building Under Construction	2,008,842	1,669,528
Total Property, Plant and Equipment	233,776,710	209,779,073

Movement in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment 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 30 June 2021	27,571,863	175,540,410	544,626	3,849,598	21,203	1,582,284	209,109,984
Net additions	0	0	0	598,652	0	87,244	685,896
Revaluation increments / (decrements) transferred to revaluation surplus	0	3,781,309	0	0	0	0	3,781,309
Depreciation expense	0	(2,523,117)	(18,731)	(1,239,461)	(16,807)	0	(3,798,116)
Balance as at 30 June 2022	27,571,863	176,798,602	525,895	3,208,789	4,396	1,669,528	209,779,073
Net additions	0	11,425	0	806,140	0	339,314	1,156,879
Transfer	36,130,412	(36,130,412)	0	0	0	0	0
Revaluation increments / (decrements) transferred to revaluation surplus	6,280,892	20,202,745	0	0	0	0	26,483,637
Depreciation expense	0	(2,302,533)	(18,746)	(1,317,204)	(4,396)	0	(3,642,879)
Balance as at 30 June 2023	69,983,167	158,579,827	507,149	2,697,725	0	2,008,842	233,776,710

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 $158,579,827. The fair value of the buildings increased by $20,202,745. The 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 $69,983,167. The fair value of the freehold land increased by $6,280,892. The revaluation increment was credited directly to the revaluation surplus.

Refer to Note 20 for detailed disclosures regarding the fair value measurement of the Trust’s freehold land and buildings.

Note 8 Revaluation Surplus

	2022 Opening Balance $	2022 Revaluation Increment $	2022 Revaluation (Decrement) $	Total Movement on Revaluation $	2022 Closing Balance $
Revaluation Surplus	96,831,613	3,781,309	0	3,781,309	100,612,922
Revaluation Surplus as 30 June 2022	96,831,613	3,781,309	0	3,781,309	100,612,922

	2023 Opening Balance $	2023 Revaluation Increment $	2023 Revaluation (Decrement) $	Total Movement on Revaluation $	2023 Closing Balance $
Revaluation Surplus	100,612,922	26,483,637	0	26,483,637	127,096,559
Revaluation Surplus as 30 June 2023	100,612,922	26,483,637	0	26,483,637	127,096,559

Note 9 Land and Buildings Held for Sale

	Note	2023 $	2022 $
LAND AND BUILDINGS HELD FOR SALE : Mell Gardens			
NON-CURRENT			
Land and development costs		8,584,140	8,266,044
		8,584,140	8,266,044
LAND AND DEVELOPMENT COST: Lakelands			
NON-CURRENT			
Land and development Costs		2,437,207	2,226,166
		2,437,207	2,226,166
TOTAL		11,021,347	10,492,210

Note 10 Trade and Other Payables

	Note	2023 $	2022 $
CURRENT			
Accommodation bonds and accomodation refundable deposits	*	195,917,670	187,471,054
Accrued expenses		811,656	871,936
Accrued salaries and wages		361,502	208,553
Deferred revenue		370,478	542,230
		197,461,306	189,093,773
NON-CURRENT			
Amounts payable to related entities		36,356,898	28,246,410
		36,356,898	28,246,410

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

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

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

		2023 $	2022 $
Trade and other payables			
- Total current	*	195,917,670	187,471,054
- Total non-current		36,356,898	28,246,410
Financial liabilities as trade and other payables	19	232,274,568	215,717,464

Note 11 Borrowings

	Note	2023 $	2022 $
CURRENT			
Bank Overdraft	4	13,445,818	14,785,676
		13,445,818	14,785,676
TOTAL BORROWINGS	19	13,445,818	14,785,676

Note 12 Provisions

	2023	2022
Analysis of Provisions		
CURRENT		
Annual and Sick Leave	$	$
Balance at the start of the period	6,426,271	7,077,217
Movement during the period	(159,599)	(650,946)
Balance at the end of the period	6,266,672	6,426,271
Long Service Leave		
Balance at the start of the period	2,145,553	1,930,317
Additional provisions raised during year	0	215,236
Amounts used	(60,195)	0
Balance at the end of the period	2,085,358	2,145,553
Total Current	8,352,030	8,571,824
NON-CURRENT		
Long-term Employee Benefits		
Balance at the start of the period	977,582	1,008,367
Amounts used	(146,089)	(30,785)
Balance at the end of the period	831,493	977,582

	2023	2022
	$	$
Current	8,352,030	8,571,824
Non-current	831,493	977,582
	9,183,523	9,549,406

Provision for employee benefits

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

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

Note 13 Issued Units

a. Units on Issue

	2023	**2022**
	No.	**No.**
Number of fully paid units		
At beginning of the reporting period	101	101
At the end of the reporting period	101	101

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

Note 14 Cash Flow Information

	2023	2022
	$	$
(a) Reconciliation of profit attributable to unitholders with net cash provided by operating activities		
Profit for the year	5,757,506	1,062,924
Depreciation	3,642,879	3,798,116
(Increase)/decrease in trade and other receivables	818,693	(1,327,771)
(Increase)/decrease in inventories	(5,417)	(20,917)
Increase/(decrease) in provisions	(365,883)	(466,495)
Increase/(decrease) in trade and other payables	(79,083)	(1,172,814)
Net cash provided by operating activities	9,768,695	1,873,043

(b) Loan facilities and Bank guarantees

(i) The Aegis Group has a bank facility limit of $105,000,000 (unused limit of $59,800,000) 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 15 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 16 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 Sandstrom 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 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 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	1,167,967	1,223,870
Short-term employee benefits	103,581	153,302
Long-term employee benefits	54,483	85,578
	1,326,031	1,462,750

(c) Other related entities

They are reported under note 5 (trade and other receivables) and note 10 (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	3,942,302	1,544,074
• Interest paid	1,829,093	2,110,365
• Admin Fees	2,869,773	2,989,819
• Agency Fees	4,051,783	4,374,734
• Rental received	654,679	632,628

Note 17 Capital and Leasing Commitments

The consolidated Trust does not have any capital and leasing commitments for the year ended 30th June 2022 and 30th June 2023.

Note 18 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 19 Financial Risk Management

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

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

	Note	2023 $	2022 $
Financial assets at amortised cost			
Cash and cash equivalents	4	74,992,678	58,180,852
Trade and other receivables	5a	58,295,403	59,348,663
Available-for-sale financial assets:			
- unlisted investments	6	138,755	138,755
Total financial assets		133,426,836	117,668,270
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	10a	232,274,568	215,717,464
- Borrowings	11	13,445,818	14,785,676
Total financial liabilities		245,720,386	230,503,140

Financial Risk Management Policies

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

The main purpose of non-derivative financial instruments is to raise finance for Trust operations. The consolidated Trust does not have any derivative instruments at 30 June 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 Bond and refundable accommodation deposits. These are refundable upon leaving the facility and as such there is no credit risk related to these assets and a corresponding liability is carried in the accounts. If bonds are not paid, the Trust are compensated with government mandated interest charge.

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

b. Liquidity risk

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

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

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

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

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $
Financial liabilities due for payment								
Sundry payables	195,917,670	187,471,054	0	0	36,356,898	28,246,410	232,274,568	215,717,464
Bank Overdraft	13,445,818	14,785,676	0	0	0	0	13,445,818	14,785,676
Total contractual outflows	209,363,488	202,256,730	0	0	36,356,898	28,246,410	245,720,386	230,503,140
Financial assets - cash flows realisable								
Cash and cash equivalents	74,992,678	58,180,852	0	0	0	0	74,992,678	58,180,852
Trade and other receivables	38,914,107	42,699,355	0	0	19,381,296	16,649,308	58,295,403	59,348,663
Available for sale financial assets	0	0	0	0	138,755	138,755	138,755	138,755
Total anticipated inflows	113,906,785	100,880,207	0	0	19,520,051	16,788,063	133,426,836	117,668,270
Net (outflow)/inflow of financial instruments	(95,456,703)	(101,376,523)	0	0	(16,836,847)	(11,458,347)	(112,293,550)	(112,834,870)

c. Market risk

i. Interest rate risk

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

d. Fair Values

Fair value estimation

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

e. Sensitivity analysis

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

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

	Profit/Equity $
Year ended 30 June 2023	
+/– 1% in interest rates	615,469
Year ended 30 June 2022	
+/– 1% in interest rates	433,952

Note 20 Fair Value Measurements

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

The carrying amount of the 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.

a. Fair Value Hierarchy

		30 June 2023			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-financial assets		**$**	**$**	**$**	**$**
Freehold land	7	0	69,983,167	0	69,983,167
Buildings	7	0	158,579,827	0	158,579,827
Total non-financial assets recognised at fair value		0	228,562,994	0	228,562,994

		30 June 2022			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-financial assets		**$**	**$**	**$**	**$**
Freehold land	7	0	27,571,863	0	27,571,863
Buildings	7	0	176,798,602	0	176,798,602
Total non-financial assets recognised at fair value		0	204,370,465	0	204,370,465

b. Valuation Technigques and Inputs Use to Measure Level 2 Fair Values

Description	**Fair Value at 30 June 2023**	**Valuation Techniques**	**Inputs Used**
Non-financial assets			
Freehold land	69,983,167	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	158,579,827	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.
	228,562,994		

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 21 Segment Reporting

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

Note 22 Investment in Subsidiaries

a. Information about Principal Subsidiaries

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

Name of Subsidiary	Principal place of business	Ownership Interest held by Trust	
		2023 %	2022 %
T & T Management Services Pty Ltd as Trustee for the BNH Unit Trust	**Perth, Western Australia**	**100%**	**100%**
Aegis Aged Care Group Pty Ltd as Trustee for the Aegis Aged Care Trust	**Perth, Western Australia**	**100%**	**100%**

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

b. Significant Restrictions

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

Note 23 Consolidated Trust Details

The registered office and principal place of business of the Consolidated Trust 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 Lakeside
33 Stanton Street
Redcliffe
RACS ID 7252

Aegis Parkview
6 Drummond Street
Redcliffe
RACS ID 7307

Aegis Shawford
4 Shawford Place
Innaloo
RACS ID 7263

Aegis Stirling
30 Spencer Avenue
Yokine
RACS ID 7277

Aegis Bassendean
24 & 27 Hamilton Street
Bassendean
RACS ID 7864

Aegis Greenfields
95 Lakes Road
Greenfields
RACS ID 7235

Aegis Amberley
30 Mell Road
Spearwood
RACS ID 7359

Aegis Hermitage
5 Cottage Close
Ellenbrook
RACS ID 7328

LAKESIDE HOSTEL PTY LTD ATF LAKESIDE HOSTEL UNIT TRUST AND CONTROLLED ENTITIES
ABN: 72 488 415 126
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Lakeside Hostel Pty Ltd ATF Lakeside Hostel Unit Trust and Controlled Entities, the directors of the Trustee Company declare that:

1. the financial statements and notes, as set out on pages 1 to 21, 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
LAKESIDE HOSTEL PTY LTD
ATF LAKESIDE HOSTEL UNIT TRUST AND CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lakeside Hostel Pty Ltd ATF Lakeside Hostel Unit Trust and controlled entities (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 Lakeside Hostel Pty Ltd ATF Lakeside Hostel Unit Trust and controlled entities 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
LAKESIDE HOSTEL PTY LTD
ATF LAKESIDE HOSTEL UNIT TRUST AND CONTROLLED ENTITIES (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance 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 AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 30th day of October 2023.