# 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 2024**

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## Financial Report For The Year Ended 30 June 2024

**CONTENTS**

**CARRINGTON AGED CARE FACILITY PTY LTD ATF IVERMEY STREET TRUST AND CONTROLLED ENTITY**
**ABN: 80 590 856 024**
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**
**FOR THE YEAR ENDED 30 JUNE 2024**

| | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| **Revenue** | | | |
| Revenue and other income | 3 | 16,768,836 | 13,077,579 |
| **Total Revenue** | | 16,768,836 | 13,077,579 |
| **Expenses** | | | |
| Wages and salaries | | 10,676,806 | 7,727,403 |
| Depreciation Expense | 6 | 494,401 | 629,160 |
| Other expenses | | 1,349,768 | 1,240,159 |
| Administration fees | | 764,691 | 543,521 |
| Agency and contracted services | | 78,454 | 978,704 |
| Finance costs | | 643,825 | 281,102 |
| Insurance | | 201,713 | 164,256 |
| Rates, taxes and utilities | | 411,948 | 418,629 |
| **Total Expenses** | | 14,621,606 | 11,982,934 |
| Profit for the year | | 2,147,230 | 1,094,645 |
| Profit attributable to: | | | |
| Unitholders | | 2,080,906 | 979,818 |
| Non-controlling interest | | 66,324 | 114,827 |
| | | 2,147,230 | 1,094,645 |

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**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024**

| | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| **Profit for the year** | | 2,147,230 | 1,094,645 |
| **Other comprehensive income:** | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Gain on revaluation of land and buildings | 7 | 0 | 654,797 |
| Changes in minority interest | | 0 | 166,502 |
| **Total other comprehensive income** | 6 | 0 | 821,299 |
| **Total comprehensive income for the year** | | 2,147,230 | 1,915,944 |
| | | | |
| Total comprehensive income attributable to: | | | |
| Unitholders | | 2,080,906 | 1,634,615 |
| Non-controlling interest | | 66,324 | 281,329 |
| | | 2,147,230 | 1,915,944 |

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
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

| | Note | 2024 $ | 2023 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 4 | 7,419,657 | 2,365,630 |
| Trade and other receivables | 5 | 3,765,426 | 4,727,907 |
| Inventories | | 11,500 | 12,886 |
| **TOTAL CURRENT ASSETS** | | 11,196,583 | 7,106,423 |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 6 | 30,832,841 | 31,242,101 |
| Trade and other receivables | 5 | 3,397,294 | 3,144,879 |
| **TOTAL NON-CURRENT ASSETS** | | 34,230,135 | 34,386,980 |
| **TOTAL ASSETS** | | 45,426,718 | 41,493,403 |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 8 | 22,836,953 | 21,817,919 |
| Provisions | 9 | 1,712,895 | 1,089,114 |
| **TOTAL CURRENT LIABILITIES** | | 24,549,848 | 22,907,033 |
| **NON-CURRENT LIABILITIES** | | | |
| Trade and other payables | 8 | 1,741,979 | 791,436 |
| Provisions | 9 | 121,586 | 124,686 |
| **TOTAL NON-CURRENT LIABILITIES** | | 1,863,565 | 916,122 |
| **TOTAL LIABILITIES** | | 26,413,413 | 23,823,155 |
| **NET ASSETS** | | 19,013,305 | 17,670,248 |
| **EQUITY** | | | |
| Issued units | 10 | 21,110 | 21,110 |
| Minority interest | | 166,220 | 904,069 |
| Revaluation surplus | 7 | 18,567,509 | 18,567,509 |
| Retained earnings | | 258,466 | (1,822,440) |
| **TOTAL EQUITY** | | 19,013,305 | 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**
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024**

| | Note | Issued Units $ | Retained Earnings $ | Revaluation Surplus $ | Sub Total $ | Minority Interest $ | Total $ |
|---|---|---|---|---|---|---|---|
| **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 |
| **Balance at 1 July 2023** | | 21,110 | (1,822,440) | 18,567,509 | 16,766,179 | 904,069 | 17,670,248 |
| **Comprehensive income** | | | | | | | |
| Profit for the year | | 0 | 2,080,906 | 0 | 2,080,906 | 66,324 | 2,147,230 |
| Other comprehensive income | 6, 7 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total comprehensive income for the year attributable to unitholders** | | 0 | 2,080,906 | 0 | 2,080,906 | 66,324 | 2,147,230 |
| **Transactions with unitholders in their capacity as owners** | | | | | | | |
| Distribution to unitholders | | 0 | 0 | 0 | 0 | (804,173) | (804,173) |
| **Total transactions with unitholders** | | 0 | 0 | 0 | 0 | (804,173) | (804,173) |
| **Balance at 30 June 2024** | | 21,110 | 258,466 | 18,567,509 | 18,847,085 | 166,220 | 19,013,305 |

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
## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

| | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers and government grants | | 15,300,677 | 12,663,467 |
| Payments to suppliers and employees | | (12,844,861) | (11,105,566) |
| Interest received | | 1,225,918 | 664,292 |
| Finance costs | | (643,825) | (281,102) |
| Net cash provided by operating activities | 11 | 3,037,909 | 1,941,091 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchase of Property, Plant & Equipment | 6 | (85,811) | (526,005) |
| Net cash used in investing activities | | (85,811) | (526,005) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Net movement in loans to related parties | | (252,415) | (184,351) |
| Distributions paid | | (804,173) | (263,969) |
| Net movement in loans from related parties | | 950,543 | 104,703 |
| Funds from Refundable Accommodation deposits | | 2,207,974 | 1,237,935 |
| Net cash provided by financing activities | | 2,101,929 | 894,318 |
| Net increase in cash held | | 5,054,027 | 2,309,404 |
| Cash and cash equivalents at beginning of financial year | | 2,365,630 | 56,226 |
| Cash and cash equivalents at end of financial year | 4 | 7,419,657 | 2,365,630 |

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 25th October 2024 by the directors of the trustee company.

**Note 1 Summary of Material Accounting Policy Information**

**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 consolidated 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.

**(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.

**(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 consolidated 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 consolidated 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 consolidated 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% | Straight line and Reducing Balance |
| Furniture and Fittings | 10% - 20% | Straight line and Reducing Balance |
| Low Value Pool | 18.75% - 37.52% | Straight line and Reducing Balance |
| Solar Panel Project | 10% | Straight line and 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/accommodation 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 consolidated Trust becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated 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 2024.

**(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) 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 consolidated 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 consolidated 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 consolidated 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.

**(i) 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.

**(j) 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.

**(k) 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.

**(l) Critical Accounting Estimates and Judgements**

The directors of the consolidated 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 consolidated Trust that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

**Key judgements**

*(i) Provisions for employee benefits*

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

*(ii) Performance obligations under AASB 15*

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

*(iii) Property, Plant and equipment : Measurement of fair value*

Fair Value Hierarchy

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

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

Valuation Techniques

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

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

*(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.

*(v) 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.

**(m) New and Amended Accounting Standards Adopted by the Consolidated Trust**

The consolidated Trust has adopted all amendments required for the year ended 30 June 2024. The adoption of these amendments did not have a material impact 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.

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| **Statement of Financial Position** | | |
| ASSETS | | |
| Current assets | 10,751,839 | 6,841,990 |
| Non-current assets | 30,050,765 | 29,803,984 |
| TOTAL ASSETS | 40,802,604 | 36,645,974 |
| LIABILITIES | | |
| Current liabilities | 24,651,065 | 22,961,307 |
| Non-current liabilities | 1,986,907 | 863,091 |
| TOTAL LIABILITIES | 26,637,972 | 23,824,398 |
| NET ASSETS | 14,164,632 | 12,821,576 |
| EQUITY | | |
| Issued capital | 21,110 | 21,110 |
| Revaluation surplus | 14,374,862 | 14,374,862 |
| Retained earnings | (231,340) | (1,574,396) |
| TOTAL EQUITY | 14,164,632 | 12,821,576 |
| **Statement of Profit or Loss and Other Comprehensive Income** | | |
| Income | 16,947,503 | 13,404,357 |
| Expense | (14,952,742) | (12,573,681) |
| Other comprehensive income : Gain on revaluation of land and buildings | 0 | 438,536 |
| Total comprehensive income | 1,994,761 | 1,269,212 |

**Guarantees**

Ivermey Street Trust has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiary.

**Contingent liabilities**

Ivermey Street Trust does not have any contingent liabilities for the year ended 30 June 2024.

**Note 3 Revenue and Other Income**

| | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| **Revenue and other income** | | | |
| Other revenue: | | | |
| - Interest revenue - related entities | 14(c) | 838,130 | 409,537 |
| - Interest revenue - other entities | | 385,980 | 254,181 |
| - Interest Income on DAP | | 1,808 | 574 |
| - Sundry income | | 1,400 | 126,515 |
| Total other revenue | | 1,227,318 | 790,807 |
| Service revenue: | | | |
| - Services revenue | | 15,527,656 | 12,100,509 |
| - Covid-19 support supplement and allowance recoveries | | 13,862 | 186,263 |
| Total service revenue | | 15,541,518 | 12,286,772 |
| Total revenue and other income | | 16,768,836 | 13,077,579 |

**Note 4 Cash and Cash Equivalents**

| | Note | 2024 $ | 2023 $ |
|---|---|---|---|
| CURRENT | | | |
| Cash at bank | 16 | 7,419,657 | 2,365,630 |
| Total cash and cash equivalents | | 7,419,657 | 2,365,630 |

Reconciliation of cash:

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

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| Cash at bank | 16 | 7,419,657 | 2,365,630 |
| | | 7,419,657 | 2,365,630 |

**Note 5 Trade and Other Receivables**

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| CURRENT | | | |
| Trade receivables | * | 114,085 | 54,936 |
| Accommodation bonds and refundable accomodation deposits | * | 3,207,866 | 4,536,110 |
| Prepayments | | 352,084 | 136,861 |
| Other debtors | * | 91,391 | 0 |
| Total assets classified as trade and other receivables | | 3,765,426 | 4,727,907 |

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

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| NON-CURRENT | | | |
| Amounts receivable from Parent Consolidated Trust | | 0 | 22,158 |
| Amounts receivable from Ultimate Parent Consolidated Trust | | 0 | 14,637 |
| Amounts receivable from related entities | | 3,396,820 | 3,107,610 |
| Amounts receivable from other shareholder | | 474 | 474 |
| Total assets classified as trade and other receivables | | 3,397,294 | 3,144,879 |
| Total Trade and Other Receivables | | 7,162,720 | 7,872,786 |

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| **(a) Financial assets at amortised cost** | | | |
| **Trade and other receivables** | | | |
| - Total current | * | 3,413,342 | 4,591,046 |
| - Total non-current | | 3,397,294 | 3,144,879 |
| **Financial assets as trade and other receivables** | 16 | 6,810,636 | 7,735,925 |

**Note 6 Property, Plant and Equipment**

| | 2024 $ | 2023 $ |
|---|---|---|
| **Land and buildings - at fair value** | | |
| Freehold land | 4,479,478 | 4,479,478 |
| Buildings | 27,216,272 | 26,851,191 |
| Accumulated Depreciation - Buildings | (4,410,100) | (4,123,270) |
| Total buildings | 22,806,172 | 22,727,921 |
| Leasehold Improvements | 4,371,906 | 4,371,906 |
| Accumulated Depreciation - Leasehold Improvements | (1,578,906) | (1,505,406) |
| Total leasehold improvements | 2,793,000 | 2,866,500 |
| **Total land and buildings** | 30,078,650 | 30,073,899 |
| **Plant and equipment - at cost** | | |
| Plant & Equipment | 1,692,053 | 1,539,433 |
| Accumulated Depreciation - Plant & Equipment | (1,305,833) | (1,251,524) |
| Furniture & Fittings | 1,128,113 | 1,093,483 |
| Accumulated Depreciation - Furniture & Fittings | (886,353) | (828,848) |
| Low Value Pool | 107,620 | 107,620 |
| Accumulated Depreciation - Low Value Pool | (106,742) | (104,021) |
| Solar Panel Project | 279,760 | 278,108 |
| Accumulated Depreciation - Solar Panel Project | (154,427) | (140,163) |
| **Total plant and equipment** | 754,191 | 694,088 |

| | 2024 $ | 2023 $ |
|---|---|---|
| **Computer Software - at cost** | | |
| Computer Software | 7,505 | 7,505 |
| Accumulated Depreciation - Computer Software | (7,505) | (7,505) |
| **Total computer software** | 0 | 0 |
| | | |
| **Building Under Construction - at cost** | | |
| Building Under Construction | 0 | 474,114 |
| **Total Building Under Construction** | 0 | 474,114 |
| | | |
| **Total property, plant and equipment** | 30,832,841 | 31,242,101 |

**Movement in carrying amounts**

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

| | Freehold land $ | Buildings $ | Leasehold improvements $ | Plant and equipment $ | Computer software $ | Building Under Construction $ | Total $ |
|---|---|---|---|---|---|---|---|
| Balance as at 1 July 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 |
| Net additions | 0 | 0 | 0 | 85,701 | 0 | 110 | 85,811 |
| Write-off | 0 | 0 | 0 | 0 | 0 | (670) | (670) |
| Reclassification from building under construction | 0 | 365,082 | 0 | 108,472 | 0 | (473,554) | 0 |
| Depreciation expense | 0 | (286,831) | (73,500) | (134,070) | 0 | 0 | (494,401) |
| Balance as at 30 June 2024 | 4,479,478 | 22,806,172 | 2,793,000 | 754,191 | 0 | 0 | 30,832,841 |

**Asset revaluations**

**Buildings**
At the end of the previous reporting period, the buildings held by the consolidated 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 previous reporting period, the freehold land held by the consolidated 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 consolidated Trust's freehold land and buildings.

## Note 7 Revaluation Surplus

| | 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 |

| | 2024 Opening Balance $ | 2024 Revaluation Increment $ | 2024 Revaluation (Decrement) $ | Total Movement on Revaluation $ | 2024 Closing Balance $ |
|---|---|---|---|---|---|
| Revaluation Surplus | 18,567,509 | 0 | 0 | 0 | 18,567,509 |
| Revaluation Surplus at 30 June 2024 | 18,567,509 | 0 | 0 | 0 | 18,567,509 |

**Note 8 Trade and Other Payables**

| | Note | 2024 $ | 2023 $ |
|---|---|---|---|
| CURRENT | | | |
| Sundry payables | * | 5,000 | 27,945 |
| Accommodation bonds and refundable accomodation deposits | * | 22,427,513 | 21,547,783 |
| Accrued expenses | | 188,076 | 97,468 |
| Accrued salaries and wages | | 120,702 | 57,573 |
| GST Payable | * | 26,062 | 21,562 |
| Deferred revenue | | 69,600 | 65,588 |
| | | 22,836,953 | 21,817,919 |
| NON-CURRENT | | | |
| Amounts payable to non related entities | | 23,288 | 38,708 |
| Amounts payable to related entities | | 1,070,578 | 734,369 |
| Amounts payable to related entities (Parent Consolidated Trust) | | 443,256 | 0 |
| Amounts payable to related entities (Ultimate Parent Trust) | | 204,857 | 18,359 |
| | 8a | 1,741,979 | 791,436 |

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(d). 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 consolidated Trust.

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

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| Trade and other payables | | | |
| - Total current | * | 22,458,575 | 21,597,290 |
| - Total non-current | | 1,741,979 | 791,436 |
| Financial liabilities as trade and other payables | 16 | 24,200,554 | 22,388,726 |

**Note 9 Provisions**

| Analysis of Provisions | 2024 $ | 2023 $ |
|---|---|---|
| CURRENT | | |
| Annual Leave and Sick leave | | |
| Balance at the start of the period | 844,271 | 776,842 |
| Movement during the year | 379,512 | 67,429 |
| Balance at the end of the period | 1,223,783 | 844,271 |
| Long Service Leave | | |
| Balance at the start of the period | 244,843 | 260,179 |
| Movement during the year | 9,269 | (15,336) |
| Balance at the end of the period | 254,112 | 244,843 |
| Back Pay | | |
| Balance at the start of the period | 0 | 0 |
| Movement during the year | 235,000 | 0 |
| Balance at the end of the period | 235,000 | 0 |
| Total Current | 1,712,895 | 1,089,114 |
| NON-CURRENT | | |
| Long-term Employee Benefits | | |
| Balance at the start of the period | 124,686 | 142,015 |
| Movement during the year | (3,100) | (17,329) |
| Balance at the end of the period | 121,586 | 124,686 |

| | 2024 $ | 2023 $ |
|---|---|---|
| Current | 1,712,895 | 1,089,114 |
| Non-current | 121,586 | 124,686 |
| | 1,834,481 | 1,213,800 |

**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 consolidated 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.

The provision for employee entitlements includes an estimated amount of $235,000 related to the possible back payment of entitlements owed to employees formerly employed by Staff West, including but not limited to wages, overtime, and leave entitlements calculated for a six year period ending 2 May 2023. The provision represents the consolidated trust's best estimate of the liability as at 30 June 2024, based on the information available and historical payroll data. The calculation of this provision may be subject to adjustment pending further investigation and reconciliation of any amounts owed. Any changes in the estimated amount of the liability will be recognised in the period in which additional information becomes available. The consolidated trust is committed to ensuring full compliance with all legal and contractual obligations and is working to ensure that any amounts owed are accurately calculated and promptly paid.

**Note 10 Issued Units**

**a. Units on Issue**

| | 2024 No. | 2023 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 11 Cash Flow Information**

| | 2024 $ | 2023 $ |
|---|---|---|
| **Reconciliation of profit attributable to unitholders with net cash provided by operating activities** | | |
| Profit for the year | 2,147,230 | 1,094,645 |
| Depreciation | 494,401 | 629,160 |
| Assets written off | 670 | 0 |
| Back pay provision expense | 235,000 | 0 |
| Decrease/(increase) in inventories | 1,386 | 2,801 |
| Decrease/(increase) in trade and other receivables | (365,763) | 232,287 |
| Increase/(decrease) in provisions | 385,681 | 34,764 |
| Increase/(decrease) in trade and other payables | 139,304 | (52,566) |
| Net cash provided by operating activities | 3,037,909 | 1,941,091 |

**a. Loan facilities and Bank guarantees**

(i) The Aegis Group has a bank facility limit of $127,625,000 (unused limit of $80,443,891) with Bankwest and a direct debit facility of $9,000,000 with Bankwest.
(ii) The core debt is secured by a registered fixed and floating charge over the assets of the Aegis combined entities.

**Note 12 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 13 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 consolidated Trust during the year are as follows:

| | 2024 $ | 2023 $ |
|---|---|---|
| Salaries and wages | 196,446 | 167,328 |
| Short-term employee benefits | 20,062 | 14,954 |
| | 216,508 | 182,282 |

**(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:

| | 2024 $ | 2023 $ |
|---|---|---|
| • Interest received | 838,130 | 409,537 |
| • Interest paid | 559,503 | 239,889 |
| • Admin Fees paid | 614,895 | 445,610 |
| • Agency Fee paid | 0 | 815,783 |

**Note 14 Capital Commitments**

The Consolidated trust does not have any capital commitments for the year ended 30th June 2023 and 30th June 2024.

**Note 15 Contingent assets or liabilities**

The Consolidated trust does not have any contingent assets or liabilities for the year ended 30 June 2024.

**Note 16 Financial Risk Management**

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

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 | 2024 $ | 2023 $ |
|---|---|---|---|
| **Financial assets at amortised cost** | | | |
| Cash and cash equivalents | 4 | 7,419,657 | 2,365,630 |
| Trade and other receivables | 5a | 6,810,636 | 7,735,925 |
| **Total financial assets** | | 14,230,293 | 10,101,555 |
| **Financial liabilities** | | | |
| Financial liabilities at amortised cost | | | |
| - Trade and other payables | 8 | 24,200,554 | 22,388,726 |
| **Total financial liabilities** | | 24,200,554 | 22,388,726 |

**Financial Risk Management Policies**

Management's overall risk management strategy seeks to assist the consolidated 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.

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 consolidated 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 consolidated 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 | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ | $ | $ | $ | $ |
| **Financial liabilities due for payment** | | | | | | | | |
| Sundry payables | 22,458,575 | 21,597,290 | 0 | 0 | 1,741,979 | 791,436 | 24,200,554 | 22,388,726 |
| Total contractual outflows | 22,458,575 | 21,597,290 | 0 | 0 | 1,741,979 | 791,436 | 24,200,554 | 22,388,726 |
| **Financial assets - cash flows realisable** | | | | | | | | |
| Cash and cash equivalents | 7,419,657 | 2,365,630 | 0 | 0 | 0 | 0 | 7,419,657 | 2,365,630 |
| Trade and other receivables | 3,413,342 | 4,591,046 | 0 | 0 | 3,397,294 | 3,144,879 | 6,810,636 | 7,735,925 |
| Total anticipated inflows | 10,832,999 | 6,956,676 | 0 | 0 | 3,397,294 | 3,144,879 | 14,230,293 | 10,101,555 |
| Net (outflow)/inflow of financial instruments | (11,625,576) | (14,640,614) | 0 | 0 | 1,655,315 | 2,353,443 | (9,970,261) | (12,287,171) |

**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 consolidated Trust's exposures to changes in interest rates. 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 2024** | |
| +/– 1% in interest rates | 74,197 |
| **Year ended 30 June 2023** | |
| +/– 1% in interest rates | 23,656 |

**Note 17 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**

| | Note | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| | | **30 June 2024** | | | |
| | | **$** | **$** | **$** | **$** |
| *Non-financial assets* | | | | | |
| Freehold land | 6 | 0 | 4,479,478 | 0 | 4,479,478 |
| Buildings | 6 | 0 | 22,806,172 | 0 | 22,806,172 |
| **Total non-financial assets recognised at fair value** | | 0 | 27,285,650 | 0 | 27,285,650 |

| | Note | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| | | **30 June 2023** | | | |
| | | **$** | **$** | **$** | **$** |
| *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 |

**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 consolidated Trust to determine Level 2 fair values.

**Note 18 Segment Reporting**

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

**Note 19 Controlled Entities Consolidated**

| | Country of establishment | Percentage Owned 2024 | 2023 |
|---|---|---|---|
| **Parent entity** | | | |
| Carrington Aged Care Facility Pty Ltd as trustee for the Ivermey Street Trust | Australia | N/A | N/A |
| **Subsidiaries** | | | |
| Hamilton Hill Ownership Pty Ltd as trustee for the HHNH Unit Trust | Australia | 56.50% | 56.50% |

**Note 20 Consolidated 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 place of business is:

**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 consolidated financial statements and notes, as set out on pages 1 to 18, present fairly the unit trust's financial position as at 30 June 2024 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 25th day of October 2024

**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 "Consolidated Trust"), which comprises the consolidated statement of financial position as at 30 June 2024, 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, and notes to the financial statements, including a summary of material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Trust is in accordance with the *Aged Care Act 1997*, including:

i. giving a true and fair view of the Consolidated Trust's financial position as at 30 June 2024 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 Consolidated 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 Trustee Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), *Aged Care Act 1997* 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 Trustee Company are responsible for assessing the Consolidated Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Trust or to cease operations, or have no realistic alternative but to do so.

The directors of the Trustee Company are responsible for overseeing the Consolidated 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 25th day of October 2024.