

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

ABN: 32 193 862 750

**Financial Report For The Year Ended
30 June 2024**

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

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Financial Report For The Year Ended 30 June 2024

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AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
ABN: 32 193 862 750
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Revenue			
Service Revenue	3	215,825,169	169,441,590
Other Income	3	12,948,316	11,786,849
Total revenue and other income		<u>228,773,485</u>	<u>181,228,439</u>
Expenses			
Wages and salaries		150,833,267	108,295,792
Depreciation expense	9	9,595,032	9,920,267
Other expenses		19,900,534	17,105,822
Administration fees		10,956,563	7,285,935
Agency and contracted services		7,945,775	17,581,800
Finance costs		4,010,540	5,168,333
Insurance		3,091,928	2,405,943
Rent		9,566	118,863
Rates, taxes and utilities		7,338,544	6,506,859
Lease Interest Expense	12	758,701	722,372
Amortisation of right of use assets	12	1,441,402	1,271,815
Loss on disposal of land and buildings held for sale		309,767	456,068
Total Expenses		<u>216,191,619</u>	<u>176,839,869</u>
Profit before Income Tax		12,581,866	4,388,570
Income tax expense	4	(181,346)	(173,707)
Profit for the year		<u>12,400,520</u>	<u>4,214,863</u>
Profit attributable to:			
Unit holders		11,323,411	3,619,251
Non-controlling interests		1,077,109	595,612
		<u>12,400,520</u>	<u>4,214,863</u>

The accompanying notes form part of these financial statements.

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE
2024

	Note	2024	2023
Profit for the year		\$ 12,400,520	\$ 4,214,863
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings	10	0	71,997,422
Changes in minority interest		0	1,817,212
Total other comprehensive income	9	<u>0</u>	<u>73,814,634</u>
Total comprehensive income for the year		<u>12,400,520</u>	<u>78,029,497</u>
Total comprehensive income attributable to:			
Unit holders		11,323,411	75,616,673
Non-controlling interests		<u>1,077,109</u>	<u>2,412,824</u>
		<u>12,400,520</u>	<u>78,029,497</u>

The accompanying notes form part of these financial statements.

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
ABN: 32 193 862 750
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	100,682,920	69,583,993
Trade and other receivables	7	83,059,217	91,304,942
Inventories		178,084	172,291
Land and buildings held for sale	11	0	1,368,393
Current tax assets	17	3,647	0
TOTAL CURRENT ASSETS		<u>183,923,868</u>	<u>162,429,619</u>
NON-CURRENT ASSETS			
Financial assets	8	135	135
Property, plant and equipment	9	481,732,106	484,329,722
Land and buildings held for sale	11	13,701,126	14,889,618
Amounts receivable from related entities and parent Trust	7	35,670,164	32,832,463
Right of use assets	12	10,463,654	10,417,651
TOTAL NON-CURRENT ASSETS		<u>541,567,185</u>	<u>542,469,589</u>
TOTAL ASSETS		<u>725,491,053</u>	<u>704,899,208</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	457,225,137	425,533,233
Borrowings	14	23,759,723	59,351,473
Provisions	15	24,073,516	17,240,042
Current tax liabilities	17	0	13,884
Lease liabilities	16	1,346,349	1,139,304
TOTAL CURRENT LIABILITIES		<u>506,404,725</u>	<u>503,277,936</u>
NON-CURRENT LIABILITIES			
Trade and other payables	13	35,747,315	12,969,932
Borrowings	14	0	17,000,000
Provisions	15	1,686,646	1,718,141
Deferred tax liabilities	17	3,360,462	3,360,462
Lease liabilities	16	10,472,015	10,457,003
TOTAL NON-CURRENT LIABILITIES		<u>51,266,438</u>	<u>45,505,538</u>
TOTAL LIABILITIES		<u>557,671,163</u>	<u>548,783,474</u>
NET ASSETS		<u>167,819,890</u>	<u>156,115,734</u>
EQUITY			
Issued units	18	25,001	25,001
Minority interest		16,543,543	15,708,449
Revaluation surplus	10	175,324,508	175,324,508
Retained earnings		(24,073,162)	(34,942,224)
TOTAL EQUITY		<u>167,819,890</u>	<u>156,115,734</u>

The accompanying notes form part of these financial statements.

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
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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		25,001	(38,339,397)	103,327,086	65,012,690	13,409,681	78,422,371
Comprehensive income							
Profit for the year		0	3,619,251	0	3,619,251	595,612	4,214,863
Other comprehensive income	9,10	0	0	71,997,422	71,997,422	1,817,212	73,814,634
Total comprehensive income for the year attributable to unitholders		0	3,619,251	71,997,422	75,616,673	2,412,824	78,029,497
Transactions with unitholders in their capacity as owners							
Distribution to unitholders	5	0	(222,078)	0	(222,078)	(114,056)	(336,134)
Total transactions with unitholders		0	(222,078)	0	(222,078)	(114,056)	(336,134)
Balance at 30 June 2023		25,001	(34,942,224)	175,324,508	140,407,285	15,708,449	156,115,734
Balance at 1 July 2023		25,001	(34,942,224)	175,324,508	140,407,285	15,708,449	156,115,734
Comprehensive income							
Profit for the year		0	11,323,411	0	11,323,411	1,077,109	12,400,520
Total comprehensive income for the year attributable to unitholders		0	11,323,411	0	11,323,411	1,077,109	12,400,520
Transactions with unitholders in their capacity as owners							
Distribution to unitholders	5	0	(454,349)	0	(454,349)	(242,015)	(696,364)
Total transactions with unitholders		0	(454,349)	0	(454,349)	(242,015)	(696,364)
Balance at 30 June 2024		25,001	(24,073,162)	175,324,508	151,276,347	16,543,543	167,819,890

The accompanying notes form part of these financial statements.

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
ABN: 32 193 862 750
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and government grants		216,003,065	172,100,521
Payments to suppliers and employees		(197,130,987)	(159,611,437)
Interest received		12,323,215	10,655,437
Finance costs		(4,010,540)	(5,168,333)
Taxation paid		(198,877)	(160,702)
Net cash provided by operating activities	19	<u>26,985,876</u>	<u>17,815,486</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(6,926,066)	(3,843,371)
Proceeds from sale of land and buildings held for sale		2,531,515	6,806,512
Purchase and development costs of land and buildings held for sale		(355,411)	(442,670)
Net cash (used in)/provided by investing activities		<u>(4,749,962)</u>	<u>2,520,471</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(17,000,000)	0
Loans from related parties		19,954,766	1,487,903
Distributions paid	5	(696,364)	(336,134)
Funds from Refundable Accomodation Deposits		43,477,129	21,801,828
Principal repayment of lease liabilities	12	(1,265,348)	(1,074,223)
Loans to non related parties		(15,420)	0
Loans from non related parties		0	2,434
Net cash provided by financing activities		<u>44,454,763</u>	<u>21,881,808</u>
Net increase in cash held		66,690,677	42,217,765
Cash and cash equivalents at beginning of financial year		10,232,520	(31,985,245)
Cash and cash equivalents at end of financial year	6	<u><u>76,923,197</u></u>	<u><u>10,232,520</u></u>

The accompanying notes form part of these financial statements.

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
ABN: 32 193 862 750
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

The financial statements were authorised for issue on 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 its 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 27(a).

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.

(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.

(c) Income Tax

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

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

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

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

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

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

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

(d) Property, Plant and Equipment

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

Land and buildings

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

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

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

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

The cost of fixed assets constructed within the 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 basis 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% - 50%	Straight Line and Reducing Balance
Furniture and Fittings	10% - 40%	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
Motor Vehicles	25%	Straight Line and Reducing Balance

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

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

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

(e) Land and Buildings Held for Sale

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

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

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

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

(g) Leases

The consolidated Trust as lessee

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

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

Lease payments included in the measurement of the lease liability are as follows:

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

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

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

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

Operating Leases

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

h) Financial Instruments

Initial recognition and measurement

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

Financial assets are subsequently measured at amortised cost on the basis of two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the 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).

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.

(i) Impairment of Non Financial Assets

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

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

(j) Employee Benefits

Short-term employee benefits

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

Long-term employee benefits

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

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

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(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 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.

(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) 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.

(n) 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.

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

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

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

Fair Value Hierarchy

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

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

Valuation Techniques

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

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

(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.

(p) 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.

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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 \$	2023 \$
Statement of Financial Position		
ASSETS		
Current assets	162,037,403	143,073,154
Non-current assets	479,741,929	481,197,844
TOTAL ASSETS	641,779,332	624,270,998
LIABILITIES		
Current liabilities	465,903,460	461,339,563
Non-current liabilities	54,022,273	51,072,343
TOTAL LIABILITIES	519,925,733	512,411,906
	121,853,599	111,859,092
EQUITY		
Issued capital	25,001	25,001
Revaluation Surplus	129,476,097	129,476,097
Retained earnings	(7,647,499)	(17,642,006)
TOTAL EQUITY	121,853,599	111,859,092
Statement of Profit or Loss and Other Comprehensive Income		
Income	202,030,975	159,408,715
Expense	(192,036,468)	(156,988,873)
Other comprehensive income : Gain on revaluation of land and buildings	0	61,208,724
Total comprehensive income	9,994,507	63,628,566

Guarantees

At 30 June 2024, Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust and Controlled Entities has not entered into any guarantees, in relation to the debts of its subsidiaries.

Contingent liabilities

At 30 June 2024, Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust doesn't have any contingent liabilities.

Contractual commitments

At 30 June 2024, Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust has not entered into any contractual commitments for the development costs of land and buildings.

Note 3 Revenue and Other Income

	Note	2024 \$	2023
Revenue and other income			
Other Income:			
- rent received		559,963	474,375
- Interest revenue - financial institutions		298,263	89
- Interest revenue - related entities	21c	5,184,105	4,488,234
- Interest revenue - other entities		6,805,795	6,074,002
- Interest Income on DAP		31,181	91,365
- Interest Income - Accommodation Bond		3,871	1,747
- Sundry Income		65,138	657,037
Total Other Income		12,948,316	11,786,849
Service Revenue :			
- service revenue		215,679,338	168,396,045
- Covid-19 support supplement and allowance recoveries		145,831	1,045,545
Total service revenue		215,825,169	169,441,590
Total revenue and other income		228,773,485	181,228,439

Note 4 Income Tax Expense

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

	2024 \$	2023 \$
The components of tax expense comprise:		
Current tax	181,346	173,707
(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30%.	604,487	579,023
Less:		
Tax effect of:		
— Depreciation Deductible	423,141	405,316
Income tax attributable to subsidiary company	181,346	173,707
The applicable weighted average effective tax rates are as follows:	30%	30%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 5 Distribution Paid

	2024	2023
	\$	\$
Distributions paid during the year	<u>696,364</u>	<u>336,134</u>

Note 6 Cash and Cash Equivalents

	2024	2023
	\$	\$
CURRENT		
Cash at bank	100,682,920	69,583,993
	24	24
	<u>100,682,920</u>	<u>69,583,993</u>

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	100,682,920	69,583,993
Bank Overdraft	(23,759,723)	(59,351,473)
	14	
	<u>76,923,197</u>	<u>10,232,520</u>

Note 7 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	1,364,867	1,645,742
Accommodation bonds and refundable accommodation deposits	75,562,108	87,293,410
Accrued income	827,459	89,888
Prepayments	5,123,157	2,070,513
Other debtors	181,626	205,389
Total assets classified as trade and other receivables	<u>83,059,217</u>	<u>91,304,942</u>

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

NON-CURRENT

Amounts receivable from parent Trust	10,876	14,710
Amounts receivable from related entities	35,659,288	32,817,753
	<u>35,670,164</u>	<u>32,832,463</u>
Total trade and other receivables	<u>118,729,381</u>	<u>124,137,405</u>

(a) Financial assets at amortised cost

	2024	2023
	\$	\$
Trade and other receivables		
- Total current	77,108,601	89,144,541
- Total non-current	35,670,164	32,832,463
Financial assets as trade and other receivables	24	24
	<u>112,778,765</u>	<u>121,977,004</u>

Note 8 Financial Assets

	2024	2023
	\$	\$
NON-CURRENT		
Available-for-sale financial assets	24	24
	<u>135</u>	<u>135</u>

Available-for-sale financial assets comprise:

Unlisted investments, at cost		
- shares in unlisted corporations	135	135
Total available-for-sale financial assets	<u>135</u>	<u>135</u>

Note 9 Property, Plant and Equipment

	2024	2023
	\$	\$
Land and buildings - at fair value		
Freehold land	98,910,716	94,939,979
Buildings	432,061,005	429,636,534
Accumulated Depreciation - Buildings	(61,032,891)	(52,976,775)
Total buildings	<u>371,028,114</u>	<u>376,659,759</u>
Leasehold Improvements	6,132,977	6,132,977
Accumulated Depreciation - Leasehold Improvements	(2,901,566)	(2,748,123)
Total leasehold improvements	<u>3,231,411</u>	<u>3,384,854</u>
Total land and buildings	<u>473,170,241</u>	<u>474,984,592</u>

Plant and equipment - at cost

Plant & Equipment	18,277,010	17,011,010
Accumulated Depreciation - Plant & Equipment	(14,714,106)	(14,096,037)
Furniture & Fittings	14,670,835	14,194,508
Accumulated Depreciation - Furniture & Fittings	(12,199,436)	(11,684,949)
Low Value Pool	898,552	898,552
Accumulated Depreciation - Low Value Pool	(867,437)	(825,104)
Solar Panel Project	3,273,015	3,271,362
Accumulated Depreciation - Solar Panel Project	(1,687,252)	(1,539,308)
Total plant and equipment	<u>7,651,181</u>	<u>7,230,034</u>

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	2024	2023
	\$	\$
Computer Software - at cost		
Computer Software	125,630	111,309
Accumulated Depreciation - Computer Software	(113,048)	(110,390)
Total computer software	<u>12,582</u>	<u>919</u>
Motor Vehicles - at cost		
Motor Vehicles	117,211	117,211
Accumulated Depreciation - Motor Vehicles	(113,090)	(111,420)
Total motor vehicles	<u>4,121</u>	<u>5,791</u>
Building Under Construction - at cost		
Building Under Construction	893,981	2,108,386
Total Building Under Construction	<u>893,981</u>	<u>2,108,386</u>
Total property, plant and equipment	<u><u>481,732,106</u></u>	<u><u>484,329,722</u></u>

Movements in Carrying Amounts

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

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer software	Motor vehicles	Building under construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2022	54,214,624	347,258,424	6,093,451	8,644,267	9,105	6,595	365,518	416,591,984
Net additions	277,152	172,817	0	1,597,356	0	1,300	1,794,746	3,843,371
Reclassification from leasehold improvements	0	2,555,273	(2,555,273)	0	0	0	0	0
Reclassification from building under construction	0	38,843	0	13,035	0	0	(51,878)	0
Transfer	33,745,033	(33,745,033)	0	0	0	0	0	0
Revaluation increments/ (decrements) transferred to revaluation surplus and minority interest	6,703,170	67,111,464	0	0	0	0	0	73,814,634
Depreciation expense	0	(6,732,029)	(153,324)	(3,024,624)	(8,186)	(2,104)	0	(9,920,267)
Balance as at 30 June 2023	<u>94,939,979</u>	<u>376,659,759</u>	<u>3,384,854</u>	<u>7,230,034</u>	<u>919</u>	<u>5,791</u>	<u>2,108,386</u>	<u>484,329,722</u>
Net additions	3,970,737	57,569	0	1,362,670	14,321	0	1,520,769	6,926,066
Reclassification from building under construction	0	2,366,902	0	368,272	0	0	(2,735,174)	0
Reclassification adjustment	0	0	0	71,350	0	0	0	71,350
Depreciation expense	0	(8,056,116)	(153,443)	(1,381,145)	(2,658)	(1,670)	0	(9,595,032)
Balance as at 30 June 2024	<u>98,910,716</u>	<u>371,028,114</u>	<u>3,231,411</u>	<u>7,651,181</u>	<u>12,582</u>	<u>4,121</u>	<u>893,981</u>	<u>481,732,106</u>

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 \$376,659,759. The fair value of the buildings increased by \$67,111,464.

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 \$94,939,979. The fair value of the freehold land increased by \$6,703,170.

The revaluation increment was credited directly to the revaluation surplus.

Refer to Note 25 for detailed disclosures regarding the fair value measurement of the consolidated Trust's freehold land and buildings.

Note 10 Revaluation Surplus

	2023	2023	2023	Total	2023
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance
	\$	\$	\$	\$	\$
Revaluation Surplus	103,327,086	71,997,422	0	71,997,422	175,324,508
Revaluation Surplus as 30 June 2023	<u>103,327,086</u>	<u>71,997,422</u>	<u>0</u>	<u>71,997,422</u>	<u>175,324,508</u>
	2024	2024	2024	Total	2024
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance
	\$	\$	\$	\$	\$
Revaluation Surplus	175,324,508	0	0	0	175,324,508
Revaluation Surplus as 30 June 2024	<u>175,324,508</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>175,324,508</u>

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Note 11 Land and Buildings Held for Sale

	2024 \$	2023 \$
LAND AND BUILDINGS HELD FOR SALE :		
CURRENT		
Land and development costs - Amherst Apartments	0	1,368,393
	<u>0</u>	<u>1,368,393</u>
NON-CURRENT		
Land and development costs - Ellenvale Apartments	1,727,852	1,727,851
Land and development costs - Ellenvale Villas	2,167,654	2,149,690
Land and development costs - Amherst Apartments	0	1,463,049
Land and development costs - Dundobar	5,080,230	4,883,217
Land and development costs - Shoreline	4,725,390	4,665,811
	<u>13,701,126</u>	<u>14,889,618</u>
Total Land and buildings held for sale	<u>13,701,126</u>	<u>16,258,011</u>

Note 12 Right of Use Assets

	2024 \$	2023 \$
Leased Land and Buildings		
(i) AASB 16 related amounts recognised in the consolidated statement of financial position		
Cost	16,992,315	15,504,911
Less accumulated amortisation	(6,528,661)	(5,087,260)
Carrying amount.	<u>10,463,654</u>	<u>10,417,651</u>
	2024 \$	2023 \$
(ii) Movement in carrying amounts :		
Leased Buildings :		
Opening Balance	10,417,651	11,689,466
Lease modification	1,487,405	0
Amortisation expense	(1,441,402)	(1,271,815)
Net carrying amount	<u>10,463,654</u>	<u>10,417,651</u>
(iii) AASB 16 related amounts recognised in the consolidated statement of profit or loss		
Amortisation charge related to right of use assets	1,441,402	1,271,815
Cash Outflows from Leases		
- Interest expenses on lease liabilities	758,701	722,372
- Lease principal repayment	1,265,348	1,074,223
Total Cash Outflow from Leases	<u>2,024,049</u>	<u>1,796,595</u>

Note 13 Trade and Other Payables

	Note	2024 \$	2023 \$
CURRENT			
Sundry payables	*	108,843	472,987
Trade payables	*	278,665	179,753
Accommodation bonds and refundable accommodation deposits	*	453,121,552	421,375,725
Accrued expenses		1,540,567	1,819,801
Accrued salaries and wages		1,768,917	805,165
Deferred revenue		336,870	824,351
GST payable	*	69,723	55,451
		<u>457,225,137</u>	<u>425,533,233</u>
NON-CURRENT			
Amounts payable to non-related entities		23,288	38,708
Amounts related to parent Trust		305,687	93,088
Amounts payable to related entities		<u>35,418,340</u>	<u>12,838,136</u>
		<u>35,747,315</u>	<u>12,969,932</u>

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

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

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

		2024 \$	2023 \$
Trade and other payables			
- Total current	*	453,578,783	422,083,916
- Total non-current		<u>35,747,315</u>	<u>12,969,932</u>
	24	<u>489,326,098</u>	<u>435,053,848</u>

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Note 14 Borrowings

	Note	2024 \$	2023 \$
CURRENT			
Secured liabilities			
Bank overdraft	6	23,759,723	59,351,473
		<u>23,759,723</u>	<u>59,351,473</u>
NON-CURRENT			
Secured liabilities			
Bank loan		0	17,000,000
		<u>0</u>	<u>17,000,000</u>
TOTAL BORROWINGS	24	<u>23,759,723</u>	<u>76,351,473</u>

(a) At the end of previous reporting period, loan from Bankwest was secured on the Aegis Aged Care Assets and charged interest at the BBSY plus a margin of 1.25% with the outstanding amount repayable on the facility expiry date.

Note 15 Provisions

Analysis of Provisions

	2024 \$	2023 \$
CURRENT		
Annual and sick Leave		
Balance at the start of the period	13,134,959	13,161,348
Additional provisions raised during year	5,024,319	364,260
Amounts used	(539,867)	(390,649)
Balance at the end of the period	<u>17,619,411</u>	<u>13,134,959</u>
Long Service Leave		
Balance at the start of the period	4,105,083	4,188,861
Additional provisions raised during year	156,381	0
Amounts used	(77,359)	(83,778)
Balance at the end of the period	<u>4,184,105</u>	<u>4,105,083</u>
Back Pay		
Balance at the start of the period	0	0
Additional provisions raised during year	2,270,000	0
Balance at the end of the period	<u>2,270,000</u>	<u>0</u>
Total Current	<u>24,073,516</u>	<u>17,240,042</u>
NON-CURRENT		
Long-term Employee Benefits		
Balance at the start of the period	1,718,141	1,876,632
Amounts used	(31,495)	(158,491)
Balance at the end of the period	<u>1,686,646</u>	<u>1,718,141</u>
	2024 \$	2023 \$
Current	24,073,516	17,240,042
Non-current	1,686,646	1,718,141
	<u>25,760,162</u>	<u>18,958,183</u>

Provision for employee benefits

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

Provision for employee benefits represents amounts accrued for annual leave, sick leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements 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 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 consolidated 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.

The provision for employee entitlements includes an estimated amount of \$2.27 million 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 16 Lease Liabilities

	2024 \$	2023 \$
Current liabilities	1,346,349	1,139,304
Non-current liabilities	10,472,015	10,457,003
Total Lease Liabilities	<u>11,818,364</u>	<u>11,596,307</u>

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Note 17 Tax

	2024 \$	2023 \$	
CURRENT			
Income tax			
Current tax liabilities	0	13,884	
Current tax assets	3,647	0	
	<u>3,647</u>	<u>13,884</u>	
NON-CURRENT			
Deferred tax liabilities			
Asset revaluations	3,360,462	0	3,360,462
Balance as at 30 June 2023	<u>3,360,462</u>	<u>0</u>	<u>3,360,462</u>
Asset revaluations	3,360,462	0	3,360,462
Balance as at 30 June 2024	<u>3,360,462</u>	<u>0</u>	<u>3,360,462</u>

Note 18 Issued Units

	2024 No.	2023 No.
Number of fully paid units		
At beginning of the reporting period	25,001	25,001
At the end of the reporting period	<u>25,001</u>	<u>25,001</u>

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 consolidated Trust's net assets.

Note 19 Cash Flow Information

	2024 \$	2023 \$
Reconciliation of profit to net cash provided by operating activities		
Profit for the year	12,400,520	4,214,863
Non cash flows in profit for the year:		
— Depreciation	9,595,032	9,920,267
— Back pay provision expense	2,270,000	0
— Amortisation expense of right of use assets	1,441,402	1,271,815
— Loss on sales of land & building for sale	309,767	456,068
Changes in assets and liabilities:		
— Decrease/(increase) in trade and other receivables	(3,485,577)	1,153,452
— Decrease/(increase) in inventories	(5,793)	29,061
— (Decrease)/increase in provisions	4,531,979	(268,658)
— (Decrease)/increase in trade and other payables	(53,923)	1,025,613
— (Decrease)/increase in income tax payable	(17,531)	13,005
Net cash provided by operating activities	<u>26,985,876</u>	<u>17,815,486</u>

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 20 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 21 Related Party Transactions

Transaction with related parties:

(a) Key Management Personnel

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

(b) Remuneration of Key Facility Management Personnel

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

	2024 \$	2023 \$
Salaries and wages	3,130,064	2,641,552
Short-term employee benefits	272,254	287,820
Long-term employee benefits	158,615	199,105
	<u>3,560,933</u>	<u>3,128,477</u>

(c) Other related entities

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

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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	5,184,105	4,488,234
• Interest paid	2,247,686	3,575,136
• Admin Fees paid	8,959,712	5,940,187
• Agency Fees paid	0	8,724,152
• Rental paid	691,879	642,679

Note 22 Capital Commitments

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

Note 23 Contingent assets or liabilities

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

Note 24 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	2024	2023
		\$	\$
Financial assets at amortised cost			
Cash and cash equivalents	6	100,682,920	69,583,993
Trade and other receivables	7a	112,778,765	121,977,004
Available-for-sale financial assets:			
- unlisted investments	8	135	135
Total financial assets		<u>213,461,820</u>	<u>191,561,132</u>

		2024	2023
		\$	\$
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	13a	489,326,098	435,053,848
- Borrowings	14	23,759,723	76,351,473
- Lease liabilities	16	11,818,364	11,596,307
Total financial liabilities		<u>524,904,185</u>	<u>523,001,628</u>

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 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 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 residents 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 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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	453,578,783	422,083,916	0	0	35,747,315	12,969,932	489,326,098	435,053,848
Borrowings	23,759,723	59,351,473	0	0	0	17,000,000	23,759,723	76,351,473
Lease liabilities	1,346,349	1,139,304	4,167,045	5,319,842	6,304,970	5,137,161	11,818,364	11,596,307
Total contractual outflows	478,684,855	482,574,693	4,167,045	5,319,842	42,052,285	35,107,093	524,904,185	523,001,628
Financial assets - cash flows realisable								
Cash and cash equivalents	100,682,920	69,583,993	0	0	0	0	100,682,920	69,583,993
Trade and other receivables	77,108,601	89,144,541	0	0	35,670,164	32,832,463	112,778,765	121,977,004
Available-for-sale financial assets	0	0	0	0	135	135	135	135
Total anticipated inflows	177,791,521	158,728,534	0	0	35,670,299	32,832,598	213,461,820	191,561,132
Net (outflow)/inflow of financial instruments	(300,893,334)	(323,846,159)	(4,167,045)	(5,319,842)	(6,381,986)	(2,274,495)	(311,442,365)	(331,440,496)

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 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 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	769,232
Year ended 30 June 2023	
+/- 1% in interest rates	102,325

Note 25 Fair Value Measurements

a. Fair Value Hierarchy

	Note	30 June 2024			Total
		Level 1	Level 2	Level 3	
		\$	\$	\$	\$
<i>Non-financial assets</i>					
Freehold land	9	0	98,910,716	0	98,910,716
Buildings	9	0	371,028,114	0	371,028,114
Total non-financial assets recognised at fair value		0	469,938,830	0	469,938,830
		30 June 2023			Total
		Level 1	Level 2	Level 3	
		\$	\$	\$	\$
<i>Non-financial assets</i>					
Freehold land	9	0	94,939,979	0	94,939,979
Buildings	9	0	376,659,759	0	376,659,759
Total non-financial assets recognised at fair value		0	471,599,738	0	471,599,738

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

Description	Fair Value at 30 June		Valuation Technique(s)	Inputs Used
	2023			
	\$			
<i>Non-financial assets</i>				
Freehold land	94,939,979		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	376,659,759		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
	471,599,738			

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 26 Segment Reporting

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

Note 27 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 consolidated Trust. The proportion of ownership interest held equals the voting rights held by the consolidated Trust. The subsidiaries principal place of business are also their country of registration.

Name of Subsidiary	Principal place of business	Ownership Interest held by consolidated Trust	
		2024	2023
		\$	\$
		%	%
Village Investment Trust	Perth, Western Australia	63.85%	63.85%
Aegis Aged Care Mindarie Pty Ltd	Perth, Western Australia	100.00%	100.00%
FNH Unit Trust	Perth, Western Australia	100.00%	100.00%
Ivermey St Trust	Perth, Western Australia	66.32%	66.32%
HHNH Unit Trust	Perth, Western Australia	67.64%	67.64%

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

b. Significant Restrictions

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

AEGIS AGED CARE GROUP PTY LTD ATF NHM UNIT TRUST AND CONTROLLED ENTITIES
ABN: 32 193 862 750
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 28 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 places of business are:

Aegis Anchorage
340 Anchorage Drive
Mindarie WA 6030
RACS ID 7298

Aegis Woodlake
40 Woodlake Retreat
Kingsley WA 6026
RACS ID 7325

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

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

Aegis Carrington
27 Ivermey Road
Hamilton Hill WA
RACS ID 7874

Aegis Karalee
68 Lyall Street
Redcliffe WA 6104
RACS ID 7448

Aegis Alfred Carson
30 Bay Road
Claremont WA
RACS ID 7414

Aegis Hilton Park
19 Laidlaw Street
Hilton WA
RACS ID 7431

Aegis Lincoln Park
21 Wright Street
Highgate WA
RACS ID 7066

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

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

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

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

Aegis Shorehaven
49 Scotthorn Drive
Alkimos WA 6038
RACS ID 7474

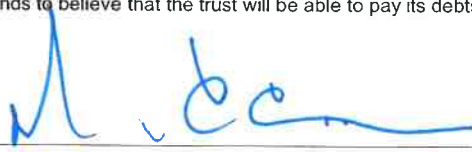
Aegis Shoreline
2 Kaleep Close
North Coogee WA 6163
RACS ID 7475

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

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

1. the consolidated financial statements and notes, as set out on pages 1 to 19, 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

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF THE TRUSTEE COMPANY
AEGIS AGED CARE GROUP PTY LTD
ATF NHM UNIT TRUST AND CONTROLLED ENTITIES****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Aegis Aged Care Group Pty Ltd ATF NHM Unit Trust and controlled entities (the "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
AEGIS AGED CARE GROUP PTY LTD
ATF NHM UNIT TRUST AND CONTROLLED ENTITIES (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance 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 25th day of October 2024.