Beaumont Care (Holdings) Pty Ltd
ABN 68 606 801 478
NAPS ID: 7235

Financial Statements

For the Year Ended 30 June 2022

Beaumont Care (Holdings) Pty Ltd

Contents
For the Year Ended 30 June 2022

	Page
Financial Statements	
Director's Report	1 - 2
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 35
Directors' Declaration	36
Independent Audit Report	37

Beaumont Care (Holdings) Pty Ltd
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Directors' Report
30 June 2022

The directors present their report on Beaumont Care (Holdings) Pty Ltd for the financial year ended 30 June 2022.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:
Linda June Beaumont
Michael Allan Goss

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

Principal activities

The principal activity of Beaumont Care (Holdings) Pty Ltd during the financial year was the provision of residential aged care services approved by the Department of Health and Aged Care.

No significant changes in the nature of the Company's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to $ 3,113,970 (2021: $ 4,462,305 loss).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

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

Future developments and results

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

3. Other items continued

Environmental issues

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

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Beaumont Care (Holdings) Pty Ltd.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 for the year ended 30 June 2022 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: ..... Linda June Beaumont

Director: ..... Michael Allan Goss

Dated this 31st day of October 2022

Beaumont Care (Holdings) Pty Ltd
ABN 68 606 801 478

Auditor's Independence Declaration
30 June 2022

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DECLARATION OF INDEPENDENCE BY K L COLYER TO THE DIRECTORS OF BEAUMONT CARE (HOLDINGS) PTY LTD

As lead auditor of Beaumont Care (Holdings) Pty Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

K L Colyer
Director

BDO Audit Pty Ltd

Brisbane, 31 October 2022

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Beaumont Care (Holdings) Pty Ltd
ABN 68 606 801 478

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022

	Note	2022 $	2021 $
Revenue	4	**21,984,710**	19,562,411
Other income	4	**53,433**	46,761
Service charges		**(18,816,214)**	(17,623,415)
Finance costs	5	**(1,047,528)**	(1,179,799)
Depreciation and amortisation expense		**(3,702,410)**	(2,456,844)
Impairment of intangibles		**-**	(2,006,626)
Other expenses		**(1,441,415)**	(922,018)
(Loss)/Profit before income tax		**(2,969,424)**	(4,579,530)
Income tax benefit/(expense)	6	**(144,546)**	117,225
(Loss)/Profit from continuing operations		**(3,113,970)**	(4,462,305)
(Loss)/Profit for the year		**(3,113,970)**	(4,462,305)
Other comprehensive income			
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**(3,113,970)**	(4,462,305)

The accompanying notes form part of these Financial Statements.

Beaumont Care (Holdings) Pty Ltd
ABN 68 606 801 478

Statement of Financial Position
As At 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**567,039**	1,384,224
Trade and other receivables	8	**82,193**	102,712
Current tax receivable	9	**-**	206,612
Other assets	10	**100,418**	58,626
TOTAL CURRENT ASSETS		**749,650**	1,752,174
NON-CURRENT ASSETS			
Trade and other receivables	8	**7,030,009**	7,030,813
Property, plant and equipment	11	**31,497,404**	32,911,179
Right-of-use assets	12	**1,925,437**	2,011,012
Intangible assets	13	**3,890,177**	5,832,605
TOTAL NON-CURRENT ASSETS		**44,343,027**	47,785,609
TOTAL ASSETS		**45,092,677**	49,537,783
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	**21,399,628**	18,847,352
Borrowings	15	**25,157,607**	27,962,668
Lease liabilities	16	**57,415**	55,231
Other liabilities	17	**238,979**	1,206,645
TOTAL CURRENT LIABILITIES		**46,853,629**	48,071,896
NON-CURRENT LIABILITIES			
Lease liabilities	16	**1,965,277**	2,022,692
Deferred tax liabilities	9	**151,503**	6,957
Other liabilities	17	**3,350,000**	3,550,000
TOTAL NON-CURRENT LIABILITIES		**5,466,780**	5,579,649
TOTAL LIABILITIES		**52,320,409**	53,651,545
NET ASSETS		**(7,227,732)**	(4,113,762)
EQUITY			
Issued capital	18	**119,101**	119,101
Retained earnings		**(7,346,833)**	(4,232,863)
TOTAL EQUITY		**(7,227,732)**	(4,113,762)

The accompanying notes form part of these Financial Statements.

Beaumont Care (Holdings) Pty Ltd
ABN 68 606 801 478

Statement of Changes in Equity
For the Year Ended 30 June 2022

2022

	Ordinary Shares	Retained Earnings	Total
	$	$	$
Balance at 01 July 2021	**119,101**	**(4,232,863)**	**(4,113,762)**
Loss for the year	**-**	**(3,113,970)**	**(3,113,970)**
Other comprehensive income	**-**	**-**	**-**
Total other comprehensive income	**-**	**(3,113,970)**	**(3,113,970)**
Transactions with owners in their capacity as owners	**-**	**-**	**-**
Balance at 30 June 2022	**119,101**	**(7,346,833)**	**(7,227,732)**

2021

	Ordinary Shares	Retained Earnings	Total
	$	$	$
Balance at 01 July 2020	119,101	229,442	348,543
Loss for the year	-	(4,462,305)	(4,462,305)
Other comprehensive income	-	-	-
Total other comprehensive income	-	(4,462,305)	(4,462,305)
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2021	119,101	(4,232,863)	(4,113,762)

The accompanying notes form part of these Financial Statements.

Beaumont Care (Holdings) Pty Ltd
ABN 68 606 801 478

Statement of Cash Flows
For the Year Ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**21,715,280**	19,534,971
Payments to suppliers and employees		**(22,025,744)**	(18,160,848)
Interest received		**-**	3
Interest paid		**(604,587)**	(673,279)
Income taxes received		**235,111**	11,237
Refundable accommodation deposits received from residents		**7,184,328**	7,006,000
Accommodation bonds/ refundable accommodation deposits repaid to residents		**(4,202,907)**	(1,911,203)
Net cash provided by/(used in) operating activities		**2,301,481**	5,806,881
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(265,599)**	(301,607)
Net cash used by investing activities		**(265,599)**	(301,607)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds/(payments) from borrowings		**(2,847,584)**	(2,661,469)
Payment to/(from) related parties		**(48,005)**	(1,440,568)
Net cash used by financing activities		**(2,895,589)**	(4,102,037)
Net increase/(decrease) in cash and cash equivalents held		**(859,707)**	1,403,237
Cash and cash equivalents at beginning of year		**1,084,224**	(319,013)
Cash and cash equivalents at end of financial year	7	**224,517**	1,084,224

The accompanying notes form part of these Financial Statements.

Beaumont Care (Holdings) Pty Ltd
ABN 68 606 801 478

Notes to the Financial Statements
For the Year Ended 30 June 2022

The financial report covers Beaumont Care (Holdings) Pty Ltd as an individual entity. Beaumont Care (Holdings) Pty Ltd is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of Beaumont Care (Holdings) Pty Ltd is Australian dollars.

Beaumont Care (Holdings) Pty Ltd delivers only residential aged care services and this financial report therefore relates only to such operations.

The financial report was authorised for issue by the Directors on 28 October 2022.

1 New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

2 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.* Beaumont Care (Holdings) Pty Ltd 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 otherwise stated.

The financial statements have been prepared, except for the cash flow information, 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.

2 Summary of Significant Accounting Policies continued

(a) Basis of preparation continued

The financial report is presented in Australian dollars, which is the functional and presentation currency of the company and rounded to the nearest dollar.

(b) Comparative amounts

Where necessary, comparative information has been reclassified or amended to achieve consistency in disclosure with current financial year amounts and other disclosures.

(c) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Company has a net deficiency of assets as at 30 June 2022 of $7,227,732; a net deficiency of current assets of $46,103,979 (30 June 2021: $46,319,722) and has incurred losses of $3,113,970 for year to 30 June 2022 (2021 loss: $4,462,305). Included in current liabilities is $25,061,852 of bank debt due to expire on 30 September 2022. These conditions give rise to a material uncertainty, which may cast significant doubt about the ability of the Company to continue as a going concern.

The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- The realisation of funds from the sale of non-core assets held by the Company. As at the date of this report the Company has commenced a process to seek expressions of interest to purchase its non-operating aged care facility and adjacent vacant land at Rothwell through the appointment of Ray White Commercial and so are unable to confirm any results of the early-stage sale process.
- The realisation of funds from the sale of a commercial property held by a director and offered as security for Company debts. As at the date of this report the Company has appointed Ray White Commercial to run an auction sales campaign which will commence in early November and so are unable to confirm a result from the marketing and auction process.
- Continuation of debt funding and the part-repayment of debt resulting from a sale of one or both of the abovementioned assets and improved operational performance and strategies implemented by the Board. The directors confirm that the NAB has agreed to consider renewing the lending facilities (currently under short term extensions) and is working with the Company towards a renewal and an extension to 31 October 2023. As at the date of this report the directors have reasonable bases to have confidence in its bank's ongoing support through the divestment campaign and operational review and consolidation phases.
- A capital grant totalling $4,000,000 was received from the Department of Health and Aged Care for the construction of the Wamuran facility (Opened 2020). In accordance with Accounting Standards, the Company recognises this amount as an 'Other Liability – Government capital grant' and $200,000 is released to income over the 20-year period on a straight-line basis from the date of completion of the Wamuran project. The carrying amount of the liability at balance date was $3,550,000 (2021: $3,750,000). Refer note 22 for further details.

2 Summary of Significant Accounting Policies continued

(c) Going concern continued

- The working capital deficiency partially arises because of the requirement under Australian Accounting Standards to classify refundable accommodation deposits (RADs)/accommodation bonds totalling $16,034,047 (2021: $13,173,792) as a current liability. Repayment obligations for accommodation bonds and RADs do not practically all fall due within the next twelve months. Accommodation bonds or RADs become payable upon the death or departure of aged care residents. It is unlikely that all residents will depart in the next twelve months thereby necessitating a full pay out of the aggregate bond/RAD liability. Historically, typical turnover of RAD-paying aged care residents over a three-year period has been approximately 26%.
- Included in the net loss after tax of $3,113,970 is a depreciation and amortisation charge totalling $3,702,410 (2021: $2,456,844) relating to bed licenses, property plant and equipment and right of use assets. As a result of announcements made in the Federal Budget and the release on 29 September 2021 by the Department of Health and Aged Care of the discussion paper "Improving Choice in Residential Aged Care – ACAR Discontinuation", bed licences are considered to have a finite life that is not expected to extend beyond 1 July 2024. This has resulted in the Company booking an amortisation charge of $1,942,428 (representing 12 months of the expected useful life of 38 months compared to 2 months' amortisation charge at the end of the 2021 accounting year).
- Continuing improvement in operational and financial performance as a result of operating and budget measures implemented during the 2022 financial year, including improved staff rostering, managed procurement costs, and residential aged care subsidy measures. Taking account of the introduction of the Australian National Aged Care Classification (AN-ACC) as a funding model from 1 October 2022, the Company has experienced an increase in its residential aged care subsidy revenue.
- The company incurred unbudgeted COVID-19 related costs during the financial year, including in relation to incremental staff expenses, personal protective equipment, infection prevention and control, and employee welfare. Under the COVID-19 Aged Care Support Program with The Department of Health and Aged Care, the Company has applied for government funding totalling $170,160 , for relevant impacted services. The Department of Health and Aged Care has advised of ongoing delays in processing COVID-19 outbreak claims. When the grant monies are approved by The Department, the company will recognise this amount as revenue.
- A week by week cashflow covering the period to 31 March 2023 allow for debts (including payments to the Company's financier as required) to be paid when they fall due without an identified need for additional external funding. All creditors are presently within terms of trade including an agreed 24-month payment plan with Moreton Regional Council relating to infrastructure costs of the Wamuran facility.

Having regard to the above, the directors believe the going concern basis of preparation is appropriate, and accordingly have prepared the financial report on this basis. The going concern basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report.

2 Summary of Significant Accounting Policies continued

(d) Revenue and other income

The Company recognises revenue as follows:

All revenue is stated net of the amount of goods and services tax (GST).

Government grants and subsidies - residential aged care

The Company recognises revenue from aged care services over time as performance obligations are satisfied, which is as the services are rendered. Revenue arises from a single agreed contract with a resident. Fees received is based on the Aged Care Funding Instrument ("ACFI") assessment and recognised on a daily basis (in line with the care given to the residents). The funding received is determined by the Department of Health and Aged Care and based on a range of factors including resident's care needs; whether the facility has been significantly refurbished; levels of supported residents and financial means of the resident. Funding is received in advance from the Department of Health and Aged Care.

Government grants and subsidies - other

Grant revenue is recognised in profit or loss when the Company satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the Company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a contract liability until those conditions are satisfied. Income in relation to the Capital Grant for the construction of Wamuran residential aged care facility is recognised on a straight-line basis over 20 years.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Resident fees

The Company receives daily fees for the provision of care and accommodation in accordance with the Aged Care Act which are funded by the resident as a Basic Daily Fee which is set by the Federal Government. The Basic Daily Fee is calculated as a daily rate and is payable by a resident for each day that resident resides in the facility. The fee is recognised over time as the services are provided. Residents are invoiced on a monthly basis.

Other fees and charges recognised by the Company for additional services to residents under mutually agreed terms and conditions. Each services provided to the resident represents a separate performance obligation. These services are typically provided on a regular recurring basis, with revenue recognised over time as the service is provided. Services provided are invoiced on a monthly basis.

Other resident revenue

Other resident revenue represents other fees charged to residents in respect of accommodation charges and includes daily accommodation payments (DAP) and daily accommodation contribution (DAC) revenue. Other resident revenue is recognised over time as the resident resides in the facility. Residents are invoiced on a monthly basis.

2 Summary of Significant Accounting Policies continued

(d) Revenue and other income continued

Imputed revenue on Refundable Accommodation Deposits (RAD) Accommodation Bond (Bond) balances

Under AASB 16 Leases, total revenue includes an imputed non-cash charge for accommodation in respect of residents who have chosen to pay a RAD and the corresponding finance costs representing the amount of interest expense saved on the interest-free loan. Because the RAD's are interest-free only until the resident vacates the premises, the RAD balance is required to be discounted and measured at fair value. The Company has determined the use of the RBA's Overnight Cash Rate as the interest rate used in the calculation of the discounting of the RAD balance. Because the repayment of the RAD is guaranteed by the Federal Government, there is no credit risk and therefore the appropriate discount rate is the RBA's Overnight Cash Rate.

Interest income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(f) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Deferred tax is recognised for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probably that the related tax benefit will be realised.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments with original maturities of 3 months or less.

2 Summary of Significant Accounting Policies continued

(g) Cash and cash equivalents continued

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(h) Trade and other receivables

Trade receivables are recognised at fair value less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

2 Summary of Significant Accounting Policies continued

(i) Leases continued

Lease liability

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Exceptions of lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(k) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

2 Summary of Significant Accounting Policies continued

(k) Financial instruments continued

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

2 Summary of Significant Accounting Policies continued

(k) Financial instruments continued

Financial assets continued

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

(l) Property, plant and equipment

Each class of property, plant and equipment, except for freehold land, is carried at historical cost, where applicable, any accumulated depreciation and impairment.

2 Summary of Significant Accounting Policies continued

(l) Property, plant and equipment continued

Under the historical cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, excluding freehold land, is depreciated on a straight-line basis and plant and equipment is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Buildings	2.5% - 4%
Plant and Equipment	10% - 100%
Motor Vehicles	18.75% - 25%
Office Equipment	20% - 100%
Low Value Asset Pool	18.75% - 37.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When the assets are disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(m) Intangibles

Bed licences

Bed licences are carried in the Statement of Financial Position at cost less amortisation and impairment. Bed licences are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Impairment losses on bed licences are taken to profit or loss and are not subsequently reversed.

The Federal Government announced in the Federal Budget on 15 May 2021 the phasing out of allocated bed licences by 30 June 2024. As a result, bed licences are considered to have a finite useful life and will be amortised over the period 15 May 2021 to 30 June 2024.

This has resulted in an amortisation expense in profit and loss for the year ended 30 June 2022 of $1,942,428.

Bed licences are tested for impairment if events or changes in circumstances indicate that it may be impaired. Refer to Note 2(n) for further information about impairment testing of bed licences.

2 Summary of Significant Accounting Policies continued

(n) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets such as bed licenses that have indefinite lives, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss and to reduce the carrying amount of the non-financial asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The Company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether bed licences have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

(o) Refundable accommodation deposits

Refundable accommodation deposits received from residents are recognised as a financial liability under AASB 9. The recorded amount represents the refundable accommodation deposits received care fees and interest amounts due in accordance with the terms of the resident agreement in compliance with the Aged Care Act 1997 (Cth).

As there is no unconditional right to defer settlement of refundable accommodation deposits for at least twelve months after the reporting date, all refundable accommodation deposits held have been recognised as a current liability.

The directors have assessed the deficiency position and are satisfied that there are sufficient liquid funds available to meet expected residents' refund payments during the next twelve months after the reporting date.

2 Summary of Significant Accounting Policies continued

(p) Trade and other payables

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

3 Critical Accounting Estimates and Judgments

The directors makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Key estimates - identifiable intangible assets

Bed licences are allocated to each Aged Care Facility for the purposes of impairment testing. A review of indicators of impairment relating to bed licences and other non-current assets was performed as at 30 June 2022. As a result of this review, indicators of impairment were identified which required the Company to perform an impairment test as at 30 June 2022. The Company's impairment tests are based on value-in-use ('VIU'). VIU calculations are based on the discounted cash flows expected to arise from the asset or CGU.

Key estimates - useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

3 Critical Accounting Estimates and Judgments continued

Key judgments - taxes

Deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgements as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Key estimates - lessor accounting

Under AASB 16 Leases, total revenue includes an imputed non-cash charge for accommodation in respect of residents who have chosen to pay a RAD and the corresponding finance costs representing the amount of interest expense saved on the interest-free loan. Because the RAD's are interest-free only until the resident vacates the premises, the RAD balance is required to be discounted and measured at fair value. The Company has determined the use of the RBA’s Overnight Cash Rate as the interest rate used in the calculation of the discounting of the RAD balance. Because the repayment of the RAD is guaranteed by the Federal Government, there is no credit risk and therefore the appropriate discount rate is the RBA’s Overnight Cash Rate.

Key estimates - lessee accounting

The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Entity's incremental borrowing rate.

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

In determining the lease term, the Entity considers all facts and circumstances that create an economic incentive to exercise an extension option. When exercising lease extensions of building premises, the Entity considers the following factors:

- any termination and make-good penalties;
- value of leasehold improvements;
- cost of disruption to the business to relocate; and
- availability and cost other suitable properties.

	2022 $	2021 $
4 Revenue and Other Income		
Revenue		
Care income		
Government grants and subsidies - residential aged care (1)	**15,364,973**	13,786,979
Government grants and subsidies - other (1)	**1,167,682**	593,355
Resident fees (2)	**4,673,003**	4,507,409
	21,205,658	18,887,743
Accommodation income		
Other resident revenue	**752,638**	660,595
Imputed revenue on RAD and Bond balances	**26,414**	14,073
	779,052	674,668
	21,984,710	19,562,411
Other income		
Sales to residents (1)	**53,433**	46,758
Interest received	**-**	3
	53,433	46,761
Total revenue & other income	**22,038,143**	19,609,172

1. The Company derives revenue from the transfer of goods and services at a point in time in accordance with AASB 15.
2. The Company derives revenue from the transfer of goods and services over time in accordance with AASB 15.

5 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

Finance Costs		
Imputed Accommodation Bond/RAD interest expense	**26,414**	14,073
Interest expense attributable to leases accounted for under AASB 16	**79,303**	81,404
Interest expense on borrowings	**941,811**	1,084,322
Total interest expense	**1,047,528**	1,179,799
Total finance costs	**1,047,528**	1,179,799

	2022 $	2021 $
6 Income Tax Expense		
(a) Income tax expense		
Income tax expense		
Current tax	**-**	(6,774)
Deferred tax	**144,546**	(110,451)
Total income tax expense	**144,546**	(117,225)
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	**-**	(117,225)
Increase in deferred tax liabilities	**144,546**	-
Total deferred tax expense	**144,546**	(117,225)
(b) Numerical reconciliation of income tax expense to prima facie tax payable:		
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2021: 26%)	**(742,356)**	(1,190,678)
Add:		
Tax effect of:		
Non-assessable income	**(6,604)**	(3,658)
Non-deductible expenses	**6,626**	525,403
Changes in tax rate	**(268)**	(6,774)
Current year tax losses not recognised	**310,345**	558,482
Amortisation on bed licences not recognised	**576,803**	-
Income tax expense	**144,546**	(117,225)

		2022 $	2021 $
7 Cash and Cash Equivalents			
Cash at bank		**567,039**	1,384,224
		567,039	1,384,224

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents		**567,039**	1,384,224
Bank overdrafts	15	**(342,522)**	(300,000)
Balance as per statement of cash flows		**224,517**	1,084,224

8 Trade and Other Receivables			
CURRENT			
Trade receivables		**98,538**	117,854
Less: allowance for expected credit losses		**(16,345)**	(15,142)
Total current trade and other receivables		**82,193**	102,712
NON-CURRENT			
Related party receivables		**7,030,009**	7,030,813
Total non-current trade and other receivables		**7,030,009**	7,030,813

9 Tax Assets and Liabilities			
Current Tax Asset			
Current tax receivable		**-**	206,612
		-	206,612
Recognised deferred tax liabilities			
Deferred tax liabilities		**151,503**	6,957

9 Tax Assets and Liabilities continued

	Opening Balance	Recognised in profit or loss	Closing Balance
	$	$	$
Deferred tax assets/(liabilities)			
Property, plant and equipment	(42,328)	(51,554)	(93,882)
Allowance for expected credit losses	12,739	(8,802)	3,937
Intangible assets	-	94,844	94,844
Lease liabilities	9,478	7,919	17,397
Other liabilities	(13,750)	(51,250)	(65,000)
Future deductible expenditure	(40,044)	75,791	35,747
Tax loss derecognised	99,073	(99,073)	-
Balance at 30 June 2021	25,168	(32,125)	(6,957)
Property, plant and equipment	**(93,882)**	**(10,895)**	**(104,777)**
Allowance for expected credit losses	**3,937**	**149**	**4,086**
Intangible assets derecognised	**94,844**	**(94,844)**	**-**
Lease liabilities	**17,397**	**6,917**	**24,314**
Other liabilities	**(65,000)**	**(47,500)**	**(112,500)**
Future deductible expenditure	**35,747**	**1,627**	**37,374**
Balance at 30 June 2022	**(6,957)**	**(144,546)**	**(151,503)**

	2022	2021
	$	$

9 Tax Assets and Liabilities continued

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:

(i) Tax losses		
Unused tax losses	**1,241,383**	2,137,461
Potential tax benefit at 25% (2021: 26%)	**310,345**	555,740
(ii) Temporary differences		
Amortisation and impairment of bed licences	**2,307,210**	2,006,626
Potential tax benefit at 25% (2021: 26%)	**576,803**	521,723

Deferred tax assets have not been recognised in respect of these items because it is uncertain if future taxable profit will be available against which the Company can utilise the benefits.

10 Other Assets

CURRENT		
Prepayments	**100,418**	58,626
	100,418	58,626

	2022 $	2021 $
11 Property, Plant and Equipment		
Land and buildings		
Freehold land		
At cost	**6,243,476**	6,243,476
Total land	**6,243,476**	6,243,476
Buildings		
At cost	**23,093,539**	22,993,118
Accumulated depreciation	**(1,865,111)**	(1,341,203)
Total buildings	**21,228,428**	21,651,915
Work in progress		
At cost	**30,553**	30,553
Total work in progress	**30,553**	30,553
Total land and buildings	**27,502,457**	27,925,944
Plant and equipment		
Plant and equipment		
At cost	**6,500,937**	6,351,418
Accumulated depreciation	**(3,356,408)**	(2,431,648)
	3,144,529	3,919,770
Motor vehicles		
At cost	**45,462**	45,461
Accumulated depreciation	**(35,605)**	(32,567)
	9,857	12,894
Office equipment		
At cost	**24,751**	24,751
Accumulated depreciation	**(20,631)**	(19,601)
	4,120	5,150

	2022	2021
	$	$
11 Property, Plant and Equipment continued		
Low value asset pool		
At cost	**1,605,591**	1,605,590
Accumulated depreciation	**(769,150)**	(558,169)
	836,441	1,047,421
Total plant and equipment	**3,994,947**	4,985,235
Total property, plant and equipment	**31,497,404**	32,911,179

(a) 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:

	Land	Buildings	Plant and Equipment	Motor Vehicles
	$	$	$	$
Year ended 30 June 2022				
Balance at the beginning of the year	**6,243,476**	**21,651,915**	**3,919,770**	**12,894**
Additions	**-**	**102,936**	**162,663**	**-**
Disposals	**-**	**(2,133)**	**(2,831)**	**-**
Depreciation expense	**-**	**(524,290)**	**(935,073)**	**(3,037)**
Balance at the end of the year	**6,243,476**	**21,228,428**	**3,144,529**	**9,857**

	Office Equipment	Low Value Asset Pool	Work in Progress	Total
	$	$	$	$
Year ended 30 June 2022				
Balance at the beginning of the year	**5,150**	**1,047,421**	**30,553**	**32,911,179**
Additions	**-**	**-**	**-**	**265,599**
Disposals	**-**	**-**	**-**	**(4,964)**
Depreciation expense	**(1,030)**	**(210,980)**	**-**	**(1,674,410)**
Balance at the end of the year	**4,120**	**836,441**	**30,553**	**31,497,404**

		2022 $	2021 $
12	**Right-of-use assets**		
	At cost	**2,182,162**	2,182,162
	Accumulated depreciation	**(256,725)**	(171,150)
	Total right-of-use assets	**1,925,437**	2,011,012

(a) Movements in carrying amount

	Land & Buildings	Total
2022		
Balance at the beginning of the year	**2,011,012**	**2,011,012**
Depreciation expense	**(85,575)**	**(85,575)**
Balance at the end of the year	**1,925,437**	**1,925,437**
2021		
Balance at beginning of the year	2,096,587	2,096,587
Depreciation expense	(85,575)	(85,575)
Balance at end of the year	2,011,012	2,011,012

There were no additions to the right-of-use assets during the year and depreciation charged to profit or loss was $85,575.

The Company leases land for the Residential Aged Care Facility located at 60 Ziviani Road, Wamuran. The lease is under an agreement with a remaining term of 22.5 years, with two options to extend by 5 years.

13	**Intangible Assets**		
	Bed licences		
	Cost	**8,204,013**	8,204,013
	Accumulated amortisation and impairment	**(4,313,836)**	(2,371,408)
	Total Intangibles	**3,890,177**	5,832,605

	2022 $	2021 $

13 Intangible Assets continued

(a) Movements in carrying amount

	Bed licences	Total
Year ended 30 June 2022		
Balance at the beginning of the year	**5,832,605**	**5,832,605**
Amortisation (i)	**(1,942,428)**	**(1,942,428)**
Closing value at the end of the year	**3,890,177**	**3,890,177**

i) The Federal Government announced in the Federal Budget on 15 May 2021 the phasing out of allocated bed licences by 30 June 2024. As a result, bed licences are considered to have a finite useful life and will be amortised over the period 15 May 2021 to 30 June 2024 (refer to Note 2(m)).

14 Trade and Other Payables

CURRENT		
Trade payables	**5,364,103**	5,526,955
Refundable accommodation deposits/ accommodation bonds	**16,034,047**	13,173,828
Related party payables	**-**	66,664
Unearned revenue	**373**	36
Other payables	**1,105**	79,869
Total current trade and other payables	**21,399,628**	18,847,352

15 Borrowings

CURRENT		
Secured liabilities:		
Bank overdraft	**342,522**	300,000
Bank loans	**24,719,330**	27,615,713
Other financial liabilities	**95,755**	46,955
Total current borrowings	**25,157,607**	27,962,668
Total borrowings	**25,157,607**	27,962,668

15 Borrowings continued

(a) Summary of borrowings

i) The company has an overdraft facility with NAB specifically for RAD liquidity with a limit of $3,000,000 of which $2,783,393 is unused at 30 June 2022.

The variable interest rate on the overdraft facility with NAB at 30 June 2022 is 4.22% (2021: 3.48%).

ii) The company has secured finance facilities with NAB, of which $4,291,401 is unused as at 30 June 2022.

All NAB facilities are secured by a fixed and floating charge over the assets and undertakings of the Company and registered mortgage over the land held by the Company. Beaumont Care Pty Ltd and Willow Water Pty Ltd have provided a first priority general security over all present and after acquired property. Linda Beaumont, Willow Water Pty Ltd and Beaumont Care Pty Ltd provided a guarantee of $37,483,248 plus interest with respect to these facilities.

The NAB facilities were due to expire on 30 September 2022. As at the date of issue of the financial statements, discussions are still being held with NAB in negotiating new terms. Refer to note 2(c) for further details.

The bank loans are interest only loans. The average variable interest rate for the bank loans at 30 June 2022 is 2.87% (2021: 2.65%).

(b) Defaults and breaches in relation to financial liabilities

The Company breached its covenant requirements for the NAB bank loans during the financial year as follows:

- The Company breached the Interest Cover (EBITDA / Interest Expense) minimum requirements each quarter during the year, as the earnings on interest was less than 2.5 times.
- The Company breached the Loan to Value ratio from the December 2021 quarter onwards, as the ratio exceeded 65%.

As at the date of issue of the financial statements, the Bank has confirmed it has waived its right to take action regarding breaches of covenant for the quarterly periods of the 2021/2022 financial year.

	2022 $	2021 $
16 Lease Liabilities		
CURRENT		
Lease liabilities	**57,415**	55,231
	57,415	55,231
NON-CURRENT		
Lease liabilities	**1,965,277**	2,022,692
	1,965,277	2,022,692
Future lease payments		
Future lease payments are due as follows:		
Within one year	**134,534**	134,534
One to five years	**538,136**	538,136
More than five years	**2,354,345**	2,488,879
	3,027,015	3,161,549
17 Other Liabilities		
CURRENT		
Government capital grants - refer note 22	**200,000**	200,000
Other income received in advance	**38,979**	1,006,645
	238,979	1,206,645
NON-CURRENT		
Government capital grants - refer note 22	**3,350,000**	3,550,000
	3,350,000	3,550,000
18 Issued Capital		
119,101 (2021: 119,101) Ordinary shares	**119,101**	119,101
	119,101	119,101

	2022	2021
	$	$

19 Dividends

No dividends were paid or declared since the start of the financial year.

Franking credits

The franking credits available for subsequent financial years at a tax rate of 25% (2021: 26%)	**101,141**	307,753

The above amount represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;

(c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

20 Key Management Personnel Disclosures

No remuneration has been paid to key management personnel by the company during the 2022 year (2021: Nil).

21 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company, its network firms and unrelated firms:

Audit services - BDO Audit Pty Ltd:		
- audit of the financial statements	**59,500**	54,000
- other services	**-**	2,300
Other services - BDO Services Pty Ltd:		
- Tax compliance	**45,240**	37,335
- Other services	**20,245**	81,539
Other services - BDO Business Restructuring Pty Ltd		
- Assistance with management reporting	**-**	25,800
Total	**124,985**	200,974

	2022	2021
	$	$

22 Contingencies

Beaumont Care (Holdings) Pty Ltd had the following contingent liability at the end of the reporting period:

Australian Department of Health and Aged Care

The Company has entered into an agreement with the Australian Department of Health and Aged Care whereby the Department provided a Residential Care Grant of $4,000,000 (excluding GST) to the Company towards the construction of a residential aged care facility at 60 Ziviani Road, Wamuran QLD 4512.

The grant monies of $4,000,000 were provided from 26 June 2018 to 20 April 2020. In accordance with the terms of the agreement, the Company must use the property for the purpose for no less than 20 years from the project completion date. The project was completed 31 March 2020. The Company recognises this amount as an 'Other Liability – Government capital grant' and $200,000 is released to income over the 20-year period on a straight-line basis from the date of completion of the Wamuran project.

Should the Company demolish or transfer ownership or effective control of the land and buildings which constitute the property, to another person within 20 years from the completion date without written approval of the Secretary prior, the Secretary may require repayment of part or all of the Grant.

Australian Department of Health and Aged Care	**4,000,000**	4,000,000
	4,000,000	4,000,000

23 Related Parties

(a) The Company's main related parties are as follows:

The ultimate parent entity, which exercises control over the Company, is Willow Water Pty Ltd as trustee for the Begonia Family Trust which is incorporated in Australia and owns 100% of Beaumont Care (Holdings) Pty Ltd.

Beaumont Care Pty Ltd provides residential management services to the residential aged care facilities. The Company is incorporated in Australia. 100% A Class Shares are owned by Willow Water Pty Ltd and 100% Ordinary Class Shares are owned by Linda June Beaumont. Refer to note 14 for payables owed to Beaumont Care Pty Ltd.

Beaumont Care Independent Living Pty Ltd provides NDIS independent living services and is owned 100% by Willow Water Pty Ltd as trustee for the Begonia Family Trust. Refer to note 14 for payables owed to Beaumont Care Independent Living Pty Ltd.

Linda June Beaumont owns 100% of Willow Water Pty Ltd and is a director of the Company. Refer to note 8 for amounts owed by Linda June Beaumont.

Key management personnel - refer to Note 20.

Other related parties include entities that are controlled or significantly influenced by key management personnel.

	2022	2021
	$	$

23 Related Parties continued

(b) Transactions with related parties

The following transactions occurred with related parties:

Purchases of goods and services		
Payment for management service charges from related party	18,816,214	17,623,415
Payment for rental of land from director	134,534	134,534
Payment for legal services from director	-	8,550
	18,950,748	**17,766,499**

(c) Outstanding balances arising from purchases of goods and services

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current payables:		
Trade payables to related parties	**4,640,426**	3,446,781

(d) Loans to/from related parties

Loans to director		
Beginning of the year	**7,030,813**	7,030,995
Loans advanced	**104,000**	173,372
Loan repayments received	**(104,804)**	(173,554)
End of year	**7,030,009**	7,030,813
Loans from other related parties		
Beginning of the year	**66,664**	770
Loans advanced	**-**	65,894
Loan repayments received	**(66,664)**	-
End of the year	**-**	66,664

(e) Terms and conditions

Management service fees were charged by Beaumont Care Pty Ltd on a cost plus mark-up basis, allowing a margin ranging from 10 - 30% (2021: 10 - 30%). All other transactions were made on normal commercial terms and conditions at market rates.

Outstanding balances to related parties are unsecured and are repayable in cash if called upon. The directors of the related parties have provided written confirmation that the outsanding balances will not be called upon until such time that the Company has the capacity to pay.

23 Related Parties continued

(e) Terms and conditions continued

The loan to the director is unsecured and repayable in cash if called upon.

24 Events Occurring After the Reporting Date

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

25 Statutory Information

The registered office and principal place of business of the company is:

Beaumont Care (Holdings) Pty Ltd
60 Ziviani Road
WAMURAN QLD 4512

Beaumont Care (Holdings) Pty Ltd
ABN 68 606 801 478

Directors' Declaration

The directors of the Company declares that:

1. The financial statements and notes, as set out on pages 4, are in accordance with the Corporations Act 2001 and:
   a. comply with Australian Accounting Standards - Simplified Disclosures (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.

2. In the director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ..... Director .....

Linda June Beaumont Michael Allan Goss

Dated this 31st day of October 2022

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Fax: +61 7 3221 9227
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Level 10, 12 Creek Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Beaumont Care (Holding) Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Beaumont Care (Holding) Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Beaumont Care (Holding) Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 (c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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 (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

K L Colyer
Director

Brisbane, 31 October 2022

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