

**CHELTENHAM MANOR PTY LTD ATF
CHELTENHAM MANOR FAMILY TRUST
NAPS 762
ABN: 48 744 539 702**

**Financial Report For The Year Ended
30 June 2023**

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762

ABN: 48 744 539 702

Financial Report For The Year Ended 30 June 2023

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CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762

ABN: 48 744 539 702

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Revenue			
Interest income		1,286,124	199,753
Commonwealth Subsidies		10,109,784	10,598,757
Resident/client charges		7,782,198	7,370,541
Other revenue		95,158	107,760
Total Revenue and other income	2	19,273,264	18,276,811
Expenses			
Auditor's remuneration	4	52,950	57,000
Depreciation		228,988	146,333
Other expenses		2,836,816	2,604,003
Rent		2,000,000	2,000,000
Labour Costs		13,862,694	12,452,634
Finance Costs		80,658	62,557
Total Expenses		19,062,106	17,322,527
Profit attributable to beneficiaries	3	211,158	954,284
Total other comprehensive income		-	-
Total comprehensive income attributable to beneficiaries		211,158	954,284

The accompanying notes form part of these financial statements.

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS
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ABN: 48 744 539 702
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023	2022
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	34,183,944	34,800,148
Trade and other receivables	6	261,734	292,732
TOTAL CURRENT ASSETS		34,445,678	35,092,880
NON-CURRENT ASSETS			
Investment	7	2,045,769	2,045,092
Property, plant and equipment	8	168,120	214,555
Intangible assets	8	7,378,000	7,378,000
Unsecured interest free intergroup loans	14	21,417,083	21,417,083
TOTAL NON-CURRENT ASSETS		31,008,972	31,054,730
TOTAL ASSETS		65,454,650	66,147,610
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	15,643,263	15,577,376
Borrowings	10	436,618	262,173
Provisions	11	1,494,557	1,417,962
TOTAL CURRENT LIABILITIES		17,574,438	17,257,511
NON-CURRENT LIABILITIES			
Trade and other payables	9	45,352,240	45,833,102
Borrowings	10	2,527,772	3,056,797
TOTAL NON-CURRENT LIABILITIES		47,880,012	48,889,899
TOTAL LIABILITIES		65,454,450	66,147,410
NET ASSETS		200	200
EQUITY			
Settlement Sum		200	200
TOTAL EQUITY		200	200

The accompanying notes form part of these financial statements.

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762

ABN: 48 744 539 702

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Note	Retained Earnings \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2021		-		-
Comprehensive income				
Profit for the year		954,284		954,284
Financing costs - distributions paid or provided for		-		-
Other comprehensive income for the year			-	-
Total comprehensive income for the year attributable to beneficiaries		<u>954,284</u>	<u>-</u>	<u>954,284</u>
Transactions with beneficiaries in their capacity as owners				
Distribution to beneficiaries	3	<u>(954,284)</u>		<u>(954,284)</u>
Total transactions with beneficiaries		<u>(954,284)</u>	<u>-</u>	<u>(954,284)</u>
Balance at 30 June 2022		<u>-</u>	<u>-</u>	<u>-</u>
Balance at 1 July 2022		-	-	-
Comprehensive income				
Profit for the year		211,158		211,158
Financing costs - distributions paid or provided for		-		-
Other comprehensive income for the year			-	-
Total comprehensive income for the year attributable to beneficiaries		<u>211,158</u>	<u>-</u>	<u>211,158</u>
Transactions with beneficiaries in their capacity as owners				
Distribution to beneficiaries	3	<u>(211,158)</u>		<u>(211,158)</u>
Total transactions with beneficiaries		<u>(211,158)</u>	<u>-</u>	<u>(211,158)</u>
Balance at 30 June 2023		<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762

ABN: 48 744 539 702

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17,928,920	17,831,095
Payments to suppliers and employees		(18,449,689)	(17,000,926)
Interest received		1,286,124	199,753
Other Operating Cash Flows		95,158	107,760
Net cash provided by operating activities	12	<u>860,513</u>	<u>1,137,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of a business, net of cash acquired		-	-
Proceeds from available-for-sale investments		-	-
Purchase of available-for-sale investments		-	-
Purchase of property, plant and equipment		-	-
-Residential Aged Care exc. Retirement Living		(182,553)	(94,216)
-Other Incl.Retirement Living		-	-
Other Investing Cash Flows		(677)	(33,664)
Proceeds from sale of property, plant and equipment		-	14,156
Net cash used in investing activities		<u>(183,230)</u>	<u>(113,724)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of directors' loan accounts		-	-
Proceeds from directors' loan accounts		-	-
Repayment of borrowings		-	-
Proceeds from borrowings		-	-
Proceeds from loan controlled trusts		-	-
Distributions paid		-	-
Accommodation Bonds/Refundable Deposits Received		20,284,000	17,795,058
Refunded Accommodation Bonds/Refundable Deposits/Entry Contributions		(20,817,019)	(22,240,633)
Repayment of related party loans		(760,468)	(983,715)
Net cash provided by/(used in) financing activities		<u>(1,293,487)</u>	<u>(5,429,290)</u>
Net increase/(decrease) in cash held		(616,204)	(4,405,332)
Cash and cash equivalents at beginning of financial year		34,800,148	39,205,480
Cash and cash equivalents at end of financial year	5	<u><u>34,183,944</u></u>	<u><u>34,800,148</u></u>

The accompanying notes form part of these financial statements.

The general purpose financial statements cover the economic entity of Cheltenham Manor Pty Ltd ATF Cheltenham Manor Family Trust NAPS 762. Cheltenham Manor Pty Ltd ATF Cheltenham Manor Family Trust NAPS 762 is a trust, established and domiciled in Australia.

The financial statements were authorised for issue on 23 October 2023 by the directors of the trustee company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Trust is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(b) Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of 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 in profit or loss.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during 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 over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	18.75– 18.75%
Plant and equipment	5.0 – 100%
Other	5.0 – 100%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

(c) Employee Benefits

Provision is made for the Trust's obligation for employee benefits. 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. Employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

(d) Provisions

Provisions are recognised when the 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.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(f) Revenue and Other Income

Revenue comprises interest income, commonwealth subsidies, resident/client charges and other revenue received by Cheltenham Manor Pty Ltd ATF Cheltenham Manor Family Trust NAPS 762.

Interest income is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

(g) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(h) Trade and Other Payables

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

(i) Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the trust retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, is presented.

(l) Critical Accounting Estimates and Judgements

The trustees 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 trust.

(m) New and Amended Accounting Policies Adopted by the Trust

There are no new or amended accounting standards which had an impact on the trust during this reporting period.

Note 2 Revenue and Other Income

The trust has recognised the following amounts relating to revenue and other income in the statement of profit or loss:

		2023	2022
	Note	\$	\$
Continued operations			
Other sources of revenue	2(a)	19,273,264	18,276,811
		<u>19,273,264</u>	<u>18,276,811</u>
Other income		-	-
a. Other sources of revenues			
Interest income		1,286,124	199,753
Commonwealth Subsidies		10,109,784	10,598,757
Resident/client charges		7,782,198	7,370,541
Other		95,158	107,760
		<u>19,273,264</u>	<u>18,276,811</u>

Note 3 Beneficiaries' Distributions

Distributions paid and payable by the Trust for the year are:

	2023	2022
	\$	\$
Distributions paid and payable for the year	211,158	954,284
	<u>211,158</u>	<u>954,284</u>

Reconciliation of profit for the year to distributable income and distributions payable to beneficiaries is as follows:

	2023	2022
	\$	\$
Profit attributable for the year	211,158	954,284
Revaluation of investment property	-	-
Distributable income	<u>211,158</u>	<u>954,284</u>

Note 4 Auditor's Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor of the trust for:		
- auditing or reviewing the financial statements	13,000	26,500
- taxation services provided by related practice of auditor	39,950	30,500
	<u>52,950</u>	<u>57,000</u>

Note 5 Cash and Cash Equivalents

	2023	2022
CURRENT	\$	\$
Cash at bank	183,944	2,800,148
Short-term bank deposits	34,000,000	32,000,000
	<u>34,183,944</u>	<u>34,800,148</u>

The effective interest rate on short-term bank deposits was 4.8% (2022: .8%);

These deposits have an average maturity of 90 days.

Reconciliation of cash

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

	2023	2022
	\$	\$
Cash at bank	183,944	2,800,148
Short-term deposits with banks	34,000,000	32,000,000
	<u>34,183,944</u>	<u>34,800,148</u>

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Note 6 Trade and Other Receivables

	2023	2022
CURRENT	\$	\$
Trade receivables	165,333	176,933
Prepaid Expenses	-	1,799
Refundable Resident Loan Receivables	96,401	114,000
Total current trade and other receivables	<u>261,734</u>	<u>292,732</u>

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Note 7 Investment

	2023	2022
	\$	\$
Heritage Assets	2,045,769	2,045,092
Total	<u>2,045,769</u>	<u>2,045,092</u>

Note 8 Property Plant & Equipment and Intangible Assets

(a) Property Plant & Equipment	2023	2022
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	2,966,707	2,784,153
Accumulated depreciation	<u>(2,798,587)</u>	<u>(2,569,598)</u>
Total plant and equipment	<u>168,120</u>	<u>214,555</u>
Total Property, Plant and Equipment	<u>168,120</u>	<u>214,555</u>

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.

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

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762

ABN: 48 744 539 702

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Freehold land \$	Buildings \$	Plant and Equipment \$	Leased Plant and Leased Plant \$	Total \$
Balance at 1 July 2021			280,828		280,828
Additions			94,215		94,215
Disposals			- 14,156		-14,156
Depreciation expense			- 146,332		-146,332
Balance at 30 June 2022	-	-	214,555	-	214,555
Additions			182,553		182,553
Disposals			-		-
Depreciation expense			- 228,988	-	228,988
Carrying amount at 30 June 2023	-	-	168,120	-	168,120

(b) Intangible Assets

	2023	2022
	\$	\$
Bed Licences at cost	7,378,000	7,378,000
Less Amortised Bed Licence	-	-
Net carrying value	<u>7,378,000</u>	<u>7,378,000</u>

Impairment Disclosures

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

In the May 2021 Federal Budget the Australian Government announced that Aged Care Bed Licences would be discontinued from 1 July 2024. As at the 30 June 2023 it was decided no impairment would be provided for however this will be reviewed annually to the date Bed Licences will be discontinued.

Note 9 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	178,472	113,321
Advance payments	73,524	14,558
Employee benefits	241,854	141,796
Accommodation bonds secured by guarantee	15,117,413	15,277,701
Accruals	32,000	30,000
	<u>15,643,263</u>	<u>15,577,376</u>
NON-CURRENT		
Accommodation bonds secured by guarantee	45,352,240	45,833,102
	<u>45,352,240</u>	<u>45,833,102</u>
	2023	2022
	\$	\$
Trade and other payables		
- Total current	<u>15,643,263</u>	<u>15,577,376</u>
- Total non-current	<u>45,352,240</u>	<u>45,833,102</u>

The average credit period on sundry payables is 2 months. No interest is payable on outstanding sundry payables during this period.

The fair value of financial liabilities (including trade and other payables) is equivalent to their carrying amount.

Note 10 Borrowings

	Note	2023 \$	2022 \$
CURRENT			
Unsecured liabilities			
Related Party Loans		436,618	262,173
		<u>436,618</u>	<u>262,173</u>
Secured liabilities			
Secured bank loans		-	-
		<u>436,618</u>	<u>262,173</u>
NON-CURRENT			
Secured liabilities			
Secured bank loans		-	-
Unsecured liabilities			
Related Party Loans		2,527,772	3,056,797
		<u>2,527,772</u>	<u>3,056,797</u>
TOTAL BORROWINGS	15	<u>2,964,390</u>	<u>3,318,970</u>
 Total Current		<u>436,618</u>	<u>262,173</u>
Total Non-Current		<u>2,527,772</u>	<u>3,056,797</u>

Note 11 Provisions

Analysis of Provisions

CURRENT	2023	2022
Annual Leave	\$	\$
Opening balance at 1 July 2022	982,022	869,136
Movement during the year	139,249	112,886
Balance at 30 June 2023	<u>1,121,271</u>	<u>982,022</u>
Long Service Leave		
Opening balance at 1 July 2022	435,940	427,459
Movement during the year	(62,654)	8,481
Balance at 30 June 2023	<u>373,286</u>	<u>435,940</u>
	2023	2022
	\$	\$
Current	1,494,557	1,417,962
	<u>1,494,557</u>	<u>1,417,962</u>

Provision for employee benefits

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

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

Note 12 Cash Flow Information

	2023	2022
	\$	\$
Reconciliation of profit attributable to unitholders with net cash provided by operating activities		
– Profit for the year	211,158	954,284
Adjustment for:		
– Impairment losses on financial assets	228,988	146,333
– Finance Costs	80,658	62,557
Movements in working capital:		
– Increase in trade and other receivables	(30,998)	(129,498)
– Increase in provisions	76,596	121,367
– Increase in trade and other payables	294,111	(17,361)
Net cash generated by operating activities	<u>860,513</u>	<u>1,137,682</u>

a. Loan facilities

The Trust has a loan facility amounting to \$95,000 (2022: \$95,000). At 30 June 2023, \$19,883 of this facility was used (2022: \$0.00). Interest rates are variable.

Note 13 Events After the Reporting Period

COVID -19 - On the 11th March 2020, the WHO (World Health Organisation) declared COVID-19 to be a global pandemic. Although Governments around the world including the Australian Commonwealth, State Governments and Territories and the private sector have implemented various measures to contain the spread of the virus, the impact on Aged Care remains. As Aged Care Providers must continue to keep Residents and Staff safe this remains the primary objective at any cost. The most significant financial burden continues to be the additional Labour Costs and PPE. Although there has been significant improvement in the economic impact of COVID-19 for the 2023 Financial Year the Aged Care Industry continues to be vulnerable on all levels and the future remains uncertain. Although, the impact has been material and may continue to impact the 2024 financial year results, no adjustments have been made to the 2023 financial statements to reflect any adjustments to carrying values.

Note 14 Related Party Transactions

The trust's main related parties are as follows:

a. Key Management Personnel:

The directors of Cheltenham Manor Pty Ltd, being the trustee company of Cheltenham Manor Family Trust, have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and are considered key management personnel (KMP) of the trust. Directors during the year were:

Brett McMahon

Diane McMahon

b. Other related parties

Other related parties include close family members of KMP and entities that are controlled or jointly controlled by those KMP, individually or collectively with their close family members. The other KMP that are family members are remunerated by way of Trust Distribution from Profits not Salary or wage.

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:

	Note	2023	2022
		\$	\$
<i>Loans to related parties:</i>			
Beginning of the year		21,417,083	21,417,083
Loans advanced		-	-
Loan repayment received		-	-
Interest charged		-	-
Interest received		-	-
End of year	15	<u>21,417,083</u>	<u>21,417,083</u>
CURRENT		-	-
NON-CURRENT		<u>21,417,083</u>	<u>21,417,083</u>
		<u>21,417,083</u>	<u>21,417,083</u>
<i>Loans from related parties:</i>			
Beginning of the year		3,318,970	3,285,845
Loans advanced	-	30,238	570,568
Loan repayment received	-	405,000	600,000
Interest charged		80,658	62,557
Interest received		-	-
End of year		<u>2,964,390</u>	<u>3,318,970</u>
CURRENT		436,618	262,173
NON-CURRENT		<u>2,527,772</u>	<u>3,056,797</u>
	10	<u>2,964,390</u>	<u>3,318,970</u>
Rent Expense			
Rent paid to other related party		2,000,000	2,000,000

Note 15 Financial Risk Management

The trust's financial instruments consist mainly of deposits with banks, equity securities, accounts receivable and payable, loans to and from subsidiaries and bank borrowings.

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

	Note	2023 \$	2022 \$
Financial assets			
Cash and cash equivalents	5	34,183,944	34,800,148
Loans and receivables	6	261,734	292,732
Related Party Loan	14	21,417,083	21,417,083
Total financial assets		<u>55,862,761</u>	<u>56,509,963</u>
Financial liabilities			
Financial liabilities at amortised cost			
— Borrowings	10	2,964,390	3,318,970
Total financial liabilities		<u>2,964,390</u>	<u>3,318,970</u>

Financial Risk Management Policies

Given the investment nature of the trust's operations, the directors of the trustee company do not consider that the trust is exposed to any significant financial risks. Notwithstanding this, the trustees monitor the trust's financial position and liquidity on a monthly basis.

The main risks the trust is exposed to are liquidity risk due to COVID-19 additional costs, and government funding and regulations. There have been no substantive changes in the types of risks the trust is exposed to, how these risks arise, or the trustees' objectives, policies and processes for managing or measuring the risks from the previous period.

Note 16 Trust Details

The registered office of the trust is C/-McMahon Fearnley, 254-256 Queens Street, Melbourne VIC 3000.

It's principal place of business is 10-12 Bendigo Street, Cheltenham VIC 3192.

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

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762
ABN: 48 744 539 702
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Cheltenham Manor Pty Ltd ATF Cheltenham Manor Family Trust NAPS 762, the directors of the trustee company declare that:

1. the financial statements and notes, as set out on pages 1 to 13, present fairly the unit trust's financial position as at 30 June 2023 and its performance for the year ended on that date in accordance with Australian Accounting Standards; and
2. in the director's opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Director



Brett McMahon

Dated this 23rd day of October 2023

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762

Opinion

We have audited the financial report of Cheltenham Manor Pty Ltd ATF Cheltenham Manor Family Trust NAPS 762, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements comprising a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Cheltenham Manor Pty Ltd ATF Cheltenham Manor Family Trust NAPS 762:

- (i) gives a true and fair view of the trust's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complies with Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The trustees are responsible for the other information. The other information comprises the information included in the trust's annual report for the year ended 30 June 2023, 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, 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 trustees for the Financial Report

The trustees 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) and for such internal control as the trustees 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 trustees are responsible for assessing the 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 trustees either intend to liquidate the Trust or to cease operations, or have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's name and signature:

Anthony Jolley



Name of firm:

JPR Audit Services

Address:

Suite 4, Level 1, 357 Camberwell Road
CAMBERWELL VIC 3124

Dated this

23rd

day of

October

2023

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762
ABN: 48 744 539 702
ITEMISED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
Income		
Interest	1,286,124	199,753
Commonwealth subsidies	10,109,784	10,598,757
Resident/client charges	7,782,198	7,370,541
Other revenue	95,158	107,760
	<u>19,273,264</u>	<u>18,276,811</u>
Less: Expenses		
Accountancy	13,000	30,500
Auditor's remuneration	39,950	26,500
Depreciation	228,988	146,333
Finance costs	80,658	62,557
Food	877,738	786,712
General expenses	404,290	383,101
House Supplies	368,959	359,004
Insurance	28,522	-
Light & Power	199,148	190,495
Medical Supplies	294,338	359,132
Rates and Water	112,272	120,688
Rent	2,000,000	2,000,000
Repairs and maintenance	551,549	404,871
Labour Costs	13,862,694	12,452,634
	<u>19,062,106</u>	<u>17,322,527</u>
Profit/(loss) for the year	211,158	954,284
Distribution to beneficiaries	<u>(211,158)</u>	<u>(954,284)</u>
Net profit	<u>-</u>	<u>-</u>