

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

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

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762

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Financial Report For The Year Ended 30 June 2024

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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 2024**

	Note	2024 \$	2023 \$
Revenue			
Interest income		1,788,754	1,286,124
Commonwealth Subsidies		12,550,282	10,109,784
Resident/client charges		8,340,152	7,782,198
Other revenue		2,933,520	95,158
Total revenue and other income	2	25,612,708	19,273,264
Expenses			
Auditor's remuneration	4	56,850	52,950
Amortised Bed Licences		4,978,000	-
Depreciation		116,031	228,988
Food		855,550	877,738
Other expenses		2,178,803	1,664,740
Medical Supplies		281,797	294,338
Rent		2,200,000	2,000,000
Labour Costs		16,144,517	13,862,694
Finance Costs		73,465	80,658
Total Expenses		26,885,013	19,062,106
Profit attributable to beneficiaries		(1,272,305)	211,158
Total other comprehensive income		-	-
Total comprehensive income attributable to beneficiaries		(1,272,305)	211,158

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 2024

	Note	2024	2023
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	36,970,488	34,183,944
Trade and other receivables	6	262,272	165,333
TOTAL CURRENT ASSETS		<u>37,232,760</u>	<u>34,349,277</u>
NON-CURRENT ASSETS			
Investment	7	2,045,769	2,045,769
Property, plant and equipment	8	178,793	168,120
Intangible assets	8	2,400,000	7,378,000
Unsecured interest free intergroup loans	14	21,417,083	21,417,083
TOTAL NON-CURRENT ASSETS		<u>26,041,645</u>	<u>31,008,972</u>
TOTAL ASSETS		<u>63,274,405</u>	<u>65,358,249</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	62,800,273	60,899,102
Borrowings	10	-	436,618
Provisions	11	1,537,451	1,494,557
TOTAL CURRENT LIABILITIES		<u>64,337,724</u>	<u>62,830,277</u>
NON-CURRENT LIABILITIES			
Borrowings	10	208,786	2,527,772
TOTAL NON-CURRENT LIABILITIES		<u>208,786</u>	<u>2,527,772</u>
TOTAL LIABILITIES		<u>64,546,510</u>	<u>65,358,049</u>
NET ASSETS		<u>(1,272,105)</u>	<u>200</u>
EQUITY			
Settlement Sum		200	200
Retained earnings		(1,272,305)	-
TOTAL EQUITY		<u>(1,272,105)</u>	<u>200</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 CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Note	Retained Earnings \$	Financial Assets Reserve \$	Total \$
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>
Balance at 1 July 2023		-	-	-
Comprehensive income				
Profit/(Loss) for the year		(1,272,305)		(1,272,305)
Financing costs - distributions paid or provided for		-		-
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year attributable to beneficiaries		<u>(1,272,305)</u>	<u>-</u>	<u>(1,272,305)</u>
Transactions with beneficiaries in their capacity as owners				
Distribution to beneficiaries	3	<u>-</u>		<u>-</u>
Total transactions with beneficiaries		<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2024		<u>(1,272,305)</u>	<u>-</u>	<u>(1,272,305)</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 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		20,683,470	17,928,920
Payments to suppliers and employees		(21,782,162)	(18,449,689)
Interest received		1,788,754	1,286,124
Other Operating Cash Flows		2,933,520	95,158
Net cash provided by operating activities	12	<u>3,623,582</u>	<u>860,513</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment			
-Residential Aged Care exc. Retirement Living		(126,704)	(182,553)
-Other Incl.Retirement Living		-	-
Other Investing Cash Flows		-	(677)
Net cash used in investing activities		<u>(126,704)</u>	<u>(183,230)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Accommodation Bonds/Refundable Deposits Received		21,569,818	20,284,000
Refunded Accommodation Bonds/Refundable Deposits/Entry Contributions		(19,477,109)	(20,817,019)
Repayment of related party loans		(2,803,043)	(760,468)
Net cash provided by/(used in) financing activities		<u>(710,334)</u>	<u>(1,293,487)</u>
Net increase/(decrease) in cash held		2,786,544	(616,204)
Cash and cash equivalents at beginning of financial year		34,183,944	34,800,148
Cash and cash equivalents at end of financial year	5	<u><u>36,970,488</u></u>	<u><u>34,183,944</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 24 September 2024 by the directors of the trustee company.

Note 1 Summary of Material Accounting Policy Information

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB). The Trust is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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.

The trust has concluded that the requirements set out in AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures.

(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 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 as indicated less, where applicable, any accumulated depreciation and impairment losses.

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.

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

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	18.75%-100%
Plant and equipment	1.5%-100%

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.

Other long-term employee benefits

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

(d) Going Concern

The financial report has been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The trust has a net working capital deficiency, being current assets less current liabilities as at 30 June 2024 of \$27,104,964. In addition, for the year ended 30 June 2024, the trust recognised a deficit after income tax of \$1,272,305 and net cash used in operating activities of \$3,623,582.

The net working capital deficiency is significantly impacted by resident liabilities totalling \$62,343,394, which are classified as current liabilities on the basis that they are repayable to residents when they leave the facility or unit, which can be at any time. The trustees do not expect the resident liabilities to reduce significantly on an annual basis as the liabilities relating to residents who depart the facility are generally replaced by resident liabilities received from new residents. The resident liabilities are therefore considered to form a part of the long term funding of the facility.

The ability of the trust to continue as a going concern is dependent upon the related party beneficiaries not to demand repayment of their beneficiary loan and to providing continuous financial support to the Trust. The trust has received a letter of support from the beneficiary not to demand repayment of the loan within 12 months and to provide further funding when necessary to enable the trust to pay its debts as and when they become due and payable.

(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.

The Trust recognises revenue from aged care and retirement living services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services, as agreed in a single contract with the resident. Fees received in advance of aged care and retirement village services performed are recognised as contract liabilities.

Government Contributions

Government revenue reflects the Trust's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents. Government revenue comprises of basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument ('ACFI') and the Australian National Aged Care Classification Funding Model ('AN-ACC'), accommodation supplements, funding for short-term 'respite' residents and other Government incomes. Revenue is recognised over time as services are provided. Funding claims are submitted/updated daily and Government revenue is usually payable within approximately one month of services having been performed.

Resident Charges

Residents are charged a basic daily fee as a contribution to the provision of care and accommodation. The quantum of resident basic daily fees is regulated by the Government and typically increases in March and September each year. Resident basic daily fee revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days.

Other resident revenue represents other fees charged to residents in respect of care and accommodation services provided by the Trust and includes means tested care fees, Daily Accommodation Payment (DAP)/Daily Accommodation Contribution (DAC) revenue, additional services revenue and other income. Other resident revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days.

Other Revenue

Other operating revenue comprises rental income, aged care bond retention amounts and other sundry revenue. Revenue is recognised over time as services are provided. Residents are typically invoiced on a monthly basis and revenue is usually payable within 30 days.

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

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

(j) Income Tax

It is noted that these general purpose financial statements have not adopted tax effect accounting which is a departure from AASB 112.

(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.

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

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:

		2024	2023
	Note	\$	\$
Continued operations			
Sources of revenue	2(a)	25,612,708	19,273,264
		<u>25,612,708</u>	<u>19,273,264</u>
Other income		-	-
a. Sources of revenues			
Interest income		1,788,754	1,286,124
Commonwealth subsidies		12,550,282	10,109,784
Resident/client charges		8,340,152	7,782,198
Other income		2,933,520	95,158
		<u>25,612,708</u>	<u>19,273,264</u>

Note 3 Beneficiaries' Distributions

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

	2024	2023
	\$	\$
Distributions paid payable for the year	-	\$ 211,158
Distributions paid and payable for the year	<u>-</u>	<u>\$ 211,158</u>

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

	2024	2023
	\$	\$
Profit attributable for the year	-	211,158
Distributable income	<u>-</u>	<u>211,158</u>

Note 4 Auditor's Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor of the trust for:		
- auditing or reviewing the financial statements	14,000	13,000
- taxation services provided by related practice of auditor	42,850	39,950
	<u>56,850</u>	<u>52,950</u>

Note 5 Cash and Cash Equivalents

	2024	2023
	\$	\$
CURRENT		
Cash at bank	2,953,139	183,944
Short-term bank deposits	34,017,349	34,000,000
	<u>36,970,488</u>	<u>34,183,944</u>

The effective interest rate on short-term bank deposits was 5.3]% (2023: [4.8%]);

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:

	2024	2023
	\$	\$
Cash at bank	2,953,139	183,944
Short-term deposits with banks	34,017,349	34,000,000
	<u>36,970,488</u>	<u>34,183,944</u>

CHELTENHAM MANOR PTY LTD ATF CHELTENHAM MANOR FAMILY TRUST NAPS 762

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

Note 6 Trade and Other Receivables

		2024	2023
		\$	\$
CURRENT			
Trade receivables		258,842	165,333
Prepaid Expenses		3,430	-
Total current trade and other receivables	15	<u>262,272</u>	<u>165,333</u>

Note 7 Investment

		2024	2023
		\$	\$
Heritage Assets		2,045,769	2,045,769
Total		<u>2,045,769</u>	<u>2,045,769</u>

Note 8 Property Plant & Equipment and Intangible Assets

(a) Property Plant & Equipment		2024	2023
		\$	\$
PLANT AND EQUIPMENT			
Plant and equipment:			
At cost		3,093,411	2,966,707
Accumulated depreciation		<u>(2,914,618)</u>	<u>(2,798,587)</u>
Total plant and equipment		<u>178,793</u>	<u>168,120</u>
Total Property, Plant and Equipment		<u>178,793</u>	<u>168,120</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

	Plant and Equipment	Total
	\$	\$
Balance at 1 July 2022	214,555	214,555
Additions	182,553	182,553
Disposals	-	-
Depreciation expense	<u>(228,988)</u>	<u>(228,988)</u>
Balance at 30 June 2023	<u>168,120</u>	<u>168,120</u>
Additions	126,704	126,704
Disposals	-	-
Depreciation expense	<u>(116,031)</u>	<u>(116,031)</u>
Carrying amount at 30 June 2024	<u>178,793</u>	<u>178,793</u>

(b) Intangible Assets

	2024	2023
	\$	\$
Goodwill at Cost	2,400,000	2,400,000
Bed Licences at cost	4,978,000	4,978,000
Less Amortised Bed Licences	<u>(4,978,000)</u>	<u>-</u>
Net carrying value	<u>2,400,000</u>	<u>7,378,000</u>

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

The trust has previously considered the bed licences to have an indefinite life and as such did not amortise them. The bed licences were previously reviewed annually to assess whether there has been any impairment in their value. Where the carrying amount exceeds the value of the expected future benefits, the difference is charged to profit and loss. In response to the Royal Commission into Aged Care Quality and Safety, the Federal Government announced changes to the aged care system that assigns places directly to senior Australians. This means that from 1 July 2024, bed licences will no longer exist, resulting in bed licences having a finite useful life. The change from an indefinite life to a finite life is an impairment indicator which triggers an impairment assessment during the year. As at the 30 June 2024 the Bed Licences have been fully amortised. The amortisation charge and impairment of bed licences has no impact on cash flows and does not change the underlying value of the trust's aged care operations.

Note 9 Trade and Other Payables

	Note	2024 \$	2023 \$
CURRENT			
Trade payables		124,612	178,472
Employee benefits		279,687	241,854
Advance payments		23,580	73,524
Accommodation bonds secured by guarantee		62,343,394	60,373,252
Accruals		29,000	32,000
	9a	<u>62,800,273</u>	<u>60,899,102</u>

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

	2024 \$	2023 \$
Trade and other payables		
- Total current	62,800,273	60,899,102

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

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

In accordance with the Aged Care Act 1997, Refundable Accommodation Deposits and Accommodation Bonds may be charged to a resident on entry to an aged care facility. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities. RAD and accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the *Aged Care Act 1997*.

Note 10 Borrowings

	Note	2024 \$	2023 \$
CURRENT			
Unsecured liabilities			
Related Party Loans		-	436,618
		<u>-</u>	<u>436,618</u>
Secured liabilities			
Secured bank loans		-	-
		<u>-</u>	<u>436,618</u>
NON-CURRENT			
Secured liabilities			
Secured bank loans		-	-
		<u>-</u>	<u>-</u>
Unsecured liabilities			
Related Party Loans		208,786	2,527,772
		<u>208,786</u>	<u>2,527,772</u>
TOTAL BORROWINGS		<u>208,786</u>	<u>2,964,390</u>
Total Current	14	<u>-</u>	<u>436,618</u>
Total Non-Current	14	<u>208,786</u>	<u>2,527,772</u>

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

Note 11 Provisions

Analysis of Provisions

CURRENT

Annual Leave

Opening balance at 1 July 2023

Movement during the year

Balance at 30 June 2024

Long Service Leave

Opening balance at 1 July 2023

Movement during the year

Balance at 30 June 2024

Current

	2024	2023
	\$	\$
Opening balance at 1 July 2023	1,121,271	982,022
Movement during the year	71,194	139,249
Balance at 30 June 2024	<u>1,192,465</u>	<u>1,121,271</u>
Opening balance at 1 July 2023	373,286	435,940
Movement during the year	(28,300)	(62,654)
Balance at 30 June 2024	<u>344,986</u>	<u>373,286</u>
	2024	2023
	\$	\$
Current	1,537,451	1,494,557
	<u>1,537,451</u>	<u>1,494,557</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

	2024	2023
	\$	\$
Reconciliation of profit attributable to beneficiariess with net cash provided by operating activities		
– Profit for the year	(1,272,305)	211,158
Adjustment for:		
– Depreciation	116,031	228,988
– Finance Costs	47,438	80,658
– Bed Licences	4,978,000	-
Movements in working capital:		
– Increase in trade and other receivables	(96,938)	(30,998)
– Increase in provisions	42,894	76,596
– Increase in trade and other payables	(191,538)	294,111
Net cash generated by operating activities	<u>3,623,582</u>	<u>860,513</u>

a. Loan facilities

The Trust has a loan facility amounting to \$95,000(2023: \$[95,000]). At 30 June 2024, \$0.00 of this facility was used (2023: \$0.00). Interest rates are variable.

Note 13 Events After the Reporting Period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the trust's state of affairs in future financial years.

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. The KMP are remunerated by way of trust distribution from profits not salary or wage. Directors during the year were:

Brett McMahon

Diane McMahon

The aggregate compensation made to key management personnel of the trust is set out below:

	2024	2023
	\$	\$
Total compensation paid or payable to key management personnel	-	-
	-	-

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	2024	2023
		\$	\$
Loans to related parties:			
Beginning of the year		21,417,083	21,417,083
End of year	15	21,417,083	21,417,083
CURRENT		-	-
NON-CURRENT		21,417,083	21,417,083
		21,417,083	21,417,083

Loans from related parties:

Beginning of the year		2,964,390	3,318,970
Loan repayment received		(2,803,042)	(646,396)
Accounting Distribution		-	211,158
Interest charged		47,438	80,658
Interest received		-	-
End of year		208,786	2,964,390
CURRENT		-	436,618
NON-CURRENT		208,786	2,527,772
	10	208,786	2,964,390

Rent Expense

Rent paid to other related party	2,200,000	2,000,000
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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	2024 \$	2023 \$
Financial assets			
Cash and cash equivalents	5	36,970,488	34,183,944
Loans and receivables	6	262,272	165,333
Related Party Loan	14	21,417,083	21,417,083
Total financial assets		<u>58,649,843</u>	<u>55,766,360</u>
Financial liabilities			
Financial liabilities at amortised cost			
— Borrowings	10	208,786	2,964,390
Total financial liabilities		<u>208,786</u>	<u>2,964,390</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 Outbreaks, 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 Correction of Prior Period Error

During the year it was identified that \$45,352,240 of accommodation bonds previously classified as a non-current liability (part of Note 9 Trade and Other Payables in previous years) actually should have been classified as current, as there is no unconditional right to defer payment for 12 months. This has been reclassified as a current liability, and the comparative figures have been re-stated. Also an amount of \$96,401 had been classified as an accommodation bond debtor but should have been included at accommodation bonds. There is no net impact to the statement of financial position or the statement of profit or loss. The comparative figures in the financials have been adjusted as follows:

Trade and other payables current increased by \$45,352,240

Trade and other payables non-current has reduced by \$45,352,240

Trade and other receivables current has reduced by \$96,401

Trade and other payables current increased by \$96,401

Note 17 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 2024 and its performance for the year ended on that date in accordance with Australian Accounting Standards; and
2. in the director's opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Director



Brett McMahon

Dated this 24th day of September 2024

**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 2024, 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 material accounting policy information, 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 2024 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 2024, 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.

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:
Name of firm:
Address:



Anthony Jolley
JPR Audit Services
Suite 4, Level 1, 357 Camberwell Road
CAMBERWELL VIC 3124

Dated this 24th day of September 2024

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 2024

	2024 \$	2023 \$
Income		
Interest	1,788,754	1,286,124
Commonwealth subsidies	12,550,282	10,109,784
Resident/client charges	8,340,152	7,782,198
Other revenue	2,933,520	95,158
	<u>25,612,708</u>	<u>19,273,264</u>
Less: Expenses		
Accountancy	42,850	39,950
Amortised Bed Licences	4,978,000	-
Auditor's remuneration	14,000	13,000
Depreciation	116,031	228,988
Finance costs	73,465	80,658
Food	855,550	877,738
General expenses	549,915	404,290
House Supplies	374,130	368,959
Insurance	25,268	28,522
Light & Power, Gas	206,891	199,148
Medical Supplies	281,797	294,338
Rates and Water	113,126	112,272
Rent	2,200,000	2,000,000
Repairs and maintenance	909,473	551,549
Labour Costs	16,144,517	13,862,694
	<u>26,885,013</u>	<u>19,062,106</u>
Profit/(loss) for the year	<u>(1,272,305)</u>	<u>211,158</u>
Distribution to beneficiaries	-	(211,158)
Net profit	<u>(1,272,305)</u>	<u>-</u>