

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Financial Statements

For the Year Ended 30 June 2024

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

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For the Year Ended 30 June 2024

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PARTNERS

James Perry

Michael Gray

Brendon Skates

Samuel Handley

Independent Audit Report to the members of Quality Care Homes Pty Ltd.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of 2024 Quality Care Homes Pty (the Company), which comprises the statement of financial position as at 30 June 2024, 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, notes to the financial statements and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2024 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards 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 auditor independence requirements of 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* (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.

Responsibilities of 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 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 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 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 the financial report.

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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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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 directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Gray Perry - DFK



Brendon J Skates
No 428188
89-92 South Terrace
Adelaide SA 5000

Dated 30th day of October 2024

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Directors' Report 30 June 2024

The directors present their report on Quality Care Homes Pty Ltd. for the financial year ended 30 June 2024.

(a) 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:

Binh Cong Ho

Sohbat Lutfi

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 Quality Care Homes Pty Ltd. during the financial year was providing aged care services.

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

(b) Operating results and review of operations for the year

Operating results

The profit of the Company after providing for income tax amounted to \$ 236,353 (2023: \$ 341,530).

(c) 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.

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 Quality Care Homes Pty Ltd..

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Directors' Report

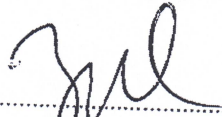
30 June 2024

Auditor's independence declaration

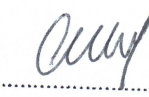
The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 25 of the financial report.

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

Director:


Binh Cong Ho

Director:


Sohbat Lutfi

Dated this 22nd day of October 2024

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the Company;
2. In the directors' 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.

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

Director
Binh Cong Ho

Director
Sohbat Lutfi

Dated this 22nd day of October 2024

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

	2024	2023
	\$	\$
Revenue	5,933,040	4,498,319
Depreciation and amortisation expense	(45,244)	(436,240)
Other expenses	(1,577,163)	(826,707)
Other income	-	(2,497)
Employee benefits expense	(3,975,461)	(2,889,329)
Profit before income tax	335,172	343,546
Income tax expense	(98,820)	(5,887)
Gain on exchange differences	-	3,871
Other comprehensive income for the year, net of tax	-	3,871
Total comprehensive income for the year	236,352	341,530

The accompanying notes form part of these financial statements.

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Statement of Financial Position

As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	4,349,812	2,277,465
Trade and other receivables	4	57,581	46,370
Other assets		45,483	28,671
TOTAL CURRENT ASSETS		4,452,876	2,352,506
NON-CURRENT ASSETS			
Property, plant and equipment	5	205,001	250,245
Intangible assets	6	1,813,535	1,813,535
TOTAL NON-CURRENT ASSETS		2,018,536	2,063,780
TOTAL ASSETS		6,471,412	4,416,286
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	249,079	126,738
Current tax liabilities		27,455	(9,509)
Employee benefits	8	221,008	186,591
Other financial liabilities	9	5,116,702	3,517,746
TOTAL CURRENT LIABILITIES		5,614,244	3,821,566
NON-CURRENT LIABILITIES			
Employee benefits	8	233,019	206,924
TOTAL NON-CURRENT LIABILITIES		233,019	206,924
TOTAL LIABILITIES		5,847,263	4,028,490
NET ASSETS		624,149	387,796
EQUITY			
Issued capital		2	2
Retained earnings		624,147	387,794
TOTAL EQUITY		624,149	387,796

The accompanying notes form part of these financial statements.

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Statement of Changes in Equity For the Year Ended 30 June 2024

2024

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2023	2	387,794	387,796
Profit or loss attributable to members of the parent entity	-	236,353	236,353
Balance at 30 June 2024	2	624,147	624,149

2023

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2022	2	46,264	46,266
Profit or loss attributable to members of the parent entity	-	337,659	337,659
Total other comprehensive income for the year	-	3,871	3,871
Balance at 30 June 2023	2	387,794	387,796

The accompanying notes form part of these financial statements.

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Statement of Cash Flows For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		\$ 5,842,076	\$ 4,496,543
Payments to suppliers and employees		(5,386,584)	(3,823,064)
Interest received		79,753	6,310
Allowable bond deductions		-	(20,732)
Income taxes paid		(61,856)	21,154
Net cash provided by/(used in) operating activities	13	<u>473,389</u>	<u>680,211</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		-	(81,410)
Purchase of held-for-trading investments		-	50,040
Net cash provided by/(used in) investing activities		<u>-</u>	<u>(31,370)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Accommodation bonds received		2,230,000	951,217
Repayment of borrowings		65,000	639,000
Accommodation bonds refunded		(696,042)	(1,427,502)
Payment of finance lease liabilities		-	(333,000)
Net cash provided by/(used in) financing activities		<u>1,598,958</u>	<u>(170,285)</u>
Effects of exchange rate changes on cash and cash equivalents		-	3,871
Net increase/(decrease) in cash and cash equivalents held		<u>2,072,347</u>	<u>482,427</u>
Cash and cash equivalents at beginning of year		<u>2,277,465</u>	<u>1,795,038</u>
Cash and cash equivalents at end of financial year	3	<u>\$ 4,349,812</u>	<u>\$ 2,277,465</u>

The accompanying notes form part of these financial statements.

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Notes to the Financial Statements

For the Year Ended 30 June 2024

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

The functional and presentation currency of Quality Care Homes Pty Ltd. is Australian dollars.

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

The functional and presentation currency of Quality Care Homes Pty Ltd. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

The financial statements are based on historical cost, except for the measurement of fair value of selected non-current assets, financial assets, and financial liabilities.

2 Summary of Significant Accounting Policies

(a) Comparative amounts

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

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(b) Financial instruments

(i) Initial recognition and measurement

Financial instruments are recognised initially using trade date accounting, i.e. 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).

(ii) Financial assets

Financial assets are divided into the following categories which are described in detail below:

- receivables; and

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Significant Accounting Policies

(b) Financial instruments

(ii) Financial assets

- financial assets at fair value through profit or loss.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

- Financial assets at fair value through profit or loss include financial assets:
- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Significant Accounting Policies

(b) Financial instruments

(iii) Financial liabilities

Financial liabilities are classified as either financial liabilities at 'fair value through profit or loss' or financial liabilities depending on the purpose for which the liability was required. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

(iv) Impairment of Financial Assets

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(c) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Significant Accounting Policies

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Property, plant and equipment

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

The carrying amount of equipment is reviewed annually by committee members to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the asset will flow to the association and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Where the cost model is used, 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.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Plant and Equipment	10% - 67%
Low Value Asset Pool	100%

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.

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 and losses are included in the income statement.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Significant Accounting Policies

(f) Intangibles

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- i) the consideration transferred;
- ii) any non-controlling interest; and
- iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

(g) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(h) Provisions

Provisions are recognised when the Company 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.

(i) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Significant Accounting Policies

(i) Revenue and other income

Revenue from contracts with customers

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

(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.

(k) Income Tax

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

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and in hand	4,349,812	2,277,465
	<u>4,349,812</u>	<u>2,277,465</u>

4 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	12,481	46,370
Other receivables	45,100	-
	<u>57,581</u>	<u>46,370</u>
Total current trade and other receivables	57,581	46,370

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

5 Property, plant and equipment

PLANT AND EQUIPMENT

Plant and equipment		
At cost	1,618,281	1,618,281
Accumulated depreciation	(1,436,659)	(1,392,978)
Total plant and equipment	<u>181,622</u>	<u>225,303</u>
Furniture, fixtures and fittings		
At cost	81,410	81,410
Accumulated depreciation	(81,410)	(81,410)
Yard Improvements		
At cost	76,930	76,930
Accumulated amortisation	(53,551)	(51,988)
Total leasehold improvements	<u>23,379</u>	<u>24,942</u>
Low value asset pool		
At cost	46,267	46,267
Accumulated depreciation	(46,267)	(46,267)
Total plant and equipment	<u>205,001</u>	<u>250,245</u>
Total property, plant and equipment	205,001	250,245

Notes to the Financial Statements

For the Year Ended 30 June 2024

5 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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 \$	Yard Improvements \$	Total \$
Year ended 30 June 2024			
Balance at the beginning of year	181,622	23,379	205,001
Balance at the end of the year	181,622	23,379	205,001

	Plant and Equipment \$	Yard Improvements \$	Total \$
Year ended 30 June 2023			
Balance at the beginning of year	283,455	26,657	310,112
Additions	-	81,410	81,410
Additions	-	81,410	81,410
Depreciation	(58,152)	(83,125)	(141,277)
Balance at the end of the year	225,303	24,942	250,245

Notes to the Financial Statements

For the Year Ended 30 June 2024

6 Intangible Assets

	2024	2023
	\$	\$
Intangible assets		
Goodwill	1,813,535	1,813,535
Total Intangibles	1,813,535	1,813,535

7 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	163,156	89,204
Sundry payables and accrued expenses	85,923	37,534
	249,079	126,738

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

8 Employee Benefits

	2024	2023
	\$	\$
Current liabilities		
Provision for employee benefits	221,008	186,591
	221,008	186,591
Non-current liabilities		
Long service leave	233,019	206,924
	233,019	206,924

9 Other Financial Liabilities

	2024	2023
	\$	\$
CURRENT		
Other financial liabilities	794,099	729,099
Accommodation bonds	4,322,603	2,788,647
Total	5,116,702	3,517,746

Notes to the Financial Statements

For the Year Ended 30 June 2024

10 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial statements	11,000	10,500
Total	11,000	10,500

11 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023:None).

12 Related Parties

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

(i) Entities exercising control over the Company:

The ultimate parent entity, which exercises control over the Company, is 75 Hilltop Unit Trust which is incorporated in Australia and owns 100% of Quality Care Homes Pty Ltd.

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) 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.

(c) Loans to/from related parties

Unsecured loans are made to the ultimate parent entity, subsidiaries, key management personnel and other related parties on an arm's length basis. No repayment terms have been set for the loans, and interest is payable at the benchmark interest rate applicable to the current financial year. No interest was charged on the loans in the current year. Loans are unsecured and repayable in cash

Notes to the Financial Statements

For the Year Ended 30 June 2024

12 Related Parties

(c) Loans to/from related parties

(c) Loans to/from related parties

	Opening balance \$	Closing balance \$
Loans from related parties		
2024	729,099	794,099
2023	90,099	729,099

13 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024 \$	2023 \$
Profit for the year	236,353	341,530
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation expense	45,244	436,240
- net (gain)/loss on disposal of investments	-	2,496
- (gain)/loss on foreign exchange	-	(3,871)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(11,211)	9,526
- (increase)/decrease in prepayments	(16,812)	(28,671)
- increase/(decrease) in trade and other payables	122,340	(1,358)
- increase/(decrease) in income taxes payable	36,963	21,154
- increase/(decrease) in employee benefits	60,512	(96,835)
Cashflows from operations	473,389	680,211

14 Operating Segments

The Company operates predominately in one business and geographical segment being Residential Aged Care. The approved provider delivers only residential aged care and this GPFR relates only to such operations.

15 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments. The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of

Notes to the Financial Statements

For the Year Ended 30 June 2024

15 Financial Risk Management

financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Lease liabilities
- Loans from related parties

The main risks Quality Care Homes Pty Ltd. is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans from related parties.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2024	2023
	\$	\$
Financial Assets		
Cash and cash equivalents	4,349,812	2,277,465
Trade and other receivables	57,581	46,370
Available-for-sale financial assets:		
- at fair value		
Total financial assets	4,407,393	2,323,835
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	249,079	126,739

Notes to the Financial Statements

For the Year Ended 30 June 2024

15 Financial Risk Management

	2024	2023
	\$	\$
Other financial liabilities	794,099	729,099
Total financial liabilities	1,043,178	855,838

Financial risk management policies

The Board of Directors have overall responsibility for the establishment of Quality Care Homes Pty Ltd.'s financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Quality Care Homes Pty Ltd.'s activities.

The day-to-day risk management is carried out by Quality Care Homes Pty Ltd.'s finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Quality Care Homes Pty Ltd. does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Quality Care Homes Pty Ltd. and arises principally from Quality Care Homes Pty Ltd.'s receivables.

It is Quality Care Homes Pty Ltd.'s policy that all customers who wish to trade on credit terms undergo a credit assessment process which takes into account the customer's financial position, past experience and other factors. Credit limits are then set based on ratings in accordance with the limits set by the The Board of Directors, these limits are reviewed on a regular basis.

Goods are sold subject to retention of title clauses, so that in the event of non-payment Quality Care Homes Pty Ltd. may have a secured claim.

(b) Liquidity risk

Liquidity risk arises from the possibility that Quality Care Homes Pty Ltd. might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;

Notes to the Financial Statements

For the Year Ended 30 June 2024

15 Financial Risk Management

(b) Liquidity risk

- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, Quality Care Homes Pty Ltd. ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

The available funds to the Company are discussed in note 13.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

(ii) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

Such risk is managed through diversification of investments across industries and geographic locations.

The Company is not subject to any material price risk.

16 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.

17 Company Details

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Notes to the Financial Statements

For the Year Ended 30 June 2024

17 Company Details

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

Quality Care Homes Pty Ltd.
75-79 Hilltop Drive
Oakden SA 5086

PARTNERS

James Perry
Michael Gray
Brendon Skates
Samuel Handley

Quality Care Homes Pty Ltd.

ABN 45 600 513 200

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Quality Care Homes Pty Ltd.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Gray Perry - DFK
Chartered Accountants



Brendon Skates

Dated this 30th day of OCTOBER 2024

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