

REGENTS GARDEN AUBIN GROVE UNIT TRUST

ABN: 25 673 850 030

NAPS ID: 1193

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**Financial Report For The Year Ended
30 June 2022**

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Financial Report For The Year Ended 30 June 2022

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REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue			
Services income	2	11,727,447	11,204,287
Interest income	2	374,232	316,982
Other income	2	477,650	271,349
Total revenue and other income		12,579,329	11,792,618
Expenses			
Fair value loss on revaluation of bungalow loans		742,857	225,000
Agency costs		380,678	332,655
Depreciation expense	8,9	947,213	931,812
Electricity and gas		140,733	127,105
Employee benefits expense	3	7,119,672	6,640,208
Food and stores		357,410	321,530
Incontinence pads		62,649	65,407
Interest paid - Division 7A		119,317	-
Insurance		142,004	126,444
Management fees	19	734,400	645,764
Payroll tax		397,616	369,175
Rates, taxes and other outgoings		49,465	156,437
Repairs and maintenance		210,196	118,514
Resident welfare		134,720	126,908
Staff training and welfare		84,824	108,784
Other expenses		539,420	637,236
Total expenses		12,163,174	10,932,979
Profit attributable to unitholders		416,155	859,639
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income attributable to unitholders		416,155	859,639

The accompanying notes form part of these financial statements.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	6,108,176	2,097,501
Trade and other receivables	6	11,088,327	10,968,865
Other assets	7	3,770,036	244,691
TOTAL CURRENT ASSETS		<u>20,966,539</u>	<u>13,311,057</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	19,185,343	19,682,136
Investment property	9	14,338,441	14,742,978
TOTAL NON-CURRENT ASSETS		<u>33,523,784</u>	<u>34,425,114</u>
TOTAL ASSETS		<u>54,490,323</u>	<u>47,736,171</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	3,785,098	5,437,005
Accommodation bonds	11	29,481,461	27,197,129
Provisions	12	913,188	869,363
TOTAL CURRENT LIABILITIES		<u>34,179,747</u>	<u>33,503,497</u>
NON-CURRENT LIABILITIES			
Bungalow resident loans	11	20,225,586	14,119,245
Provisions	12	84,890	113,329
TOTAL NON-CURRENT LIABILITIES		<u>20,310,476</u>	<u>14,232,574</u>
TOTAL LIABILITIES		<u>54,490,223</u>	<u>47,736,071</u>
NET ASSETS		<u>100</u>	<u>100</u>
EQUITY			
Issued units	13	100	100
TOTAL EQUITY		<u>100</u>	<u>100</u>

The accompanying notes form part of these financial statements.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Note	Issued Units	Retained Earnings	Total
		\$	\$	\$
Balance at 1 July 2020		100	-	100
Profit for the year		-	859,639	859,639
Total comprehensive income for the year		-	859,639	859,639
Distribution to unitholders	14	-	(859,639)	(859,639)
Balance at 30 June 2021		100	-	100
Balance at 1 July 2021		100	-	100
Profit for the year		-	416,155	416,155
Total comprehensive income for the year		-	416,155	416,155
Distribution to unitholders	14	-	(416,155)	(416,155)
Balance at 30 June 2022		100	-	100

The accompanying notes form part of these financial statements.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		11,630,606	11,480,966
Payments to suppliers and employees		(10,311,360)	(9,591,011)
Interest received		358,765	316,982
COVID-19 cash flow boost received		-	50,000
Net cash provided by operating activities	17	1,678,011	2,256,937
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	(45,883)	(60,491)
Transfer to term deposit with maturity more than 3 months	7	(3,500,000)	(200,000)
Additions to investment property		(1,444,685)	(4,271,986)
Proceeds from lease of bungalows		5,712,143	4,435,000
Net cash provided by/(used in) investing activities		721,575	(97,477)
CASH FLOWS FROM FINANCING ACTIVITIES			
Accommodation bonds		2,284,332	(3,331,318)
Net (repayment to)/loan provided by related parties		(673,243)	1,476,692
Net cash provided by/(used in) financing activities		1,611,089	(1,854,626)
Net increase in cash held		4,010,675	304,834
Cash and cash equivalents at beginning of financial year		2,097,501	1,792,667
Cash and cash equivalents at end of financial year	5	6,108,176	2,097,501

The accompanying notes form part of these financial statements.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The financial statements cover the economic entity of those of Regents Garden Aubin Grove Unit Trust. Regents Garden Aubin Grove Unit Trust is a unit trust, established and domiciled in Australia.

Note 1 – Summary of Significant Accounting Policies

Basis of Preparation

The general purpose financial statements – simplified disclosures have been prepared in accordance with *Part 4 of the Accountability Principles 2014*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (“AASB”), and comply with other requirements of the law. The financial statements comprised Regents Garden Aubin Grove Unit Trust (“the trust”) as an individual for-profit entity.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and cash flow information.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1(b).

Statement of compliance

The trust does not have ‘public accountability’ as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the ‘Tier 2’ reporting framework under Australian Accounting Standards.

The financial statements comply with the disclosure, recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Registered office:
Level 2, 179 St Georges Terrace, Perth WA 6000

Principal place of business:
248 Lyon Road AUBIN GROVE WA 6164

Financial Position

The trust reported a net profit of \$416,155 for the financial year ended 30 June 2022 (2021: \$859,639) and an excess of current liabilities over current assets of \$13,213,208 as at that date (2021: \$20,192,440). Working capital included \$6,208,176 of cash and cash equivalents and \$29,481,461 of Refundable Accommodation Bonds (“RADs”). The RADs have been classified as current liabilities as they are repayable within 14 days of a resident's departure. The trust monitors the trend in RAD receipts and payments and expects one third of RADs to be repaid in the next 12 months which will be funded through RADs from new residents and the trust's cash holdings.

The trust also has a liquidity management strategy to ensure that the trust has sufficient liquid funds to enable it to refund RADs expected to fall due in the next 12 months. As part of determining the liquidity management strategy, the trust has set a minimum balance of liquid funds the trust needs to maintain. The cash balance at 30 June 2022 exceeded the minimum balance stipulated by the liquidity management strategy.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and the additional costs incurred by the trust up to 30 June 2022 is detailed in Note 20. The situation is still ongoing and is dependent on measures imposed by the Australian Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. It is not practicable to estimate the potential impact after the reporting date.

Based on the matters above, management believe it is appropriate to prepare the financial report on a going concern basis which contemplates the realisation of its assets and the extinguishment of its liabilities in the normal course of business and at the amounts stated in the financial report.

(a) Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as disclosed. Certain comparative amounts have been reclassified to conform with the current year's presentation.

(b) 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 expectations of future events and are based on current trends and economic data, obtained both externally and within the trust.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(b) Critical Accounting Estimates and Judgements (continued)

Key estimates and judgements

(i) Provisions for Employee Benefits

Provision for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience and history of employee departures and periods of service. The amount of these provisions would change should any of these factors change in the next 12 months.

(ii) Estimation of Useful Lives of Assets

Useful lives and residual value of property, plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years. Useful lives of intangible assets with finite lives are reviewed annually. Any reassessment of useful lives in a particular year will affect the amortisation expense (either increasing or decreasing) through to the end of the reassessed useful life for both the current and future years.

(iii) Estimation of fair value of bungalow loans

The fair value of bungalow loans is estimated by reference to the fair value of the underlying bungalows. The fair value of the bungalows is assessed by reference to the value of units that are leased in the financial year.

(c) Accommodation Bonds

Accommodation bonds are measured at the principal amount less retention amounts. They are classified as current liabilities because the trust does not have an unconditional right to defer settlements for greater than 12 months.

(d) Property, Plant and Equipment and Investment Property

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

Property and Buildings

Freehold land and buildings are measured using the cost basis less where applicable, any accumulated depreciation and impairment losses.

Investment Property

Investment properties are recognised at cost less accumulated depreciation and impairment loss.

Plant and Equipment

Plant and equipment are measured using the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a reducing balance basis or straight-line basis over the asset's useful life to the trust 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 life of the improvements.

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

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Buildings	2.5%
Plant and equipment	15%
Computer equipment	37.5%
Motor vehicles	25%
Other assets	7.5% - 37.5%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 included in the statement of profit or loss and other comprehensive income.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(e) Impairment

(i) Impairment of non-financial assets

At the end of each reporting period, the trust assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

(ii) Impairment of financial assets

The trust uses forward-looking information to recognise expected credit losses – the expected credit loss (ECL) model.

Recognition of credit losses is no longer dependent on the entity first identifying a credit loss event. Instead the entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Trade and other receivables

The trust makes use of the simplified approach in accounting for trade and other receivables and records a loss allowance for lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

(f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the trust commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss;

on the basis of the two primary criteria:

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

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

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

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(f) Financial Instruments (continued)
Classification and subsequent measurement (continued)

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

A financial liability cannot be reclassified.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the trust's accounting policy.

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

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

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the trust no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(g) Employee Benefits

Provision is made for the trust'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that approximate the expected timing of cash flows.

(h) 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.

(i) 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 short-term borrowings in current liabilities on the statement of financial position.

(j) Revenue and Other Income

Revenue from the provision of Aged Care services including fees from residents and related income from the Government is measured at the transaction price received or receivable (which excludes estimates of variable consideration) allocated to the performance obligation satisfied and represents amounts receivable for services provided in the normal course of business, net of discounts and GST.

Government revenue comprises basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument (ACFI), accommodation supplements, funding for short-term 'respite' residents and other Government income. Revenue from the Government, in the form of subsidies for the provision of aged care services, is recognised over the period services are provided.

COVID-19 support grant revenue from the Government is recognised when it is received or when the right to receive payment is established.

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

Deferred Management Fees (DMF) are earned from the retirement village units. DMF income is recognised on a progressive annual basis over the estimated average length of stay of 11 years. Based on the net present value of the anticipated fair value of the unit at the end of the tenancy a portion of the DMF revenue is classified as DMF interest revenue, representing the unwinding of the discount rate applied to the non-current portion of DMF receivables.

(k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the trust 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.

(l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets (excluding receivables and payables) 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.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (continued)

(n) Bungalow Resident Loans

The carrying value of bungalow resident loans represent the principal amount plus the resident's share of expected capital gains and losses based on market values of the underlying property at balance sheet date, less deferred management fees receivable.

Bungalow resident loans are non-interest bearing and repayable upon departure. Resident loans are reported as non-current liabilities because the terms of Residency Lease allow the company to defer settlement of the loans to later than 12 months after the date the bungalow is returned to the company.

Deferred management fees (DMF) receivable represent amounts earned by the trust to the balance sheet date in connection with residency occupancy at retirement village. The DMF is calculated using the following assumptions:

- 1) A 12.9% (2021: 12.9%) discount rate based on industry benchmarks;
- 2) An 11 year average length of stay based on industry benchmarks.

The DMF receivable is then calculated by reference to the current tenure of each resident and offset against the bungalow resident loans balance in non-current liabilities. Differences in cash received and the DMF receivable on re-lease of a unit are taken to the income statement in the period in which the re-lease occurs.

(o) Comparative Figures

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

(p) Application of New and Revised Accounting Standards

The trust has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period, including AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

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

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 2 Revenue and Other Income

	2022	2021
	\$	\$
Revenue		
Services income		
- government income	7,862,268	8,135,523
- contracts with customers	3,516,520	2,850,376
- deferred management fees	348,659	218,388
	<u>11,727,447</u>	<u>11,204,287</u>
Interest Income		
- interest received from financial institutions	32,638	9,825
- interest received from accommodation bonds	341,594	307,157
	<u>374,232</u>	<u>316,982</u>
Other income		
- rental income	261,268	246,888
- COVID-19 support grant income	131,054	-
- other income	85,328	24,461
	<u>477,650</u>	<u>271,349</u>
Total revenue and other income	<u>12,579,329</u>	<u>11,792,618</u>

Note 3 Employee Benefits Expense

	2022	2021
	\$	\$
Employee benefits expenses:		
- Wages and salaries	6,476,249	5,927,434
- Contributions to superannuation	628,037	575,715
- Increase in provisions for employee entitlements	15,386	137,059
Total employee benefits expenses	<u>7,119,672</u>	<u>6,640,208</u>

Note 4 Auditor's Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor of the trust for:		
- auditing the financial statements	11,193	11,841
	<u>11,193</u>	<u>11,841</u>

Note 5 Cash and Cash Equivalents

	2022	2021
	\$	\$
CURRENT		
Cash on hand	907	907
Short-term bank deposits	6,107,269	2,096,594
	<u>6,108,176</u>	<u>2,097,501</u>

Note 6 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	290,079	102,833
Amounts due from related parties	10,547,106	10,770,091
COVID-19 support grant receivable	131,054	-
GST receivable	120,088	95,941
	<u>11,088,327</u>	<u>10,968,865</u>

No trade and other receivables balances have been pledged as collateral.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 7 Other Assets

	2022	2021
	\$	\$
CURRENT		
Term deposit with maturity more than 3 months	3,700,000	200,000
Prepayments	54,401	44,523
Accrued income	15,635	168
	3,770,036	244,691

Any term deposit with an initial maturity of more than three months are excluded from cash and cash equivalents. As early access are subject to a penalty, it is unlikely that the intended purpose is to meet short-term cash commitments. The term deposit is measured at amortised cost in accordance with AASB 9 *Financial Instruments*.

Note 8 Property, Plant and Equipment

	2022	2021
	\$	\$
LAND AND BUILDINGS		
Freehold land at cost	3,934,439	3,934,439
	3,934,439	3,934,439
Buildings - at cost	19,994,788	19,994,788
Buildings - accumulated depreciation	(4,954,819)	(4,456,914)
Total buildings	15,039,969	15,537,874
Total land and buildings	18,974,408	19,472,313
PLANT AND EQUIPMENT		
Plant and equipment - at cost	437,201	391,318
Plant and equipment - accumulated depreciation	(240,554)	(201,495)
Total plant and equipment	196,647	189,823
SOFTWARE LICENCE		
Software licence - at cost	28,560	28,560
Software licence - accumulated depreciation	(14,272)	(8,560)
Total software licence	14,288	20,000
Total property, plant and equipment	19,185,343	19,682,136

Movements in Carrying Amounts

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

	Freehold Land	Buildings	Plant and equipment	Software licence	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	3,934,439	16,036,767	165,825	25,712	20,162,743
Additions	-	-	60,491	-	60,491
Depreciation expense	-	(498,893)	(36,493)	(5,712)	(542,098)
Balance at 30 June 2021	3,934,439	15,537,874	189,823	20,000	19,682,136
Additions	-	-	45,883	-	45,883
Depreciation expense	-	(497,905)	(39,059)	(5,712)	(542,676)
Carrying amount at 30 June 2022	3,934,439	15,039,969	196,647	14,288	19,185,343

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 9 Investment Property

	2022 \$	2021 \$
Bungalows - at cost	15,347,053	15,347,053
Bungalows - accumulated depreciation	<u>(1,695,914)</u>	<u>(1,312,194)</u>
Total bungalows	<u>13,651,139</u>	<u>14,034,859</u>
Childcare centre - at cost	832,695	832,695
Childcare centre - accumulated depreciation	<u>(145,393)</u>	<u>(124,576)</u>
Total childcare centres	<u>687,302</u>	<u>708,119</u>
Total investment property	<u>14,338,441</u>	<u>14,742,978</u>

Investment property, comprising a child care centre and bungalows are held to generate long-term rental yields and capital appreciation. The tenant lease is on an arm's length basis. Investment property is measured at cost less accumulated depreciation and impairment. The rental revenue is recognised on a straight-line basis over the period of the lease.

Movements in Carrying Amounts

Movements in carrying amounts for each investment property between the beginning and the end of the current financial year are as follows:

	Bungalows \$	Child care centre \$	Total \$
Balance at 1 July 2020	14,077,502	728,936	14,806,438
Additions	327,254	-	327,254
Depreciation expense	<u>(369,897)</u>	<u>(20,817)</u>	<u>(390,714)</u>
Balance at 30 June 2021	<u>14,034,859</u>	<u>708,119</u>	<u>14,742,978</u>
Additions	-	-	-
Depreciation expense	<u>(383,720)</u>	<u>(20,817)</u>	<u>(404,537)</u>
Carrying amount at 30 June 2022	<u>13,651,139</u>	<u>687,302</u>	<u>14,338,441</u>

Note 10 Trade and Other Payables

	2022 \$	2021 \$
CURRENT		
Trade payables	229,948	1,658,852
Income in advance	92,468	-
Payroll liabilities	313,730	248,044
Accrued expenses	79,206	99,607
Amounts due to related parties	<u>3,069,746</u>	<u>3,430,502</u>
	<u>3,785,098</u>	<u>5,437,005</u>

Note 11 Borrowings

	2022 \$	2021 \$
CURRENT		
Accommodation bonds	<u>29,481,461</u>	<u>27,197,129</u>
	<u>29,481,461</u>	<u>27,197,129</u>

Accommodation bonds are classified as current liabilities because the trust does not have an unconditional right to defer settlement for greater than 12 months. History show that on average a resident in the facility will stay 3 years. The trust expects to repay \$9.8 million of bonds in the next 12 months which is expected to be funded by bonds paid by incoming residents and existing cash reserves.

	2022 \$	2021 \$
NON-CURRENT		
Bungalow resident loans	<u>20,225,586</u>	<u>14,119,245</u>
	<u>20,225,586</u>	<u>14,119,245</u>

REGENTS GARDEN AUBIN GROVE UNIT TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 12 Provisions

	2022	2021
	\$	\$
CURRENT		
Provision for annual leave	657,121	650,194
Provision for long service leave - current	256,067	219,169
	913,188	869,363
NON-CURRENT		
Provision for long service leave - non-current	84,890	113,329
	84,890	113,329

ANALYSIS OF TOTAL PROVISIONS

Analysis of Provisions

	2022	2021
	\$	\$
CURRENT		
Employee Benefits		
Opening balance at 1 July	869,363	722,540
Additional provisions raised during year	43,825	146,823
Balance at 30 June	913,188	869,363
NON-CURRENT		
Employee Benefits		
Opening balance at 1 July	113,329	123,093
Additional provisions raised during year	(28,439)	(9,764)
Balance at 30 June	84,890	113,329

Note 13 Issue of Units

The trust has 100 units on issue of \$1 each amounting to \$100 (2021: \$100).

	2022	2021	2022	2021
	No.	No.	\$	\$
Number of fully paid units				
At beginning of the reporting period	100	100	100	100
At the end of the reporting period	100	100	100	100

Units are of equal value and unit holders are entitled to share in the income of Regents Garden Aubin Grove Unit Trust in proportion to their unit holding. Upon liquidation each unit holder is entitled to a pro rata share of the trust's net assets.

Note 14 Net Assets Attributable to Unitholders

	Number of Units on Issue No.	Issued Units \$	Retained Earnings \$	Total \$
Balance at 1 July 2020	100	100	-	100
Profit attributable to trust	-	-	859,639	859,639
Distributions paid or provided for	-	-	(859,639)	(859,639)
Balance at 30 June 2021	100	100	-	100
Profit attributable to trust	-	-	416,155	416,155
Distributions paid or provided for	-	-	(416,155)	(416,155)
Balance at 30 June 2022	100	100	-	100

Note 15 Contingent Liabilities

No contingent assets or liabilities existed at 30 June 2022 or 30 June 2021.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 16 Segment Reporting

The trust operates three business segments or functions:

- Residential Aged Care Facility: Revenue is statutory based and regulated fees are charged for occupancy.
- Independent Living Units.
- Child Care Centre.

	Residential Care 2022 \$	Independent Living Units 2022 \$	Childcare Centre 2022 \$	Total \$
Resident fees	3,516,520	-	-	3,516,520
Department fees	7,862,268	-	-	7,862,268
Deferred management fees	-	348,659	-	348,659
Interest received	355,560	18,658	14	374,232
Other income	132,797	60,714	284,139	477,650
Total Revenue and Other Income	11,867,145	428,031	284,153	12,579,329
Employee expenses	7,119,672	-	-	7,119,672
Depreciation	542,676	383,720	20,817	947,213
Interest paid	119,317	-	-	119,317
Other expenses	3,126,906	836,753	13,313	3,976,972
Total Expenses	10,908,571	1,220,473	34,130	12,163,174
Net Profit	958,574	(792,442)	250,023	416,155
Total Current Assets	15,671,246	5,728,137	(432,844)	20,966,539
Total Non-Current Assets	19,185,343	13,651,139	687,302	33,523,784
Total Assets	34,856,589	19,379,276	254,458	54,490,323
Total Current Liabilities	34,229,180	(53,868)	4,435	34,179,747
Total Non-Current Liabilities	84,890	20,225,586	-	20,310,476
Total Liabilities	34,314,070	20,171,718	4,435	54,490,223
Total Net Assets	542,519	(792,442)	250,023	100
	2021	2021	2021	Total
	\$	\$	\$	\$
Resident fees	2,850,376	-	-	2,850,376
Department fees	8,135,523	-	-	8,135,523
Deferred management fees	-	218,388	-	218,388
Interest received	315,360	2,071	(449)	316,982
Other	1,590	-	269,759	271,349
Total Revenue and Other Income	11,302,849	220,459	269,310	11,792,618
Employee expenses	6,640,208	-	-	6,640,208
Depreciation	541,098	369,897	20,817	931,812
Other	2,835,194	509,096	16,669	3,360,959
Total Expenses	10,016,500	878,993	37,486	10,932,979
Net Profit	1,286,349	(658,534)	231,824	859,639
Total Current Assets	12,962,947	824,405	(476,295)	13,311,057
Total Non-Current Assets	19,682,136	14,034,859	708,119	34,425,114
Total Assets	32,645,083	14,859,264	231,824	47,736,171
Total Current Liabilities	32,104,944	1,398,553	-	33,503,497
Total Non-Current Liabilities	113,329	14,119,245	-	14,232,574
Total Liabilities	32,218,273	15,517,798	-	47,736,071
Total Net Assets	426,810	(658,534)	231,824	100

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 17 Cash Flow Information

	2022	2021
	\$	\$
Reconciliation of profit attributable to unitholders to net cash provided by operating activities		
Profit for the year	416,155	859,639
Non cash flows in profit for the year:		
- Depreciation	947,213	931,812
- Interest paid - Division 7A	119,317	-
- Revaluation loss on bungalow resident loans	742,857	225,000
- Deferred management fee	(348,659)	(218,388)
Changes in assets and liabilities		
- (Increase)/decrease in trade and other receivables and other assets	(367,792)	278,757
- Increase in trade and other payables	153,534	43,058
- Increase in provisions	15,386	137,059
Net cash provided by operating activities	1,678,011	2,256,937

Note 18 Events After the Reporting Period

No events after the balance sheet date have been identified as post balance date events for the purpose of disclosure.

Note 19 Related Party Transactions

The ultimate controlling entity is the Limo Family Trust.

Transactions with related parties

Transactions between related parties are on normal commercial terms and on conditions no more favourable than those available to other parties unless otherwise stated.

	2022	2021
	\$	\$
a. Loans to Related Parties		
Unsecured loans provided to:		
- Limo Family Trust*	8,706,796	8,923,053
- Regents Garden Office Trust*	141,504	141,504
- Regents Garden Care Pty Ltd**	1,698,806	1,692,881
- Regents Garden Group Pty Ltd*	-	12,653
	10,547,106	10,770,091

*These loans are interest free, current in nature and may be subject to future Facility Loan agreements.

** These loans are subject to the Facility Loan agreements, with interest applicable.

The trust applies the AASB 9 simplified model of recognising lifetime expected credit losses for all amounts due from related parties as these items do not have a significant financing component.

The trust considers that all the loans to related parties are not impaired for each of the reporting dates. None of the trust's loans to related parties are secured by collateral.

	2022	2021
	\$	\$
b. Loans from Related Parties		
Regents Garden Unit Trust has made loans to the Unit Trust.*	(404,194)	(369,832)
Regents Garden Group Pty Ltd has made loans to the Unit Trust.	(13,928)	-
Regents Garden Lake Joondalup Pty Ltd has made loans to the Unit Trust.**	(2,636,851)	(3,035,000)
Regents Garden Scarborough Pty Ltd has made loans to the Unit Trust.**	(14,773)	(25,670)
	(3,069,746)	(3,430,502)

*These loans are current in nature and subject to the Facility Loan agreements, with interest applicable.

**These loans are in accordance with Division 7A of the 1977 ITAA, with interest applicable.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 19 Related Party Transactions (Continued)

	2022	2021
	\$	\$
c. Management fees paid to a Related Party		
Management fees paid to Regents Garden Group Pty Ltd.	<u>734,400</u>	<u>645,764</u>
Key management personnel are not remunerated directly by the trust. They receive remuneration from Regents Garden Group Pty Ltd, which then charges a management fee to the trust to recover the salary cost and other services as noted above.		
d. Consulting fees paid to a Related Party		
Consulting fees paid to Salim Lee Architects.	<u>69,377</u>	<u>98,447</u>
e. Rent paid to a Related Party		
Rent paid to Limo Family Trust.	<u>10,000</u>	<u>10,000</u>
f. Construction services provided by a Related Party		
Construction services provided by Komemo Constructions.	<u>-</u>	<u>327,254</u>
g. Construction Costs payable to a Related Party		
Construction costs payable to Komemo Constructions.	<u>-</u>	<u>1,448,553</u>
h. Accounting fees		
Accounting fees paid to Flinders Accountants, a company where Michael G Collins is also a director.	<u>8,178</u>	<u>12,095</u>

Note 20 COVID-19 Costs

	2022	2021
	\$	\$
Additional COVID-19 spending		
General medical - Hand sanitizers, gowns, vinyl gloves, wipes, face masks, etc	17,350	13,337
Other costs	3,868	-
Additional labour costs	97,765	117,108
	<u>118,983</u>	<u>130,445</u>

Note 21 Capital Commitment

There were no capital commitments at 30 June 2022 and 30 June 2021.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of the trustee company of Regents Garden Aubin Grove Unit Trust, the directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 1 to 17:
 - (a) comply with Australian Accounting Standards - Simplified Disclosures and other mandatory professional reporting requirements; and
 - (b) present fairly the trust's financial position as at 30 June 2022 and its performance for the year ended on that date.
2. in the directors' 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



Salim SL Lee

Dated this

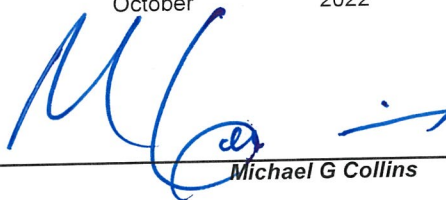
28th

day of

October

2022

Director



Michael G Collins

Dated this

28th

day of

October

2022

Independent Auditor's Report to the Unitholders of Regents Garden Aubin Grove Unit Trust trading as Regents Garden Aubin Grove and the Secretary, Department of Health

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Regents Garden Aubin Unit Trust (the Trust), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with *Part 4 of the Accountability Principles 2014*, including:

- (i) giving a true and fair view of the Trust's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, and *Part 4 of the Accountability Principles 2014*.

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 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.

Responsibilities of the Directors for the Financial Report

The Directors of the Trustee are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities 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 ability of the Trust 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 Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director

Dated this 28th day of October 2022