

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 2023**

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Financial Report For The Year Ended 30 June 2023

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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 2023

	Note	2023 \$	2022 \$
Revenue			
Services income	2	12,482,240	11,727,447
Interest income	2	680,229	374,232
Other income	2	784,515	477,650
Total revenue and other income		13,946,984	12,579,329
Expenses			
Fair value loss on revaluation of bungalow loans		1,275,000	742,857
Agency costs		561,175	380,678
Depreciation expense	8,9	950,499	947,213
Electricity and gas		131,493	140,733
Employee benefits expense	3	7,548,886	7,119,672
Food and stores		459,129	357,410
Incontinence pads		54,865	62,649
Interest paid - Division 7A		121,102	119,317
Insurance		172,867	142,004
Management fees	19	844,400	734,400
Payroll tax		415,885	397,616
Rates, taxes and other outgoings		134,607	49,465
Repairs and maintenance		239,093	210,196
Resident welfare		140,347	134,720
Staff training and welfare		95,733	84,824
Other expenses		464,165	539,420
Total expenses		13,609,246	12,163,174
Profit attributable to unitholders		337,738	416,155
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income attributable to unitholders		337,738	416,155

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 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	4,852,851	6,108,176
Trade and other receivables	6	10,905,122	11,088,327
Other assets	7	2,114,852	3,770,036
TOTAL CURRENT ASSETS		<u>17,872,825</u>	<u>20,966,539</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	18,665,461	19,185,343
Investment property	9	15,893,824	14,338,441
TOTAL NON-CURRENT ASSETS		<u>34,559,285</u>	<u>33,523,784</u>
TOTAL ASSETS		<u>52,432,110</u>	<u>54,490,323</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	2,173,715	3,785,098
Accommodation bonds	11	27,736,532	29,481,461
Provisions	12	1,040,652	913,188
TOTAL CURRENT LIABILITIES		<u>30,950,899</u>	<u>34,179,747</u>
NON-CURRENT LIABILITIES			
Bungalow resident loans	11	21,429,286	20,225,586
Provisions	12	51,825	84,890
TOTAL NON-CURRENT LIABILITIES		<u>21,481,111</u>	<u>20,310,476</u>
TOTAL LIABILITIES		<u>52,432,010</u>	<u>54,490,223</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 2023

	Note	Issued Units	Retained Earnings	Total
		\$	\$	\$
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
Balance at 1 July 2022		100	-	100
Profit for the year		-	337,738	337,738
Total comprehensive income for the year		-	337,738	337,738
Distribution to unitholders	14	-	(337,738)	(337,738)
Balance at 30 June 2023		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 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,678,563	11,630,606
Payments to suppliers and employees		(11,091,292)	(10,311,360)
Interest received		638,969	358,765
COVID aged care support grant received		23,719	-
Net cash provided by operating activities	17	<u>2,249,959</u>	<u>1,678,011</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	(26,090)	(45,883)
Transfer from/(to) term deposit with maturity more than 3 months		1,700,000	(3,500,000)
Additions to investment property		(1,959,910)	(1,444,685)
Proceeds from lease of bungalows		420,000	5,712,143
Net cash provided by investing activities		<u>134,000</u>	<u>721,575</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (repayment)/receipt of accommodation bonds		(1,744,929)	2,284,332
Net repayment to related parties		(1,894,355)	(673,243)
Net cash (used in)/provided to financing activities		<u>(3,639,284)</u>	<u>1,611,089</u>
Net (decrease)/increase in cash held		(1,255,325)	4,010,675
Cash and cash equivalents at beginning of financial year		<u>6,108,176</u>	<u>2,097,501</u>
Cash and cash equivalents at end of financial year	5	<u><u>4,852,851</u></u>	<u><u>6,108,176</u></u>

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 2023

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 comprise 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 and certain classes of property, plant and equipment.

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 trust’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 \$337,738 for the financial year ended 30 June 2023 (2022: \$416,155) and an excess of current liabilities over current assets of \$13,078,074 as at that date (2022: \$13,213,208). Working capital included \$4,852,851 of cash and cash equivalents and \$27,736,532 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. Management monitors the trend in RAD receipts and payments and expects one third of RADs to be repaid in the next 12 months expected to 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 2023 exceeded the minimum balance stipulated by the liquidity management strategy.

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 2023

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 life loans

The fair value of bungalow life 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
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

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

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 2023

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 in the period which it applies when the right to receive payment is established. Where the amount is unknown, is recognised in the next period or on receipt.

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) 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 2023

Note 1 Summary of Significant Accounting Policies (continued)

(m) 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 trust to defer settlement of the loans to later than 12 months after the date the bungalow is returned to the trust.

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% (2022: 12.9%) discount rate based on industry benchmarks;
- 2) An 11 year average length of stay based on historical experience.

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.

(n) Comparative Figures

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

(o) Application of New and Revised Accounting Standards

For the year ended 30 June 2023, the trust has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2022. None of new or amended standards have had a material impact on the trust's financial statements.

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 2023

Note 2 Revenue and Other Income

	2023	2022
	\$	\$
Revenue		
Services income		
- government income	8,037,857	7,862,268
- contracts with customers	3,953,083	3,516,520
- deferred management fees	491,300	348,659
	<u>12,482,240</u>	<u>11,727,447</u>
Interest Income		
- interest received from financial institutions	317,629	32,638
- interest received from accommodation bonds	362,600	341,594
	<u>680,229</u>	<u>374,232</u>
Other income		
- rental income	282,972	261,268
- COVID-19 support grant income	83,395	131,054
- other income	418,148	85,328
	<u>784,515</u>	<u>477,650</u>
Total revenue and other income	<u>13,946,984</u>	<u>12,579,329</u>

Note 3 Employee Benefits Expense

	2023	2022
	\$	\$
Employee benefits expenses:		
- wages and salaries	6,760,147	6,476,249
- contributions to superannuation	694,340	628,037
- increase in provisions for employee entitlements	94,399	15,386
Total employee benefits expenses	<u>7,548,886</u>	<u>7,119,672</u>

Note 4 Auditor's Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor of the trust for:		
- auditing the financial statements	12,227	11,193
	<u>12,227</u>	<u>11,193</u>

Note 5 Cash and Cash Equivalents

	2023	2022
	\$	\$
CURRENT		
Cash on hand	907	907
Short-term bank deposits	4,851,944	6,107,269
	<u>4,852,851</u>	<u>6,108,176</u>

Note 6 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	275,065	290,079
Amounts due from related parties	10,425,385	10,547,106
COVID-19 support grant receivable	190,730	131,054
GST receivable	13,942	120,088
	<u>10,905,122</u>	<u>11,088,327</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 2023

Note 7 Other Assets

	2023	2022
	\$	\$
CURRENT		
Term deposit with maturity more than 3 months	2,000,000	3,700,000
Prepayments	57,957	54,401
Accrued income	56,895	15,635
	<u>2,114,852</u>	<u>3,770,036</u>

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

	2023	2022
	\$	\$
LAND AND BUILDINGS		
Freehold land at cost	3,934,439	3,934,439
	<u>3,934,439</u>	<u>3,934,439</u>
Buildings - at cost	19,994,788	19,994,788
Buildings - accumulated depreciation	(5,450,700)	(4,954,819)
Total buildings	14,544,088	15,039,969
Total land and buildings	<u>18,478,527</u>	<u>18,974,408</u>
PLANT AND EQUIPMENT		
Plant and equipment - at cost	463,291	437,201
Plant and equipment - accumulated depreciation	(284,933)	(240,554)
Total plant and equipment	<u>178,358</u>	<u>196,647</u>
SOFTWARE LICENCE		
Software licence - at cost	28,560	28,560
Software licence - accumulated depreciation	(19,984)	(14,272)
Total software licence	<u>8,576</u>	<u>14,288</u>
Total property, plant and equipment	<u>18,665,461</u>	<u>19,185,343</u>

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 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)
Balance at 30 June 2022	<u>3,934,439</u>	<u>15,039,969</u>	<u>196,647</u>	<u>14,288</u>	<u>19,185,343</u>
Additions	-	-	26,090	-	26,090
Depreciation expense	-	(495,881)	(44,379)	(5,712)	(545,972)
Carrying amount at 30 June 2023	<u>3,934,439</u>	<u>14,544,088</u>	<u>178,358</u>	<u>8,576</u>	<u>18,665,461</u>

REGENTS GARDEN AUBIN GROVE UNIT TRUST

ABN: 25 673 850 030

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

Note 9 Investment Property

	2023	2022
	\$	\$
Bungalows - at cost	17,306,963	15,347,053
Bungalows - accumulated depreciation	(2,079,624)	(1,695,914)
Total bungalows	<u>15,227,339</u>	<u>13,651,139</u>
Childcare centre - at cost	832,695	832,695
Childcare centre - accumulated depreciation	(166,210)	(145,393)
Total childcare centres	<u>666,485</u>	<u>687,302</u>
Total investment property	<u>15,893,824</u>	<u>14,338,441</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 2021	14,034,859	708,119	14,742,978
Additions	-	-	-
Depreciation expense	(383,720)	(20,817)	(404,537)
Balance at 30 June 2022	<u>13,651,139</u>	<u>687,302</u>	<u>14,338,441</u>
Additions	1,959,910	-	1,959,910
Depreciation expense	(383,710)	(20,817)	(404,527)
Carrying amount at 30 June 2023	<u>15,227,339</u>	<u>666,485</u>	<u>15,893,824</u>

Note 10 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	282,443	229,948
Income in advance	63,957	92,468
Payroll liabilities	220,931	313,730
Accrued expenses	93,874	79,206
Amounts due to related parties	1,512,510	3,069,746
	<u>2,173,715</u>	<u>3,785,098</u>

Note 11 Borrowings

	2023	2022
	\$	\$
CURRENT		
Accommodation bonds	27,736,532	29,481,461
	<u>27,736,532</u>	<u>29,481,461</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 shows that on average a resident in the facility will stay 3 years. Management expects to repay \$9.2 million of bonds in the next 12 months expected to be funded by bonds paid by incoming residents and existing cash reserves.

	2023	2022
	\$	\$
NON-CURRENT		
Bungalow resident loans	21,429,286	20,225,586
	<u>21,429,286</u>	<u>20,225,586</u>

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 12 Provisions

	2023	2022
	\$	\$
CURRENT		
Provision for annual leave	717,462	657,121
Provision for long service leave - current	323,190	256,067
	1,040,652	913,188
NON-CURRENT		
Provision for long service leave - non-current	51,825	84,890
	51,825	84,890
ANALYSIS OF TOTAL PROVISIONS		
Analysis of Provisions		
CURRENT		
Employee Benefits		
Opening balance at 1 July	913,188	869,363
Movement during the year	127,464	43,825
Balance at 30 June	1,040,652	913,188
NON-CURRENT		
Employee Benefits		
Opening balance at 1 July	84,890	113,329
Movement during the year	(33,065)	(28,439)
Balance at 30 June	51,825	84,890

Provision for employee benefits

A provision has been recognised for employee entitlements relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

Note 13 Issue of Units

The trust has 100 units on issue of \$1 each amounting to \$100 (2022: \$100).

	2023	2022	2023	2022
	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	Issued Units	Retained	Total
	Units on		Earnings	
	Issue		\$	\$
	No.	\$		
Balance at 1 July 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
Profit attributable to trust	-	-	337,738	337,738
Distributions paid or provided for	-	-	(337,738)	(337,738)
Balance at 30 June 2023	100	100	-	100

Note 15 Contingent Liabilities

No contingent assets or liabilities existed at 30 June 2023 and 30 June 2022.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023 \$	Independent Living Units 2023 \$	Childcare Centre 2023 \$	Total \$
Resident fees	3,953,083	-	-	3,953,083
Department fees	8,037,857	-	-	8,037,857
Deferred management fees	-	491,300	-	491,300
Interest received	534,049	146,180	-	680,229
Other income	83,395	399,630	301,490	784,515
Total Revenue and Other Income	12,608,384	1,037,110	301,490	13,946,984
Employee expenses	7,548,886	-	-	7,548,886
Depreciation	545,972	383,710	20,817	950,499
Interest paid	121,102	-	-	121,102
Other expenses	3,527,499	1,453,029	8,231	4,988,759
Total Expenses	11,743,459	1,836,739	29,048	13,609,246
Net Profit	864,925	(799,629)	272,442	337,738
Total Current Assets	12,904,337	5,348,450	(379,962)	17,872,825
Total Non-Current Assets	18,665,461	15,227,339	666,485	34,559,285
Total Assets	31,569,798	20,575,789	286,523	52,432,110
Total Current Liabilities	30,990,688	(53,868)	14,079	30,950,899
Total Non-Current Liabilities	51,825	21,429,286	-	21,481,111
Total Liabilities	31,042,513	21,375,418	14,079	52,432,010
Total Net Assets	527,285	(799,629)	272,444	100
	2022	2022	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	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	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

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 17 Cash Flow Information

	2023	2022
	\$	\$
Reconciliation of profit attributable to unitholders to net cash provided by operating activities		
Profit for the year	337,738	416,155
Non cash flows in profit for the year:		
- Depreciation	950,499	947,213
- Interest paid - Division 7A	121,102	119,317
- Revaluation loss on bungalow resident loans	1,275,000	742,857
- Deferred management fee	(491,300)	(348,659)
Changes in assets and liabilities		
- Decrease/(Increase) in trade and other receivables and other assets	16,668	(367,792)
- (Decrease)/Increase in trade and other payables	(54,147)	153,534
- Increase in provisions	94,399	15,386
Net cash provided by operating activities	<u>2,249,959</u>	<u>1,678,011</u>

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.

	2023	2022
	\$	\$
a. Loans to Related Parties		
Unsecured loans provided to:		
- Limo Family Trust*	8,564,831	8,706,796
- Regents Garden Office Trust*	143,061	141,504
- Regents Garden Care Pty Ltd**	1,717,493	1,698,806
	<u>10,425,385</u>	<u>10,547,106</u>

*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.

	2023	2022
	\$	\$
b. Loans from Related Parties		
Regents Garden Unit Trust has made loans to the Unit Trust.*	(434,395)	(404,194)
Regents Garden Group Pty Ltd has made loans to the Unit Trust. **	(15,622)	(13,928)
Regents Garden Lake Joondalup Pty Ltd has made loans to the Unit Trust.**	(1,053,507)	(2,636,851)
Regents Garden Scarborough Ply Ltd has made loans to the Unit Trust.**	(8,986)	(14,773)
	<u>(1,512,510)</u>	<u>(3,069,746)</u>

*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 2023

Note 19 Related Party Transactions (Continued)

	2023	2022
	\$	\$
c. Management fees paid to Related Parties		
Paid to Regents Garden Group Pty Ltd.	734,400	734,400
Paid to Regents Garden Residential Resort Management Pty Ltd.	110,000	-
	844,400	734,400
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.	81,563	69,377
	81,563	69,377
e. Rent paid to a Related Party		
Rent paid to Limo Family Trust.	10,000	10,000
	10,000	10,000
f. Construction services provided by a Related Party		
Construction services provided by Komemo Constructions.	1,959,910	-
	1,959,910	-
g. Accounting fees		
Accounting fees paid to Flinders Accountants, a company where Michael G Collins is also a director.	7,160	8,178
	7,160	8,178

Note 20 COVID-19 Costs

	2023	2022
	\$	\$
Additional COVID-19 spending		
General medical - Hand sanitizers, gowns, vinyl gloves, wipes, face masks, etc	5,463	17,350
Additional labour and agency costs	137,604	97,765
Other costs	188	3,868
	143,255	118,983

Note 21 Capital Commitment

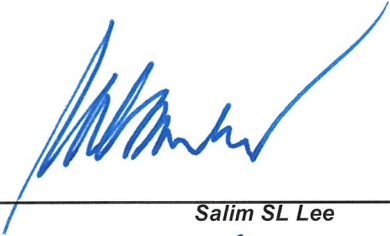
There were no capital commitments at 30 June 2023 and 30 June 2022.

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 2023 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

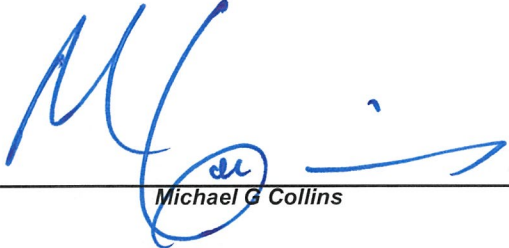


Salim SL Lee

Dated this

24th day of October 2023

Director



Michael G Collins

Dated this

24th day of October 2023

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 and Aged Care

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 2023, 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 2023 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures 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 24th day of October 2023