

REGENTS GARDEN LAKE JOONDALUP PTY LTD

ABN: 12 009 107 448

NAPS ID: 4169

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

REGENTS GARDEN LAKE JOONDALUP PTY LTD

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Financial Report For The Year Ended 30 June 2024

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REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2024.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Salim SL Lee
Carol Althorpe
Michael G Collins
Meina Suiling Hiratsuka Lee

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$3,260,689 (2023: \$1,706,183).

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were the provision of aged care services and retirement living. No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

— A fully franked dividend of \$1,500,000 was declared and provided for during the year.

Shares under Option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares Issued on the Exercise of Options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director



Salim SL Lee

Dated this

22nd day of October 2024

Director



Michael G Collins

Dated this

22nd day of October 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Regents Garden Lake Joondalup Pty Ltd

As lead auditor for the audit of Regents Garden Lake Joondalup Pty Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

William Buck

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

Amar Nathwani

Amar Nathwani
Director

Dated this 22nd day of October 2024

REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

| | Note | 2024 \$ | 2023 \$ |
|--|--------|---------------------|---------------------|
| Services revenue | 2 | 14,989,967 | 11,874,504 |
| Other income | 2 | 7,800,792 | 3,304,975 |
| Total revenue and other income | | <u>22,790,759</u> | <u>15,179,479</u> |
| Employee benefits expense | 3 | (8,902,735) | (7,072,087) |
| Fair value loss on revaluation of bungalow loans | | (4,650,000) | (1,550,000) |
| Rent | | (26,400) | (10,000) |
| Depreciation expense | 11, 12 | (84,882) | (83,919) |
| Agency costs | | (133,233) | (248,054) |
| Electricity and gas | | (127,545) | (125,126) |
| Food and stores | | (417,675) | (379,919) |
| Gardener/handyman | | (179,785) | (167,640) |
| Insurance | | (205,582) | (181,043) |
| Interest on lease liability | 14 | (98,131) | (189,842) |
| Interest on related party loans | | (605,084) | (157,477) |
| Management fees | 5 | (775,000) | (830,000) |
| Resident welfare | | (129,972) | (118,397) |
| Payroll tax | | (492,267) | (408,184) |
| Rates, taxes and other charges | | (107,413) | (98,654) |
| Repair and maintenance | | (317,391) | (329,470) |
| Other expenses | | (877,770) | (791,051) |
| Total expenses | | <u>(18,130,865)</u> | <u>(12,740,863)</u> |
| Profit before income tax | | 4,659,894 | 2,438,616 |
| Income tax expense | 4 | (1,399,205) | (732,433) |
| Profit for the year | | <u>3,260,689</u> | <u>1,706,183</u> |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | <u>3,260,689</u> | <u>1,706,183</u> |

The accompanying notes form part of these financial statements.

REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

| | Note | 2024 \$ | 2023 \$ |
|--------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 8 | 14,652,514 | 10,704,478 |
| Trade and other receivables | 9 | 2,188,682 | 2,492,647 |
| Other current assets | 10 | 472,026 | 386,249 |
| Financial assets | 13 | 28,360,000 | 26,360,000 |
| TOTAL CURRENT ASSETS | | <u>45,673,222</u> | <u>39,943,374</u> |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 9 | 9,292,837 | 10,952,280 |
| Property, plant and equipment | 11 | 687,865 | 699,801 |
| Intangible assets | 12 | 2,793 | 8,408 |
| Financial assets | 13 | 10,535,988 | 10,343,963 |
| Right-of-use asset | 14 | 15,140,298 | 5,570,060 |
| TOTAL NON-CURRENT ASSETS | | <u>35,659,781</u> | <u>27,574,512</u> |
| TOTAL ASSETS | | <u>81,333,003</u> | <u>67,517,886</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 15 | 787,168 | 549,263 |
| Accommodation bonds | 16 | 25,723,002 | 24,949,009 |
| Current tax liabilities | 17 | 949,915 | 288,194 |
| Provisions | 18 | 1,301,519 | 986,008 |
| Lease liability | 14 | 1,069,479 | 1,401,869 |
| TOTAL CURRENT LIABILITIES | | <u>29,831,083</u> | <u>28,174,343</u> |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 15 | 14,898,085 | 13,909,985 |
| Bungalow resident loans | 16 | 27,757,158 | 23,606,230 |
| Deferred tax liabilities | 17 | 284,947 | 147,826 |
| Provisions | 18 | 88,520 | 47,799 |
| Lease liability | 14 | 5,080,818 | - |
| TOTAL NON-CURRENT LIABILITIES | | <u>48,109,528</u> | <u>37,711,840</u> |
| TOTAL LIABILITIES | | <u>77,940,611</u> | <u>65,886,183</u> |
| NET ASSETS | | <u>3,392,392</u> | <u>1,631,703</u> |
| EQUITY | | | |
| Issued capital | 19 | 100 | 100 |
| Retained earnings | | 3,392,292 | 1,631,603 |
| TOTAL EQUITY | | <u>3,392,392</u> | <u>1,631,703</u> |

The accompanying notes form part of these financial statements.

REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

| | Note | Issued Capital \$ | Retained Earnings \$ | Total \$ |
|---------------------------------------|------|-------------------------|----------------------------|------------------|
| Balance at 1 July 2022 | | 100 | 2,925,420 | 2,925,520 |
| Profit attributable to equity holders | | - | 1,706,183 | 1,706,183 |
| Dividends paid or provided for | 7 | - | (3,000,000) | (3,000,000) |
| Balance at 30 June 2023 | | <u>100</u> | <u>1,631,603</u> | <u>1,631,703</u> |
| Balance at 1 July 2023 | | 100 | 1,631,603 | 1,631,703 |
| Profit attributable to equity holders | | - | 3,260,689 | 3,260,689 |
| Dividends paid or provided for | 7 | - | (1,500,000) | (1,500,000) |
| Balance at 30 June 2024 | | <u>100</u> | <u>3,392,292</u> | <u>3,392,392</u> |

The accompanying notes form part of these financial statements.

REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

| | Note | 2024 \$ | 2023 \$ |
|---|------|-------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 14,946,853 | 11,607,226 |
| Payments to suppliers and employees | | (12,076,732) | (10,820,689) |
| Interest received | | 2,545,635 | 1,995,950 |
| Grants received | | 540,429 | 150,873 |
| Income tax paid | | (600,363) | (434,549) |
| Net cash provided by operating activities | 23 | <u>5,355,822</u> | <u>2,498,811</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | 11 | (67,331) | (54,505) |
| Net loan repayments from/(to) related parties | | 1,385,552 | (3,495,050) |
| Transfer to term deposit with maturity more than 3 months | | (2,000,000) | (21,760,000) |
| Net cash used in investing activities | | <u>(681,779)</u> | <u>(25,309,555)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Accommodation bonds | | 773,993 | 1,667,530 |
| Payment of lease liability | 14 | (1,500,000) | (1,500,000) |
| Net cash (used in)/provided by financing activities | | <u>(726,007)</u> | <u>167,530</u> |
| Net increase/(decrease) in cash held | | 3,948,036 | (22,643,214) |
| Cash and cash equivalents at beginning of financial year | | 10,704,478 | 33,347,692 |
| Cash and cash equivalents at end of financial year | 8 | <u>14,652,514</u> | <u>10,704,478</u> |

The accompanying notes form part of these financial statements.

REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

These financial statements and notes represent those of Regents Garden Lake Joondalup Pty Ltd. Regents Garden Lake Joondalup Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Note 1 Material Accounting Policy Information

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 Joondalup Pty Ltd (“the company”) 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 and investment properties.

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(o).

Statement of compliance

The company 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,

Principal place of business:
33 Drovers Place, Wanneroo WA 6065

(a) Material 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) Income Tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are charged or credited directly to equity.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (continued)

(b) Income Tax (continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Property, Plant and Equipment

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

Plant and equipment

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

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis or reducing balance basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------|--------------------------|
| Leasehold improvements | 2.5% |
| Plant and equipment | 15% - 50% |
| Software licence | 20% |

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised.

(d) Leasing Activities

The company, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the contract is assessed to be, or contains, a lease, the company will recognise a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset

At the commencement of the lease the company recognises a right-of-use asset and associated lease liability for the lease term. Where the company believes it reasonably certain that a lease extension period will be exercised, this is included in the lease term. The right-of-use asset is measured initially using the cost model where initial recognition comprises the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is amortised on a straight-line basis over the lease term and is assessed for impairment in accordance with the company's accounting policies. The company applies fair value model to its right-of-use assets that meet the definition of investment property in AASB 140 Investment Property.

Lease liability

Initial measurement of the lease liability is at the value of the remaining lease payments, discounted to the present value using the rate implicit in the lease. Where this cannot be readily determined, the incremental borrowing rate is used. Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. Where there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based, the lease liability will be remeasured and the right-of-use asset adjusted (or recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero).

REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (continued)

(e) Accommodation Bonds

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

(f) Bungalow Resident Loans

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

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.

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

Deferred management fees ("DMF") receivable represent amounts owed to the company in connection with residency occupancy at retirement village. DMF receivable is calculated using the following assumptions:

- 1) A 12.9% (2023: 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 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. The company also has a liquidity management strategy to ensure that the company has sufficient liquid funds to enable it to refund bungalow resident loans expected to fall due in the next 12 months.

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company 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.

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 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 LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (continued)

(g) 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.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the company'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 company 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 LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (continued)

(h) Impairment

(i) Impairment of non-financial assets

At the end of each reporting period, the company 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 cash generating assets which the assets belong to by comparing the recoverable amount of the asset through CGU (the group of assets that generating cash which are independent from other assets), being the higher of the CGU's fair value less costs to sell and value in use to the CGU's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

(ii) Impairment of financial assets

The company 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 company first identifying a credit loss event. Instead the company 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 company 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.

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be 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 flows are discounted using market yields on national government bonds with terms to maturity that approximate the expected timing of cash flows.

(j) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Revenue and Other Income

Revenue from the provision of Aged Care services including fees from residents and related income from the Government and management fee 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.

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 on an amortised cost basis.

Accommodation bond retentions are recognised on a straight-line basis over the resident's period of stay, for a maximum of five years, at the amounts as prescribed by the Department of Health and Ageing.

All revenue is stated net of the amount of goods and services tax.

DMF are earned from the retirement village units which are leased from a related party. 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 receivable.

REGENTS GARDEN LAKE JOONDALUP PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (continued)

(l) Cash and Cash Equivalents

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

(m) Trade and Other Payables

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

(n) 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.

(o) Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(i) 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.

(ii) Long Service Leave

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at reporting date:

- future increase in salaries and wages;
- future on cost rates; and
- experience of employee departures and period of service.

(iii) Bungalow Loans

Please refer to Note 1(f).

(iv) Estimation of the Company's borrowing rate

The lease payments used to determine the initial lease liability and right-of-use of asset under AASB 16 *Leases* are discounted using the Company's incremental borrowing rate of 7%.

(p) Adoption of new and revised standards

For the year ended 30 June 2024, the company 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 2023. Those new or amended Accounting Standards and Interpretations which may be relevant to the company are set out below:

The company adopted AASB 2021-2 which amends AASB 7, AASB 101, AASB 108 and AASB 134 to require disclosure of 'material accounting policy information' rather than significant accounting policies' in an entity's financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosures. The adoption of the amendment did not have a material impact on the financial statements.

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

REGENTS GARDEN LAKE JOONDALUP PTY LTD

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

Note 2 Revenue and Other Income

| | 2024 | 2023 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Services revenue: | | |
| — government income | 9,767,352 | 7,754,493 |
| — contracts with customers | 3,802,672 | 3,529,461 |
| — bungalow income | 1,419,943 | 590,550 |
| Total services revenue | <u>14,989,967</u> | <u>11,874,504</u> |
| Other income: | | |
| — interest received (related parties) | 794,394 | 343,182 |
| — interest received (residents) | 353,988 | 301,344 |
| — interest received (external financial institutions) | 2,191,647 | 1,694,606 |
| Total interest income | <u>3,340,029</u> | <u>2,339,132</u> |
| — fair value gain in right-of-use asset | 3,419,941 | 319,941 |
| — deferred management fee income | 499,072 | 257,673 |
| — rental income | 7,200 | 7,800 |
| — fair value gain on financial assets | 192,025 | 221,691 |
| — grant income | 342,525 | 158,719 |
| — sundry income | - | 19 |
| Total other income | <u>7,800,792</u> | <u>3,304,975</u> |
| Total services revenue and other income | <u>22,790,759</u> | <u>15,179,479</u> |

Note 3 Employee Benefits Expense

| | 2024 | 2023 |
|--|------------------|------------------|
| | \$ | \$ |
| Employee benefits expense | | |
| — wages and salary | 7,707,754 | 6,325,673 |
| — contribution to superannuation | 838,749 | 655,406 |
| — increase in liability for provisions for employee entitlements | 356,232 | 91,008 |
| Total employee benefits expense | <u>8,902,735</u> | <u>7,072,087</u> |

Note 4 Tax Expense

| | 2024 | 2023 |
|--|------------------|----------------|
| | \$ | \$ |
| (a) The components of tax expense comprise: | | |
| — Current tax | 1,262,084 | 586,087 |
| — Deferred tax | 137,121 | 146,346 |
| | <u>1,399,205</u> | <u>732,433</u> |
| (b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows: | | |
| Prima facie tax payable on profit from ordinary activities before income tax at 30% (2023: 30%) | 1,397,968 | 731,585 |
| Tax effect of: | | |
| — non-deductible items | 1,237 | 1,320 |
| Income tax attributable to company | <u>1,399,205</u> | <u>732,905</u> |
| The weighted average effective tax rates are as follows: | 30.0% | 30.1% |

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

Note 5 Key Management Personnel Compensation

Key management personnel are not remunerated directly by the company. They receive remuneration from Regents Garden Group Pty Ltd, which then charges a management fee to the company to recover the salary cost and other services as noted below.

| | 2024 | 2023 |
|---|---------|---------|
| | \$ | \$ |
| Management fees paid to Regents Garden Group Pty Ltd | 720,000 | 720,000 |
| Management fees paid to Regents Residential Resort Management Pty Ltd | 55,000 | 110,000 |
| | 775,000 | 830,000 |

Note 6 Auditor's Remuneration

| | 2024 | 2023 |
|-------------------------------------|--------|--------|
| | \$ | \$ |
| Remuneration of the auditor for: | | |
| — auditing the financial statements | 12,755 | 12,033 |
| | 12,755 | 12,033 |

Note 7 Dividends

| | 2024 | 2023 |
|---|-----------|-----------|
| | \$ | \$ |
| Dividends declared | 1,500,000 | 3,000,000 |
| Declared fully franked ordinary dividend franked at the tax rate of 30% (2023: 30%) | | |
| Balance of franking account at 30 June | 36,811 | 79,305 |

Note 8 Cash and Cash Equivalents

| | 2024 | 2023 |
|--------------------------|------------|------------|
| | \$ | \$ |
| CURRENT | | |
| Short-term bank deposits | 1,500,000 | 1,500,000 |
| Cash on hand | 1,752 | 1,752 |
| Bank balances | 13,150,762 | 9,202,726 |
| | 14,652,514 | 10,704,478 |

Note 9 Trade and Other Receivables

| | 2024 | 2023 |
|---|-----------|------------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 57,005 | 85,164 |
| GST receivable | 33,504 | 62,707 |
| COVID-19 support grant receivable | - | 197,904 |
| Loans to related parties | 2,098,173 | 2,146,872 |
| Total current trade and other receivables | 2,188,682 | 2,492,647 |
| NON-CURRENT | | |
| Loans to related parties | 9,292,837 | 10,952,280 |
| Total non-current trade and other receivables | 9,292,837 | 10,952,280 |

The related party loans are in accordance with Division 7A of the 1997 Income Tax Assessment Act (ITAA) and Facility Loan Agreements. These loans are unsecured and Division 7A loans are repayable over 7 years.

The current portion is the minimum loan repayments as legislated in the ITAA. For the year ended 30 June 2024 the prescribed interest rate is 8.27% (2023: 4.77%).

REGENTS GARDEN LAKE JOONDALUP PTY LTD

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

Note 10 Other Assets

| | 2024 | 2023 |
|----------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 68,741 | 61,437 |
| Accrued income | 403,285 | 324,812 |
| | <u>472,026</u> | <u>386,249</u> |

Note 11 Property, Plant and Equipment

| | 2024 | 2023 |
|---|----------------|----------------|
| | \$ | \$ |
| BUILDINGS | | |
| Leasehold improvements - at cost | 539,220 | 539,220 |
| Leasehold improvements - accumulated depreciation | (113,292) | (100,176) |
| Total buildings | <u>425,928</u> | <u>439,044</u> |
| PLANT AND EQUIPMENT | | |
| Plant and equipment - at cost | 1,961,908 | 1,894,577 |
| Plant and equipment - accumulated depreciation | (1,700,959) | (1,635,082) |
| | <u>260,949</u> | <u>259,495</u> |
| MOTOR VEHICLES | | |
| Motor vehicles - at cost | 153,935 | 153,935 |
| Motor vehicles - accumulated depreciation | (152,947) | (152,673) |
| | <u>988</u> | <u>1,262</u> |
| Total plant and equipment | <u>261,937</u> | <u>260,757</u> |
| Total property, plant and equipment | <u>687,865</u> | <u>699,801</u> |

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

| | Leasehold Improvements | Plant and Equipment | Motor vehicles | Total |
|---------------------------------|---------------------------|------------------------|-------------------|----------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2022 | 452,122 | 269,881 | 1,612 | 723,615 |
| Additions | - | 54,505 | - | 54,505 |
| Depreciation expense | (13,078) | (64,891) | (350) | (78,319) |
| Carrying amount at 30 June 2023 | <u>439,044</u> | <u>259,495</u> | <u>1,262</u> | <u>699,801</u> |
| Additions | - | 67,331 | - | 67,331 |
| Depreciation expense | (13,116) | (65,877) | (274) | (79,267) |
| Carrying amount at 30 June 2024 | <u>425,928</u> | <u>260,949</u> | <u>988</u> | <u>687,865</u> |

Note 12 Intangible Assets

| | 2024 | 2023 |
|---|--------------|--------------|
| | \$ | \$ |
| Software licence - at cost | 28,000 | 28,000 |
| Software licence - accumulated depreciation | (25,207) | (19,592) |
| | <u>2,793</u> | <u>8,408</u> |

The software licence is depreciated on a straight line basis over 5 years. Depreciation for the year was \$5,615 (2023: \$5,600).

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

Note 13 Financial Assets

| | 2024 | 2023 |
|---|-------------|-------------|
| | \$ | \$ |
| CURRENT | | |
| Term deposits with maturity more than 3 months | 28,360,000 | 26,360,000 |
| 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 deposits are measured at amortised cost in accordance with AASB 9 <i>Financial Instruments</i> . | | |
| NON-CURRENT | | |
| Capital Notes Investment - at 1 July | 10,343,963 | 10,122,272 |
| Fair value gain recognised in the profit or loss | 192,025 | 221,691 |
| | 10,535,988 | 10,343,963 |

The Capital Notes Investment are financial assets listed on the Australian Securities Exchange (ASX) and are measured at fair value through profit or loss in accordance with AASB 9 *Financial Instruments*. The fair value at reporting date is based on the quoted market price of the Capital Notes on the ASX at reporting date.

Note 14 Leases

(a) Amounts recognised in the balance sheet

| | 2024 | 2023 |
|--|-------------|-------------|
| | \$ | \$ |
| Right-of-use asset | | |
| Right-of-use asset recognised as at 1 July | 5,570,060 | 5,250,119 |
| Add: Additions | 6,150,297 | - |
| Fair value change in right-of-use asset | 3,419,941 | 319,941 |
| Closing balance | 15,140,298 | 5,570,060 |
| Lease liability | | |
| Lease liability recognised as at 1 July | 1,401,869 | 2,712,027 |
| Add: Additions | 6,150,297 | - |
| Add: Interest | 98,131 | 189,842 |
| Less: Payments | (1,500,000) | (1,500,000) |
| Closing balance | 6,150,297 | 1,401,869 |
| Current lease liability | 1,069,479 | 1,401,869 |
| Non-current lease liability | 5,080,818 | - |

The company expects to extend its lease agreement subsequent to year end.

(b) Amounts recognised in the consolidated statement of profit or loss

| | | |
|---|-----------|---------|
| Fair value change in right-of-use asset | 3,419,941 | 319,941 |
| Interest expense on lease liability | 98,131 | 189,842 |
| | 3,419,941 | 319,941 |

Note 15 Trade and Other Payables

| | | |
|-------------------------------|------------|------------|
| CURRENT | | |
| Trade payables | 406,772 | 291,327 |
| Income in advance | 78,451 | 37,541 |
| Payroll liabilities | 89,807 | 88,250 |
| Accrued expenses | 212,138 | 132,145 |
| | 787,168 | 549,263 |
| NON-CURRENT | | |
| Amount due to related parties | 14,898,085 | 13,909,985 |

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

Note 16 Accommodation Bonds and Bungalow Resident Loans

| | 2024 | 2023 |
|---------------------|-------------------|-------------------|
| | \$ | \$ |
| CURRENT | | |
| Accommodation bonds | 25,723,002 | 24,949,009 |
| | <u>25,723,002</u> | <u>24,949,009</u> |

Accommodation bonds are classified as current liabilities because the company does not have an unconditional right to defer settlements for greater than 12 months. History shows that on average a resident in the facility will stay 3 years. Management expects to repay \$8.57 million of bonds in the next 12 months expected to be funded by bonds paid by incoming residents and cash reserves.

| | 2024 | 2023 |
|------------------------------|-------------------|-------------------|
| | \$ | \$ |
| NON-CURRENT | | |
| Bungalow resident loans | 27,757,158 | 23,606,230 |
| Total non-current borrowings | <u>27,757,158</u> | <u>23,606,230</u> |

Note 17 Tax Liabilities

| | 2024 | 2023 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Income tax payable | 949,915 | 288,194 |
| | <u>949,915</u> | <u>288,194</u> |
| NON-CURRENT | | |
| Deferred tax liabilities | 284,947 | 147,826 |
| | <u>284,947</u> | <u>147,826</u> |

| | Opening Balance | Temporary Differences | Closing Balance |
|--|--------------------|--------------------------|--------------------|
| | \$ | \$ | \$ |
| Deferred tax (assets)/liabilities | | | |
| Revaluation gain on right-of-use asset | 747,450 | 465,000 | 1,212,450 |
| Provisions - employee benefits | (342,802) | (27,792) | (370,594) |
| Deferred management fees | 1,024,829 | 77,302 | 1,102,131 |
| Revaluation loss on bungalow resident loans | (747,450) | (465,000) | (1,212,450) |
| Realised impairment loss on financial assets | (154,445) | - | (154,445) |
| Bed licences written off | (439,681) | - | (439,681) |
| Unrealised impairment loss on financial assets | (21,330) | - | (21,330) |
| Other | (86,421) | 96,836 | 10,415 |
| Recognised in profit or loss | (19,850) | 146,346 | 126,496 |
| Recognised in equity | 21,330 | - | 21,330 |
| Balance as at 30 June 2023 | <u>1,480</u> | <u>146,346</u> | <u>147,826</u> |
| Deferred tax (assets)/liabilities | | | |
| Revaluation gain on right-of-use asset | 1,212,450 | 1,395,000 | 2,607,450 |
| Provisions - employee benefits | (370,594) | (115,933) | (486,527) |
| Deferred management fees | 1,102,131 | 149,722 | 1,251,853 |
| Revaluation loss on bungalow resident loans | (1,212,450) | (1,395,000) | (2,607,450) |
| Realised impairment loss on financial assets | (154,445) | - | (154,445) |
| Bed licences written off | (439,681) | - | (439,681) |
| Unrealised impairment loss on financial assets | (21,330) | - | (21,330) |
| Other | 10,415 | 103,332 | 113,747 |
| Recognised in profit or loss | 126,496 | 137,121 | 263,617 |
| Recognised in equity | 21,330 | - | 21,330 |
| Balance as at 30 June 2024 | <u>147,826</u> | <u>137,121</u> | <u>284,947</u> |

REGENTS GARDEN LAKE JOONDALUP PTY LTD

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

Note 18 Provisions

| | 2024 | 2023 |
|--|------------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Provision for annual leave | 981,691 | 697,119 |
| Provision for long service leave - current | 319,828 | 288,889 |
| | <u>1,301,519</u> | <u>986,008</u> |
| NON-CURRENT | | |
| Provision for long service leave - non-current | 88,520 | 47,799 |
| | <u>88,520</u> | <u>47,799</u> |

Analysis of Provisions

| | 2024 | 2023 |
|---------------------------|------------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Employee Benefits | | |
| Opening balance at 1 July | 986,008 | 905,130 |
| Movement during the year | 315,511 | 80,878 |
| Balance at 30 June | <u>1,301,519</u> | <u>986,008</u> |
| NON-CURRENT | | |
| Employee Benefits | | |
| Opening balance at 1 July | 47,799 | 37,669 |
| Movement during the year | 40,721 | 10,130 |
| Balance at 30 June | <u>88,520</u> | <u>47,799</u> |

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(i).

Note 19 Issued Capital

| | 2024 | 2023 |
|---|------------|------------|
| | \$ | \$ |
| 100 (2023:100) fully paid ordinary shares | 100 | 100 |
| | <u>100</u> | <u>100</u> |

| | 2024 | 2023 | 2024 | 2023 |
|-----------------------------------|------------|------------|------------|------------|
| | No. | No. | \$ | \$ |
| Number of fully paid units | | | | |
| Balance at 1 July | 100 | 100 | 100 | 100 |
| Issue of shares | - | - | - | - |
| Balance at 30 June | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

Units are of equal value and unit holders are entitled to share in the income of the company in proportion to their unit holding. Upon liquidation each unit holder is entitled to a pro rata share of the company's net assets.

Note 20 Capital and Leasing Commitments

No capital commitments existed at 30 June 2024 and at 30 June 2023.

The lease commitments at 30 June 2024 and 30 June 2023 have been recognised as a lease liability and right-of-use asset on the statement of financial position. See Note 14 for more details.

Note 21 Contingent Liabilities and Contingent Assets

No contingent liabilities or contingent assets existed at 30 June 2024 and at 30 June 2023.

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

Note 22 Segment Reporting

The company operates two business segments or functions:

- Residential Aged Care Facility: Revenue is statutory based and regulated fees are charged for occupancy.
- Independent Living Units: DMF is recognised on a progressive annual basis over the average length of stay of 11 to 14 years.

| | Aged Care Facility | | Independent Living Units | | Total | |
|---------------------------------------|--------------------|-------------------|--------------------------|---------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Resident fees | 3,802,672 | 3,529,461 | - | - | 3,802,672 | 3,529,461 |
| Department fees | 9,767,352 | 7,754,493 | - | - | 9,767,352 | 7,754,493 |
| Bungalow income | - | - | 1,419,943 | 590,550 | 1,419,943 | 590,550 |
| Interest received | 3,040,955 | 2,150,845 | 299,074 | 188,287 | 3,340,029 | 2,339,132 |
| Deferred management fees income | - | - | 499,072 | 257,673 | 499,072 | 257,673 |
| Fair value (loss)/gain | (1,038,034) | (1,008,368) | 4,650,000 | 1,550,000 | 3,611,966 | 541,632 |
| Other income | 349,725 | 166,538 | - | - | 349,725 | 166,538 |
| Total Revenue and Other Income | 15,922,670 | 12,592,969 | 6,868,089 | 2,586,510 | 22,790,759 | 15,179,479 |
| Employee benefits expenses | 8,902,735 | 7,072,087 | - | - | 8,902,735 | 7,072,087 |
| Depreciation | 83,310 | 82,168 | 1,572 | 1,751 | 84,882 | 83,919 |
| Interest expense | 703,215 | 347,319 | - | - | 703,215 | 347,319 |
| Fair value loss | - | - | 4,650,000 | 1,550,000 | 4,650,000 | 1,550,000 |
| Other expenses | 3,601,425 | 3,417,996 | 188,608 | 269,542 | 3,790,033 | 3,687,538 |
| Total Expenses | 13,290,685 | 10,919,570 | 4,840,180 | 1,821,293 | 18,130,865 | 12,740,863 |
| Profit before income tax | 2,631,985 | 1,673,399 | 2,027,909 | 765,217 | 4,659,894 | 2,438,616 |
| Income tax expense | (1,399,205) | (732,433) | - | - | (1,399,205) | (732,433) |
| Net Profit after tax | 1,232,780 | 940,966 | 2,027,909 | 765,217 | 3,260,689 | 1,706,183 |
| Total Current Assets | 42,539,524 | 38,788,673 | 3,133,698 | 1,154,701 | 45,673,222 | 39,943,374 |
| Total Non-current Assets | 33,185,053 | 24,648,213 | 2,474,728 | 2,926,299 | 35,659,781 | 27,574,512 |
| Total Assets | 75,724,577 | 63,436,886 | 5,608,426 | 4,081,000 | 81,333,003 | 67,517,886 |
| Total Current Liabilities | 29,774,108 | 28,115,955 | 56,975 | 58,388 | 29,831,083 | 28,174,343 |
| Total Non-current Liabilities | 23,063,325 | 15,570,461 | 25,046,203 | 22,141,379 | 48,109,528 | 37,711,840 |
| Total Liabilities | 52,837,433 | 43,686,416 | 25,103,178 | 22,199,767 | 77,940,611 | 65,886,183 |
| Total Net Assets/(Liabilities) | 22,887,144 | 19,750,470 | (19,494,752) | (18,118,767) | 3,392,392 | 1,631,703 |

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

Note 23 Cash Flow Information

| | 2024 | 2023 |
|--|------------------|------------------|
| | \$ | \$ |
| Reconciliation of cash flows from operating activities with profit after income tax | | |
| Profit after income tax | 3,260,689 | 1,706,183 |
| Non-cash flows in profit | | |
| — deferred management fee income | (499,072) | (257,673) |
| — depreciation | 84,882 | 83,919 |
| — unrealised fair value loss on revaluation of bungalow loans | 4,650,000 | 1,550,000 |
| — fair value gain in right-of-use asset | (3,419,941) | (319,941) |
| — interest on lease liability | 98,131 | 189,842 |
| — accrual of division 7A interest income from related parties | (794,394) | (343,182) |
| — accrual of interest expense to from related parties | 605,084 | 157,477 |
| — fair value gain on financial assets | (192,025) | (221,691) |
| Changes in assets and liabilities | | |
| — decrease/(increase) in trade and other receivables | 255,266 | (49,833) |
| — increase in other assets | (85,777) | (261,885) |
| — increase in deferred tax liabilities | 137,121 | 146,346 |
| — increase/(decrease) in payables | 237,905 | (123,297) |
| — increase in income tax payable | 661,721 | 151,538 |
| — increase in provisions | 356,232 | 91,008 |
| Net cash provided by operating activities | <u>5,355,822</u> | <u>2,498,811</u> |

Note 24 Related Party Transactions

The ultimate controlling entity is the Limo Family Trust.

| | 2024 | 2023 |
|--|-----------|-----------|
| | \$ | \$ |
| Transactions with related parties: | | |
| (a) The company paid management fees to Regents Garden Group Pty Ltd. | 720,000 | 720,000 |
| (b) The company paid management fees to Regents Residential Resort Management Pty Ltd. | 55,000 | 110,000 |
| (c) The company paid leasehold rent to Limo Family Trust. | 1,526,400 | 1,510,000 |
| (d) The company received interest from Limo Family Trust, Regents Garden Unit Trust and Regents Garden Aubin Grove. The interest are received in accordance with Division 7A of the 1997 ITAA. | 794,394 | 343,182 |
| (e) Accounting fees paid to Flinders Accountants, a company where Michael G Collins is also a director. | 9,535 | 12,620 |
| (f) Consulting fees paid to Salim Lee Architects. | 83,151 | 82,599 |
| Balances with related parties: | | |
| (a) Limo Family Trust as shareholder received loans from the company. These loans are in accordance with Division 7A of the 1997 ITAA. | 6,550,920 | 7,313,972 |
| (b) Regents Garden Aubin Grove Unit Trust has received loans from the company. These loans are in accordance with Division 7A of the 1997 ITAA. | 908,151 | 1,053,507 |
| (c) Regents Garden Residential Resort Management Pty Ltd has received loans from the company. These loans are interest free, unsecured and non-current in nature. | 518,213 | 968,213 |

REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 24 Related Party Transactions (continued)

| | 2024 | 2023 |
|--|--------------|--------------|
| Balances with related parties (continued): | \$ | \$ |
| (d) Regents Garden Scarborough Pty Ltd has received loans from the company. These loans are unsecured and subject to the Facility Loan agreements, with interest applicable. | 1,080,760 | 1,080,760 |
| (e) Regents Garden Unit Trust has received loans from the company. These loans are in accordance with Division 7A of the 1997 ITAA. | 2,332,965 | 2,682,700 |
| (f) Regents Garden Group Pty Ltd has made loans to the company. These loans are unsecured and subject to Facility Loan agreements, with interest applicable. | (14,898,085) | (13,909,985) |

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

Note 25 COVID-19 Costs

| | 2024 | 2023 |
|--|----------------|----------------|
| | \$ | \$ |
| Additional COVID-19 spending | | |
| General medical - Hand sanitizers, gowns, wipes, face masks, vinyl gloves, etc | 20,878 | 5,262 |
| Additional labour and agency costs | 104,471 | 187,825 |
| Other costs | - | 188 |
| | <u>125,349</u> | <u>193,275</u> |

Note 26 Events After the Reporting Period

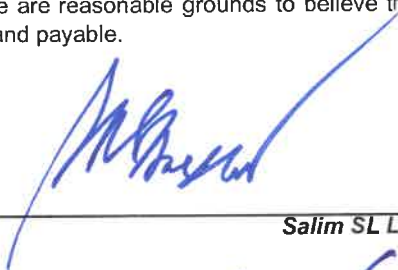
There have not been any matters or circumstances that have arisen since the end of the reporting date, that have significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

REGENTS GARDEN LAKE JOONDALUP PTY LTD
ABN: 12 009 107 448
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Regents Garden Lake Joondalup Pty Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 22, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards - Simplified Disclosures and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Salim SL Lee

Dated this

22nd day of October 2024

Director



Michael G Collins

Dated this

22nd day of October 2024

Independent auditor's report to the members of Regents Garden Lake Joondalup Pty Ltd and the Secretary, Department of Health and Aged Care

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Regents Garden Group Pty Ltd trading as Regents Garden Lake Joondalup Pty Ltd (the Company), is in accordance with the *Corporations Act 2001 and Part 4 of the Accountability Principles 2014*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, the *Corporations Regulations 2001 and Part 4 of the Accountability Principles 2014*.

What was audited?

We have audited the financial report of the Company, which comprises:

- the statement of financial position as at 30 June 2024,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the *Corporations Act 2001, Part 4 of the Accountability Principles 2014* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

William Buck

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

Amar Nathwani

Amar Nathwani
Director

Dated this 22nd day of October 2024