

REGENTS GARDEN UNIT TRUST

ABN: 32 310 558 963

NAPS ID: 1193

RACS ID: 7262

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

REGENTS GARDEN UNIT TRUST

ABN: 32 310 558 963

Financial Report For The Year Ended 30 June 2024

CONTENTS	Page
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Directors' Declaration	16
Independent Auditor's Report	17

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Revenue			
Services income	2	15,114,480	11,431,912
Interest income	2	464,532	355,477
Other income	2	252,073	29,400
Total revenue and other income		<u>15,831,085</u>	<u>11,816,789</u>
Expenses			
Agency costs		294,682	327,145
Auditor's remuneration	4	12,755	12,443
Depreciation expense	7, 8	407,052	377,717
Division 7A interest		222,012	170,275
Electricity and gas		97,730	79,357
Employee benefits expense	3	9,709,358	6,727,829
Food and stores		466,593	404,082
Incontinence pads		61,854	53,010
Insurance		175,513	129,250
Management fees	17(d)	777,600	720,000
Payroll tax		509,744	377,600
Rates, taxes and other outgoings		113,076	92,795
Repairs and maintenance		106,920	452,458
Staff training and welfare		51,311	89,359
Other expenses		699,678	597,565
Total expenses		<u>13,705,878</u>	<u>10,610,885</u>
Profit attributable to unitholders		<u>2,125,207</u>	<u>1,205,904</u>
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income attributable to unitholders		<u>2,125,207</u>	<u>1,205,904</u>

The accompanying notes form part of these financial statements.

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	6,786,802	4,184,274
Trade and other receivables	6	154,662	272,041
TOTAL CURRENT ASSETS		<u>6,941,464</u>	<u>4,456,315</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	3,116,658	1,907,805
Property, plant and equipment	7	14,253,475	14,626,838
Intangible assets	8	2,345	7,062
TOTAL NON-CURRENT ASSETS		<u>17,372,478</u>	<u>16,541,705</u>
TOTAL ASSETS		<u>24,313,942</u>	<u>20,998,020</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,384,374	1,220,625
Accommodation bonds	10	19,328,931	16,201,634
Provisions	11	1,468,092	1,010,711
TOTAL CURRENT LIABILITIES		<u>22,181,397</u>	<u>18,432,970</u>
NON-CURRENT LIABILITIES			
Trade and other payables	9	2,038,163	2,216,571
Provisions	11	94,282	64,064
TOTAL NON-CURRENT LIABILITIES		<u>2,132,445</u>	<u>2,280,635</u>
TOTAL LIABILITIES		<u>24,313,842</u>	<u>20,713,605</u>
NET ASSETS		<u>100</u>	<u>284,415</u>
EQUITY			
Issued units	12	100	100
Retained earnings		-	284,315
TOTAL EQUITY		<u>100</u>	<u>284,415</u>

The accompanying notes form part of these financial statements.

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Issued Units	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2022	100	-	100
Profit for the year	-	1,205,904	1,205,904
Total comprehensive income for the year	-	1,205,904	1,205,904
Distribution to unitholders	-	(921,589)	(921,589)
Balance at 30 June 2023	100	284,315	284,415
Balance at 1 July 2023	100	284,315	284,415
Profit for the year	-	2,125,207	2,125,207
Total comprehensive income for the year	-	2,125,207	2,125,207
Distribution to unitholders	-	(2,409,522)	(2,409,522)
Balance at 30 June 2024	100	-	100

The accompanying notes form part of these financial statements.

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		15,212,873	11,444,573
Payments to suppliers and employees		(12,486,540)	(11,350,839)
Interest received		464,532	355,477
Grants received		295,194	100,923
Net cash provided by operating activities	15	<u>3,486,059</u>	<u>550,134</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	<u>(28,972)</u>	<u>(2,493,114)</u>
Net cash used in investing activities		<u>(28,972)</u>	<u>(2,493,114)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipt of accommodation bonds		3,127,297	1,819,334
Net loan repayments to related parties		(3,981,856)	(1,286,360)
Net cash (used in)/provided by financing activities		<u>(854,559)</u>	<u>532,974</u>
Net increase/(decrease) in cash held		2,602,528	(1,410,006)
Cash and cash equivalents at beginning of financial year		4,184,274	5,594,280
Cash and cash equivalents at end of financial year	5	<u><u>6,786,802</u></u>	<u><u>4,184,274</u></u>

The accompanying notes form part of these financial statements.

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The financial statements cover the economic entity of Regents Garden Unit Trust. Regents Garden Unit Trust is a unit trust, established 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 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, 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:
2 Amur Place Bateman WA 6150

Financial Position

The trust reported a net profit of \$2,125,207 for the financial year ended 30 June 2024 (2023: \$1,205,904) and an excess of current liabilities over current assets of \$15,239,933 as at that date (2023: \$13,976,655). Working capital included \$6,786,802 of cash and cash equivalents and \$19,328,931 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 2024 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) 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) 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 UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (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.

(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

Each class of property, plant and equipment 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.

Plant and Equipment

Plant and equipment are measured using the cost basis less accumulated 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:

Class of fixed asset	Depreciation rate
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 UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (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 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 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 UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (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 UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (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 the services are provided. Grant income from the Government is recognised when the right to receive payment is established, where the amount is known in advance, is recognised in the period which it applies. Where the amount is unknown until advised, 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.

(k) Trade and Other Payables

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

(m) Comparative Figures

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

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (continued)

(n) Application of New and Revised Accounting Standards

For the year ended 30 June 2024, 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 2023. None of new or amended standards have had a material impact on the trust's financial statements.

Those new or amended Accounting Standards and Interpretations which may be relevant to the trust are set out below:

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The trust 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.

Note 2 Revenue and Other Income

	2024	2023
	\$	\$
Revenue		
Services income		
- government income	12,253,795	8,926,918
- contracts with customers	2,860,685	2,504,994
	15,114,480	11,431,912
Interest Income		
- interest received from financial institutions	143,186	61,019
- interest received from related parties	18,896	6,864
- interest received from unpaid accommodation bonds	302,450	287,594
	464,532	355,477
Other income		
- rent received	43,956	31,080
- sundry income	-	(1,680)
- grant income	208,117	-
	252,073	29,400
Total revenue and other income	15,831,085	11,816,789

Note 3 Employee Benefits Expense

	2024	2023
	\$	\$
Employee benefits expenses:		
- wages and salaries	8,355,004	6,170,514
- contributions to superannuation	866,755	596,915
- increase/(decrease) in provisions for employee entitlements	487,599	(39,600)
Total employee benefits expenses	9,709,358	6,727,829

Note 4 Auditor's Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor of the trust for:		
- auditing the financial statements	12,755	12,443
	12,755	12,443

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 5 Cash and Cash Equivalents

	2024	2023
	\$	\$
CURRENT		
Cash on hand	500	500
Short-term bank deposits	6,786,302	4,183,774
	6,786,802	4,184,274

Note 6 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	73,759	110,996
COVID-19 support grant receivable	-	87,077
GST receivable	17,076	25,049
Prepayments	63,827	48,919
	154,662	272,041
NON-CURRENT		
Amount due from related parties	3,116,658	1,907,805
	3,116,658	1,907,805

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

Note 7 Property, Plant and Equipment

	2024	2023
	\$	\$
LAND AND BUILDINGS		
Freehold land at cost	1,451,282	1,451,282
	1,451,282	1,451,282
Buildings at cost	15,184,838	15,184,838
Buildings - accumulated depreciation	(2,845,842)	(2,581,146)
Total buildings	12,338,996	12,603,692
Total land and buildings	13,790,278	14,054,974
PLANT AND EQUIPMENT		
Plant and equipment at cost	1,571,423	1,542,451
Plant and equipment - accumulated depreciation	(1,147,260)	(1,025,903)
Total plant and equipment	424,163	516,548
FURNITURE AND FITTINGS		
Furniture and fittings at cost	517,904	517,904
Furniture and fittings - accumulated depreciation	(478,870)	(462,588)
Total furniture and fittings	39,034	55,316
Total property, plant and equipment	14,253,475	14,626,838

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	Total
	\$	\$	\$	\$
Balance at 1 July 2022	1,451,282	10,723,892	331,563	12,506,737
Additions	-	2,112,466	380,648	2,493,114
Depreciation expense	-	(232,666)	(140,347)	(373,013)
Balance at 30 June 2023	1,451,282	12,603,692	571,864	14,626,838
Additions	-	-	28,972	28,972
Depreciation expense	-	(264,696)	(137,639)	(402,335)
Carrying amount at 30 June 2024	1,451,282	12,338,996	463,197	14,253,475

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8 Intangible Assets

	2024	2023
	\$	\$
Software licence at cost	23,520	23,520
Software licence - accumulated depreciation	(21,175)	(16,458)
Total software licence	<u>2,345</u>	<u>7,062</u>

Movements in carrying amounts of software licence between the beginning and the end of the current financial year are as follows:

	Software Licence	Total
	\$	\$
Balance at 1 July 2022	11,766	11,766
Depreciation expense	(4,704)	(4,704)
Balance at 30 June 2023	<u>7,062</u>	<u>7,062</u>
Depreciation expense	(4,717)	(4,717)
Carrying amount at 30 June 2024	<u>2,345</u>	<u>2,345</u>

Note 9 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade creditors	349,611	306,726
Accrued expenses	109,675	97,722
Payroll liabilities	246,604	191,832
Income in advance	51,936	34,736
Amount due to related parties	626,548	589,609
	<u>1,384,374</u>	<u>1,220,625</u>
NON-CURRENT		
Amount due to related parties	<u>2,038,163</u>	<u>2,216,571</u>

Note 10 Accommodation Bonds

	2024	2023
	\$	\$
CURRENT		
Accommodation bonds	19,328,931	16,201,634
	<u>19,328,931</u>	<u>16,201,634</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 \$6.4 million of bonds in the next 12 months expected to be funded by bonds paid by incoming residents and existing cash reserves.

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 11 Provisions

	2024	2023
	\$	\$
CURRENT		
Provision for annual leave	1,139,855	777,416
Provision for long service leave - current	328,100	232,798
Provision for sick leave	137	497
	<u>1,468,092</u>	<u>1,010,711</u>
NON-CURRENT		
Provision for long service leave - non-current	94,282	64,064
	<u>94,282</u>	<u>64,064</u>
ANALYSIS OF TOTAL PROVISIONS		
CURRENT		
Employee Benefits		
Opening balance at 1 July	1,010,711	1,066,012
Movement during the year	457,381	(55,301)
Balance at 30 June	<u>1,468,092</u>	<u>1,010,711</u>
NON-CURRENT		
Employee Benefits		
Opening balance at 1 July	64,064	48,363
Movement during the year	30,218	15,701
Balance at 30 June	<u>94,282</u>	<u>64,064</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(g).

Note 12 Issue of Units

The trust has 100 units on issue of \$1 each amounting to \$100 (2023: \$100).

	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 Regents Garden 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 13 Contingent Liabilities

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

Note 14 Segment Reporting

This approved provider delivers only aged care services and this GPF therefore relates only to such operations. The trust operates in one business and geographical segment, being a residential aged care facility in Bateman, Western Australia.

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 15 Cash Flow Information

	2024	2023
	\$	\$
Reconciliation of profit attributable to unitholders to net cash provided by operating activities		
Profit for the year	2,125,207	1,205,904
Non-cash flows in profit for the year:		
- Depreciation	407,052	377,717
- Division 7A interest	222,012	170,275
Changes in assets and liabilities		
- Decrease in trade and other receivables	117,379	85,017
- Increase/(Decrease) in trade and other payables	126,810	(1,249,179)
- Increase/(Decrease) in provisions	487,599	(39,600)
Net cash provided by operating activities	3,486,059	550,134

Note 16 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 17 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.

	2024	2023
	\$	\$
a. Loans (from)/to Related Parties		
Unsecured loans provided to/(received from):		
- Regents Garden Group Pty Ltd***	(329,038)	(121,954)
- Regents Garden Aubin Grove Unit Trust**	452,769	434,395
- Regents Garden Scarborough Pty Ltd***	(2,708)	(1,525)
- Regents Garden Lake Joondalup Pty Ltd***	(2,332,965)	(2,682,701)
- Limo Family Trust*	2,663,889	1,473,410
<p>* Interest-free and may be subject to future Facility Loan agreements. ** Subject to Facility Loan agreements, with interest applicable. *** Subject to Division 7A with interest applicable.</p>		
b. Interest received from Related Parties		
Interest received from related parties	18,896	6,864
c. Interest expense on Related Party Loans		
Division 7A interest expense	222,012	170,275

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.

	2024	2023
	\$	\$
d. Management Fees Paid to a Related Party		
Management fees paid to Regents Garden Group Pty Ltd	777,600	720,000

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.

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 17 Related Party Transactions (continued)

	2024	2023
e. Distributions Distributions to unit holders are identified in the statement of changes in equity.		
f. Accounting Fees Accounting fees paid to Flinders Accountants, a company where Michael G Collins is also a director	\$ <u>10,728</u>	\$ <u>6,825</u>
g. Consulting Fees Paid to a Related Party Consulting fees paid to Salim Lee Architects	<u>98,948</u>	<u>74,713</u>
h. Rent Paid to a Related Party Rent paid to Limo Family Trust	<u>26,400</u>	<u>10,000</u>

Note 18 COVID-19 Costs

	2024	2023
	\$	\$
Additional COVID-19 spending		
General medical - Hand sanitizers, gowns, wipes, vinyl gloves, face masks, etc	7,913	7,913
Additional labour and agency costs	86,947	63,739
Other costs	-	188
	<u>94,860</u>	<u>71,840</u>

Note 19 Capital Commitment

There were no capital commitments at 30 June 2024 and 30 June 2023.

REGENTS GARDEN UNIT TRUST
ABN: 32 310 558 963
DIRECTORS' DECLARATION

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

1. The financial statements and notes, as set out on pages 1 to 15:
 - (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 2024 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 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 Unit Trust 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 Unit Trust (the Trust), is in accordance with the *Part 4 of the Accountability Principles 2014*, including:

- giving a true and fair view of the Trust's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- 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*.

What was audited?

We have audited the financial report of the Trust, 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 Trust in accordance with the auditor independence 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 Trust's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the 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 the *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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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