IC (Padstow) Pty Ltd
as Approved Provider (NAPS ID 7106)
Conducting Casa Mia Aged Care Centre
ABN: 42 608 030 440

Financial Statements
for the year ended 30 June 2022

IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre

Annual Financial Statements
for the year ended 30 June 2022

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The directors of IC (Padstow) Pty Ltd present their Financial Report as Approved Provider (NAPS ID 7106) conducting Casa Mia Aged Care Centre ('the Approved Provider') for the financial year ended 30 June 2022.

1. General information

Directors

The names of the directors in office at any time during the year and as at the date of this report are:

Anthony Edward Partridge
Christopher Huon Stride

2. Principal activities

The Approved Provider conducting the service delivers only residential aged care services and these general purpose financial statements (GPFS) therefore relate to such operations during the year ended 30 June 2022.

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

3. Review of operations for the year

Operating results

The operating loss of the Approved Provider for the year, after providing for income tax, amounted to $15,668 (2021: $84).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Review of operations

During the year, the Approved Provider commenced operating the Casa Mia Aged Care Centre facility in New South Wales from the 30th of June 2022.

Regulatory environment, reform and the aged care Royal Commission

The residential aged care sector in which the Approved Provider operates is highly regulated within the provisions of the Aged Care Act 1997. The Government approves providers, monitors the quality of care and services delivered, issues bed licences on a strictly controlled basis, and governs the fees and services which are delivered and funded. As such Government policy settings have a major impact on the financial performance of providers.

The Royal Commission into Aged Care Quality and Safety (Royal Commission) was called by the Prime Minister in September 2018 amid growing community concern about the quality of care in the sector. The Royal Commission released its final report on 26 February 2021 making 148 recommendation covering quality, funding and sustainability reforms. The Federal Government responded to these recommendations in March 2021 with a proposed $17.7 billion, five-year, five pillar aged care reform plan to address services and sustainability, quality and safety, workforce, governance and home care. Since the final report was released, a number of bills aiming to amend aged care legislation and implement recommendations from the Royal Commission have been introduced to the House of Representatives. Recently, the *Aged Care and Other Legislation Amendment (Royal Commission Response) Act 2022* was assented to on 5 August 2022, with other bills being introduced into the House of Representatives awaiting assent. A number of key proposed changes include:

- A new basic daily fee supplement of $10 per resident per day from July 2021 subject to providers taking a formal undertaking to report on the adequacy of their daily living services to residents;

Regulatory environment, reform and the aged care Royal Commission (continued)

- Measures to improve transparency including a Star Rating system for the quality of aged care services by the end of 2022;
- A new residential care funding model (AN-ACC) to replace the current ACFI model for implementation from October 2022;
- A new value based Aged Care Act by July 2023;
- Introduction of mandatory 24/7 onsite (and on duty) registered nurse requirements from July 2023;
- Minimum care time for residents by October 2023 being an average of 200 minutes per resident per day (escalating to 215 minutes in subsequent years), including 40 minutes of registered nurse time;
- Discontinuing of the Aged Care Approvals Round and allocating residential care places to consumers as opposed to Approved Providers as per the current bed licence arrangement commencing July 2024;
- New governance requirements including, amongst other things, the requirement for the board of directors for an approved provider to be a majority of independent non-executive directors and at least one director experienced in clinical care; and
- A new Code of Conduct which will apply to approved providers and aged care workers.

COVID-19

The Approved Providers' business operations have continued during COVID-19, with the pandemic still presenting challenges for the aged care sector. The committee established in March 2020 to oversee and monitor the Infinite Group's COVID-19 response continues to work with staff at our facilities to align our response with the Federal and State Directives which includes pre-entry health screening of all visitors and staff, the use of personal protective equipment, monitoring residents for signs of COVID-19, single-site working arrangements and additional cleaning of high touch points. At all times our focus has been on safeguarding the health and well-being of our residents and employees.

In the light of COVID-19's unprecedented impact on the economic outlook of Australia, the Approved Provider has considered its solvency and the impact COVID-19 will have on is operations into the future. In making this assessment, the directors have taken into consideration past and future impacts including impact on occupancy in Residential Aged Care facilities supplemented with additional Government funding. Based on these considerations the Approved Providers is satisfied that the impact from COVID-19 is largely behind them and the procedures that the Approved Provider has incorporated into their operations is considered efficient to minimize any future risks to an appropriate level.

Operational Costs

The Approved Provider continues to expect to see an increase in staff costs, personal protective equipment and other medical supply costs associated with the management and response to COVID-19. The increase in staffing costs includes additional health screening measures, additional cleaning and higher staffing levels to support residents and family interaction via engagement programs during this period of reduced or limited visiting access and travel. The Approved Provider will monitor its operating outcomes, whilst continuing to prioritise the safety, care and well-being of both its residents and employees at all times.

4. Other items

Significant changes in the state of affairs

IC (Padstow) Pty Ltd (formerly Oracle Care (VIC) Pty Ltd) entered into an agreement with Christadelphian Homes Limited ("the seller") to purchase the assets and the business of Casa Mia Aged Care Centre. The Approved Provider commenced operations at Casa Mia Aged Care Centre in Padstow, New South Wales on 30th of June 2022. The Financial Statements are representative of one days' trading and operations in the FY22 Financial Year.

Events after the reporting date

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

Future developments and results

Likely developments in the operations of the Approved Provider 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 Approved Provider.

Environmental issues

The Approved Provider's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or a state or territory of Australia.

Indemnification and insurance of officers and auditors

The Approved Provider has taken out Directors and Officeholders insurance and entered into Deeds of Access, insurance and indemnity with each of the Directors subject to the provisions of the Corporations Act 2001.

No indemnities have otherwise 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 Approved Provider.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Approved Provider, or to intervene in any proceedings to which the Approved Provider is a party, for the purpose of taking responsibility on behalf of the Approved Provider for all or part of those proceedings.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the period ended 30 June 2022, has been received and is included in this report.

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

Director:	Director: ....
Anthony Edward Partridge	Christopher Huon Stride

Dated this 31st day of October 2022

Auditors Independence Declaration

for the year ended 30 June 2022

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DECLARATION OF INDEPENDENCE BY L G MYLONAS TO THE DIRECTORS OF IC (PADSTOW) PTY LTD AS APPROVED PROVIDER (NAPS ID 7106) CONDUCTING CASA MIA AGED CARE CENTRE

As lead auditor of IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

L G Mylonas
Director

BDO Audit Pty Ltd

Brisbane, 31 October 2022

IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022

	Notes	2022 $	2021 $
Revenue	2	16,533	-
Employee benefits expense	3	(9,457)	-
Consulting and professional fees	3	(12,500)	-
Other expenses	3	(4,975)	-
Profit before interest, tax, depreciation, amortisation and lease costs		(10,399)	-
Profit before interest, tax, depreciation and amortisation		(10,399)	-
Depreciation and amortization expense	3	(5,269)	(28)
Profit/(loss) before income tax		(15,668)	(28)
Income tax (expense)/benefit	4	-	(56)
Profit/(loss) for the year		(15,668)	(84)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(15,668)	(84)

Statement of Financial Position
as at 30 June 2022

	Notes	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	**5**	**6,100,012**	-
Trade and other receivables	**6**	**16,532**	-
Total current assets		**6,116,544**	-
Non-current assets			
Property, plant and equipment	**7**	**514,135**	-
Right-of-use assets	**8**	**6,423,673**	-
Intangible assets	**9**	**5,435,889**	-
Deferred tax assets	**11**	**-**	8
Total non-current assets		**12,373,697**	8
Total assets		**18,490,241**	8
LIABILITIES			
Current liabilities			
Trade and other payables	**10**	**5,873,104**	1,259
Other Financial liabilities	**12**	**5,557,883**	-
Total current liabilities		**11,430,987**	1,259
Non-current liabilities			
Lease liabilities	**8**	**7,076,173**	-
Total non-current liabilities		**7,076,173**	-
Total liabilities		**18,507,160**	1,487
Net Assets		**(16,919)**	(1,479)
EQUITY			
Issued capital	**13**	**1**	1
Retained earnings		**(16,920)**	(1,480)
Total equity		**(16,919)**	(1,479)

IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre

Statement of Changes in Equity
for the year ended 30 June 2022

	Ordinary Shares $	Retained earnings $	Total Equity $
Company			
Year ended 30 June 2022			
Balance at 1 July 2021	1	(1,252)	**(1,251)**
Loss attributable to members of the entity	-	(15,668)	**(15,668)**
Balance at 30 June 2022	1	(16,920)	**(16,919)**
Year ended 30 June 2021			
Balance at 1 July 2020	1	(1,168)	**(1,167)**
Loss attributable to members of the entity	-	(84)	**(84)**
Balance at 30 June 2021	1	(1,252)	**(1,251)**

IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre

Statement of Cash Flows
for the year ended 30 June 2022

	Notes	2022 $	2021 $
Cash flows from operating activities			
Net cash generated from operating activities		-	-
Cash flows from investing activities			
Net cash generated from/ (used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from related party loans		6,100,012	
Net cash generated from/ (used in) financing activities		6,100,012	-
Net increase/(decrease) in cash and cash equivalents		6,100,012	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year	5	6,100,012	-

1. Summary of significant accounting policies (continued)

The financial report covers IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre as an individual entity. IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre is a for-profit proprietary company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre is Australian dollars.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the disclosure requirements *of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities* and the Corporations Act 2001.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Approved Provider.

The financial report was approved by the directors on the 31st of October 2022.

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Fair value measurement

For financial reporting purposes, 'fair value" is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. When estimating the fair value of an asset or liability, the group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorized into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that that group can access at the measurement date.
- Level 2 input are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The financial statements have been prepared on a going concern basis. The Approved Provider has a net current asset deficiency. As at the reporting date, current liabilities exceed current assets by $5,314,443 (2021: $1,259).

1. Summary of significant accounting policies (continued)

1.1 Basis of preparation (continued)

The working capital deficiency partially arises because of the requirement under Australian Accounting Standards to classify Refundable Accommodation Deposits (RADs) acquired though business combination of $5,557,883 (2021: $-) as current liabilities, whereas the assets to which they relate, Property, Plant & Equipment, long term related party receivables and right-to-use assets are required to be classified as non-current assets.

In addition, included in current liabilities is $5,851,146 (2021: $1,259) of related party payables.

Notwithstanding this, the Directors have determined the financial report should be prepared on the going concern basis for the following reasons:

- The employee leave provision is not likely to be paid out within 12 months;
- The timing of the obligation of accommodation bonds and refundable accommodation deposits will not practically all fall due within the next twelve months. Accommodation bonds become payable upon the departure of aged care residents. It is unlikely that all residents will depart in the next twelve months thereby requiring a pay out of the full amount of the liability; and
- The Approved Provider continues to receive the support of subsidiaries of their ultimate parent company, Infinite Australia Aged Care Holdings Pty Ltd as and when required.

After considering all available current information, the directors have concluded that there are reasonable grounds to believe that the Approved Provider will be able to pay its debts as and when they fall due and payable and preparation of financial statements on a going concern basis is appropriate.

1.2 Income Tax

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

Current tax

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

Deferred tax

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Approved Provider is able to control the timing of the reversal of the temporary differences and it is probably that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1. Summary of significant accounting policies (continued)

1.2 Income Tax (continued)

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

1.3 Goods and services tax (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except:

i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

1.4 Revenue recognition

AASB 15 Revenue from Contracts with Customers ("AASB 15") applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The Standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Approved Provider has disaggregated revenue based on the funding source and nature of the revenue stream.

<u>Government revenue</u>

The Federal Government assesses the Approved Provider's entitlement to revenue in accordance with the provisions of the *Aged Care Act 1997*. The subsidy received is based on the Aged Care Funding Instrument ("ACFI") assessment and recognised on an ongoing daily basis. The Federal Government also calculates certain accommodation supplements and other supplements on a per resident per day basis. The amount of Government revenue received is determined by Federal Government regulation rather than a contract with a customer. The funding is determined by a range of factors, including the resident's care needs; whether the facility has been significantly refurbished; levels of supported resident ratios at the facility; and the financial means of the resident.

<u>Resident fees</u>

The basic daily fee is a daily living expense paid by all residents as a contribution towards the provision of care and accommodation in accordance with the *Aged Care Act 1997*. This fee is calculated daily in accordance with the rates set by Federal Government and invoiced on a monthly basis. In addition to the basic daily fee, if the resident has been assessed by the Federal Government as having the financial means, an additional means tested care fee is payable by the resident as a contribution to their care fees. This is also calculated on a daily basis and invoiced monthly.

<u>Other resident fees</u>

These include fees recognised by the Approved Provider for the provision of accommodation and additional services to residents, charged to residents under mutually agreed terms and conditions, depending upon the agreed room price and additional services requested.

1. Summary of significant accounting policies (continued)

1.4 Revenue recognition (continued)

Government grants

Government grants, including non-monetary grants, are recognised when there is reasonable certainty that the grant will be received, and all conditions attached to the grant have been met.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

The grant is recognised at an amount equivalent to what will be received, and non-monetary grants are recognised at fair value and as other income.

Other income

Other income is recognised on an accruals basis when the Approved Provider is entitled to it.

1.5 Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

1.6 Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method and finance charges in respect of lease arrangements.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss as an expense in the period in which they are incurred.

1.7 Leases

The Approved Provider as lessor

Under *AASB 16 Leases* (“AASB16”), resident accommodation agreements are considered a lease due to the resident’s right to occupy a room at the Approved Provider’s aged care facility. The Approved Provider has concluded that the lease term for these arrangements is 7 days (being the notice period required from a resident upon departure), and therefore the application of AASB 16 to these agreements does not have a material impact on the recognition or measurement of revenue. The Approved Provider now discloses accommodation income separately from other resident fees.

For residents who have chosen a lump sum RAD arrangement, the Approved Provider has determined that under the definitions within AASB 16, it is a lessor under these arrangements and has as a result where material, will recognise a non-cash accommodation charge representing the resident’s right to occupy a room at the Approved Provider’s aged care facility.

The repayment of the RAD is ultimately guaranteed by the Federal Government under the Accommodation Payment Guarantee Scheme, in the event that a provider is unable to refund the amounts such that there is no credit risk to include in the discount rate which results in the appropriate rate being the risk-free overnight cash rate. The difference between the fair value of the RAD determined based upon *AASB 9 Financial Instruments* and the nominal amount of the RAD would be negligible.

1. Summary of significant accounting policies (continued)

1.7 Leases (continued)

The Approved Provider as lessee

From 1 July 2020, the Approved Provider applied a single recognition and measurement approach for all leases of which it is the lessee, except for short-term and low-value assets. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Approved Provider
In accordance with AASB 16, the Approved Provider assesses whether a contract is or contains a lease, at inception of the contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Approved Provider recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets.

Right-of-use assets

The Approved Provider recognises a right-of-use asset at the commencement of the lease (that is, the date the underlying asset is available for use).

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs

Right-of-use-assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Unless the Approved Provider is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Right-of-use assets are presented as a separate line in the Statement of Financial Position.

Right-of-use-assets are subject to impairment.

Lease Liabilities

Assets and liabilities arising from a lease are initially measured on a present value basis of the lease payments that are not made at commencement date. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee

would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Each lease payment is allocated between liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1. Summary of significant accounting policies (continued)

1.7 Leases (continued)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Approved Provider has not used this practical expedient.

The lease liability is presented as a separate line in the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the incremental borrowing rate) and by reducing the carrying amount to reflect the lease payments made.

The Approved Provider re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate;
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Short term leases and leases of low value assets

The Approved Provider applies the short-term lease recognition exemption to its short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value-assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of low value assets are recognised as an operating expense in profit and loss by the Approved Provider on a straight-line basis over the lease term.

1.8 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Approved Provider becomes a party to the contractual provisions to the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expenses as incurred).

Financial Assets

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

- loans and receivables; and
- financial assets at fair value through profit or loss.

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

1. Summary of significant accounting policies (continued)

1.8 Financial instruments (continued)

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

(i) Loans and receivables

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

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

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

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

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

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

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

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

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

(iii) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. The Approved Provider's financial liabilities include borrowings, trade and other payables (including bond liabilities and finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

(iv) Impairment of financial assets

At the end of each reporting period, the Approved Provider assesses whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Approved Provider applies the simplified approach for measuring expected credit losses, using the lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. A provision matrix is then determined based on historic credit loss rates for each group, adjusted for any material expected changes to the future credit risk of that group.

1. Summary of significant accounting policies (continued)

1.8 Financial instruments (continued)

(v) Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

1.9 Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the assets or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where ‘value in use’ is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income, to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash on hand and at banks, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

1. Summary of significant accounting policies (continued)

1.11 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.
Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Buildings
Buildings are measured using the cost model.

Property Improvements
Buildings are measured using the cost model.

Plant and equipment
Plant and equipment are measured using the cost model.

Motor Vehicles
Motor Vehicles are measured using the cost model.

Depreciation
Property, plant and equipment is depreciated on a reducing balance basis over the asset's useful life to the Approved Provider, commencing when the asset is ready for use.

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

Class	Rate
Buildings	2.5%
Motor Vehicles	25%
Property Improvements	5%
Plant and equipment	4.5% - 37.5%

At the end of each reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

All other repairs and maintenance are recognised as expenses in the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

1.12 Intangible assets

Goodwill

Goodwill is initially recognised at an amount equal to the excess of:

a) the aggregate of the consideration transferred the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in the case of a step acquisition); over
b) the net fair value of the identifiable assets acquired, and liabilities assumed

For accounting purposes, such measurement is treated as the cost of goodwill at that date.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in profit or loss.
Acquisition related costs are expensed as incurred.

1. Summary of significant accounting policies (continued)

1.12 Intangible assets (continued)

Goodwill is not amortised but is tested for impairment annually and is allocated to the Approved provider's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment.

1.13 Employee benefits

Short-term employee benefits

Provision is made for the Approved Provider's obligation for short-term employee benefits. Short-term employee benefits arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the liability is settled.

The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payable in the statement of financial position.

Long-term employee benefits

The Approved Provider classifies employees' long service leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which

the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates

incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Retirement-benefit obligations

The Approved Provider makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognized as an expense in the same period when the related employee services are received. The Approved Provider's obligation with respect to employees defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period.

1.14 Business combinations

The acquisition method of accounting is used to account for business combinations, unless it is a combination involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired.

On the acquisition of a business, the company assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the company's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference

1. Summary of significant accounting policies (continued)

1.14 Business combinations (continued)

is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

1.15 Comparative figures

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

When the Approved Provider applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

1.16 Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates- impairment of intangible assets and property, plant and equipment

The Approved Provider assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Approved Provider and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. An impairment test is performed annually for all indefinite life intangible assets or where an impairment indicator exists. This involves fair value less cost of disposal or value in use calculation, which incorporates a number of key estimates and assumptions including estimated discount rates based on current cost of capital and growth rates of the estimated future cash flows.

Key estimates – receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The Approved Provider applies the simplified approach under AASB 9 Financial Instruments (“AASB 9”) for measuring expected credit losses, using the lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. A provision matrix is then determined based on historic credit loss rates for each group, adjusted for any material expected changes to the future credit risk of that group.

Key estimates and judgements – Business combinations

The Group acquired a business during the period which required measurement of the consideration paid, the identification of assets and the liabilities held by the acquirer, the measurement of the fair value of those assets and liabilities, and recognition of a goodwill. The measurement of the fair value of the consideration and assets and liabilities required the use of valuation techniques involving significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates and judgements – Fair value of net assets acquired

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities

1. Summary of significant accounting policies (continued)

and contingent liabilities assumed are initially estimated by the company taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

1.17 New, revised or amending Accounting Standards and Interpretations adopted

The Approved Provider has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The following Accounting Standards and Interpretations are most relevant to the Approved Provider:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The Approved Provider has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Approved Providers financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The Approved Provider has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

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

	2022 $	2021 $

2. Revenue

	2022 $	2021 $
Care Income		
Department of Health funding	**10,388**	-
Resident basic daily fees	**2,642**	-
Other resident fees	**428**	-
Total care income	**13,458**	-
Accommodation Income		
Department of Health funding	**2,253**	-
Resident fees	**822**	-
Total accommodation income	**3,075**	-
Total revenue	**16,533**	-
Total revenue and other income	**16,533**	-

3. Result for the Year

The result for the year was derived after charging/(crediting) the following items:

The result for the year includes the following specific expenses:

	2022 $	2021 $
Other Expenses		
Employee benefits expense	**9,457**	-
Consulting and professional fees	**12,500**	-
Other expense	**4,975**	-
Depreciation and amortisation	**5,269**	28
Total other expenses	**32,201**	28

4. Income Tax Expense

a) The major components of tax expense (benefit) comprise:

	2022 $	2021 $
Current tax	**-**	**56**
Deferred tax	**-**	**-**
Income tax expense/(benefit) for continuing operations	**-**	**56**

b) The prima facie profit from ordinary activities before income tax is reconciled to the income tax expense/(credit) in the financial statement as follows:

	2022 $	2021 $
Profit/(loss) before income tax	**(15,668)**	(28)
Prima facie tax on profit at the statutory rate of 30% (2021:30%)	**(4,700)**	(8)

4. Income Tax Expense (continued)

Add/(less):		
Tax effect of:		
- Deferred tax asset not recognised	**265,120**	-
- Derecognise current tax	**(260,420)**	(64)
Income tax expense/(credit)	**-**	56

5. Cash and Cash Equivalents

Cash on hand	**-**	-
Cash at bank	**6,100,012**	-
Total cash and cash equivalents	**6,100,012**	-

6. Trade and Other Receivables

Current		
Trade receivables	**3,892**	-
Government fees receivable	**12,640**	-
Total current trade and other receivables	**16,532**	-

7. Property, Plant and Equipment

Movement in the carrying amounts for each class between the beginning and the end of the current financial year are shown below.

Consolidated	Improvements $	Plant & Equipment $	Motor Vehicle $	Low Value Asset Pool $	Total $
Year ended 30 June 2022					
Opening carrying amount	-	-	-	-	**-**
Additions due to Business acquisition	122,520	270,593	12,388	113,902	**519,403**
Depreciation expense	(1)	(1,845)	(6)	(3,416)	**(5,268)**
Closing net carrying amount	122,519	268,748	12,382	110,486	**514,135**

8. Right of Use Assets and Lease Liabilities

The carrying amounts of the Approved Provider's right of use assets and lease liabilities and the movement during the period are represented below.

	Property Leases $	Total Right-of-use Assets $	Lease Liabilities $
As at 1 July 2021	-	**-**	**-**
Initial recognition of lease 30 June 2022	7,076,173	**7,076,173**	**7,076,173**
Modification: Lease incentive	(652,500)	**(652,500)**	**-**
As at 30 June 2022	6,423,673	**6,423,673**	**7,076,173**

The below sets out the maturity analysis of lease liabilities:

	2022 $
Less than one year	450,000
Between 1 year and 5 years	2,353,298
Later than 5 years	25,824,882
Total undiscounted lease liabilities as at 30 June 2022	28,628,180

The below shows the split between current and non-current lease liabilities as at 30 June 2022:

Current	-
Non-Current	7,076,173
Lease liabilities included in the statement of financial position	7,076,173

9. Intangible Assets

	2022 $	2021 $
Intangible assets		
Goodwill	**5,338,480**	-
Net carrying value	**5,338,480**	-
Other intangible assets		
Capitalized Costs	**97,409**	-
Accumulated amortization	**-**	-
Net carrying value	**97,409**	-
Total Intangibles	**5,435,889**	-

9. Intangible Assets (continued)

Movements in carrying amounts of intangible assets

	Goodwill $	Capitalized Costs $	Total $
Opening net book value as at 1 July 2021	-	-	**-**
Additions	-	97,409	**97,409**
Acquisitions through business combinations	5,338,480	-	**5,338,480**
Closing value as at 30 June 2022	5,338,480	97,409	**5,435,889**

10. Trade and Other Payables

Current		
Unsecured liabilities		
Trade Payables	**21,958**	-
Loan – Infinite Aged Care (Operations) Pty Ltd (1)	**105,151**	
Loan – Infinite Care Holdings No.12 Pty Ltd (2)	**5,745,995**	1,259
Total current trade and other payables	**5,873,104**	1,259
Total trade and other payables	**5,873,104**	1,259

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

All current amounts owing to related parties are interest free, unsecured and at call. The counter parties have confirmed that these loans will not be called unless the entity has sufficient cash reserves to repay without adversely impacting its ability to continue as a going concern.

(1) Amount owed to Infinite Aged Care (Operations) Pty Ltd are interest free, unsecured and at call. The amounts are not expected to be called within 12 months.
(2) Amounts owed to Infinite Care Holdings No.12 Pty Ltd are interest fee, unsecured and at call. The amounts are not expected to be called within 12 months.

11. Tax Assets and Liabilities

	2022 $	2021 $
Income tax receivable	-	-
Current tax liabilities	-	-

11. Related Parties (continued)

	Opening balance $	Charged to Income $	Closing Balance $
Deferred tax asset/(liability)			
Temporary differences	-	-	**8**
Balance at 30 June 2021	-	-	**8**
Temporary differences	8	(8)	**-**
Balance at 30 June 2022	-	-	**-**

	2022 $	2021 $

12. Other Financial Liabilities

Current		
Refundable Accommodation Deposits	**5,557,883**	-
Total current refundable accommodation deposits	**5,557,883**	-

13. Issued Capital

Ordinary Shares	2022 No.	2021 No.
At the beginning of the reporting period	**1**	1
Shares issued during the year	**-**	-

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Approved Provider. On a show of hands at meetings of the Approved Provider, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Approved Provider does not have authorised capital or par value in respect of its shares.

14. Related Parties

a) The Approved Provider's main related parties are as follows:

i) Entities exercising control over the Approved Provider:

The ultimate parent entity which exercises control over the Approved Provider, is Infinite Australia Aged Care Holdings Pty Ltd which is incorporated in Australia and owns 100% of IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre.

14. Related Parties (continued)

ii) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 17: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

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

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

b) Related party transactions and balances

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

The following transactions occurred with related parties:

2022	**Purchases**	**Balance outstanding Owed to the company**	**Balance outstanding Owed by the company**
Associates			
Loan – Infinite Care Holdings No.12 Pty Ltd	-	-	5,745,995
Loan – Infinite Aged Care (Operations) Pty Ltd	-	-	105,151
	-	-	5,851,146

2021	**Purchases**	**Balance outstanding Owed to the company**	**Balance outstanding Owed by the company**
Associates			
Loan – Infinite Aged Care (Operations) Pty Ltd	-	-	1,259
	-	-	1,259

15. Contingencies

In the opinion of the Directors of the Approved Provider, there are no contingencies at 30 June 2022 (2021: $Nil).

16. Business Combination

On 30 June 2022 IC (Padstow) Pty Ltd acquired the business operations of Casa Mia Aged Care Centre from Christadelphian Homes Limited.

Details of the acquisition are as follows:

	Total $
Property, plant and equipment	519,403
Other Financial Liabilities	(5,557,883)
Net Assets Acquired	(5,038,480)
Goodwill as per Business Combination workings	5,338,480
Acquisition-date fair value of the total consideration transferred	**300,000**
Representing:	
Cash Consideration	**300,000**

17. Events Occurring After the Reporting Date

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

18. Company Details

The registered office of and principal place of business of the Approved Provider is:

IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106)
Conducting Casa Mia Aged Care Centre
28 Alma Rd
PADSTOW NSW 2211

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, 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 on the other information obtained prior to the date of this auditor's report, 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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 (http://www.auasb.gov.au/Home.aspx) at:

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

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

L G Mylonas

Director

Brisbane, 31 October 2022

Directors' Declaration

The directors of the Approved Provider declare that:

1. In the opinion of the directors of IC (Padstow) Pty Ltd as Approved Provider (NAPS ID 7106) Conducting Casa Mia Aged Care Centre ('the Company'):

(a) the Company is not publicly accountable;

(b) the financial statements and notes that are set out on pages 6 to 29 are in accordance with the Aged Care Act 1997, including:

  (i) presenting fairly the Company's financial position as at 30 June 2022 and of its performance, for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities* and the Corporations Regulations 2001; and

  (iii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. In respect of the year ended 30 June 2022, the Company has:

  (a) kept such accounting records to correctly record and explain its transactions and financial position;

  (b) kept its accounting records that financial statements of the Company that are presented fairly can be prepared from time to time; and

  (c) kept its accounting records in accordance with the Aged Care Act 1997 so that financial statements of the Company can be conveniently and properly audited.

Signed in accordance with a resolution of the directors:

Director .... Director ....
Anthony Edward Partridge Christopher Huon Stride

Dated this 31st day of October 2022