Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat

ABN 59 601 392 689

Financial Statements - 30 June 2024

Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat
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The directors of Hahndorf Holdings Pty Ltd present their Financial Report as Approved Provider (NAPS ID 2979) conducting The Churchill Retreat ('the Approved Provider') for the financial year ended 30 June 2024

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:

Names:

Luke Benjamin Greive
Tracey Jayne Mackie - appointed 30 November 2023
Geraldine Michelle Simmons - appointed 30 November 2023
Anthony Edward Partridge - resigned 30 November 2023
Christopher Huon Stride - resigned 30 November 2023

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 2024.

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

3. Strategic Outlook

The Approved Provider is part of the Infinite Care Group. Infinite Care's Vision is to be an Australian leader and innovator of residential aged care. We deliver resident centred care services with a total focus on making those we serve feel at home. Everything we do is centred around the following four strategic pillars.

1. **People First –** Our People come first – without them we cannot survive.
2. **Valued Residents –** Our residents are seen and valued as individuals. Their individuality defines their care.
3. **Operational Excellence –** Our positive culture balances performance and wellbeing to achieve great outcomes.
4. **Commercial Sustainability –** We are committed to mindset, governance and leadership that delivers our vision and business growth to remain viable in decades to come.

Dividend paid or recommended

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

Review of operations

The profit for the Approved Provider after providing for income tax amounted to $575,156 (30 June 2023: $121,679).

During the year, the Approved provider continued to operate The Churchill Retreat Care Services facility in South Australia.

Regulatory environment

The residential aged care sector in which the Approved Provider operates is highly regulated within the provisions of the Aged Care Act 1997. This Australian Government introduced the Aged Care Bill 2024 to Parliament on 12 September 2024, with the new Act to come into effect from 1 July 2025. The Government approves providers, monitors the quality of care and services delivered, and governs the fees and services which are delivered and funded. As such Government policy settings have a major impact on the financial and operational performance of providers.

The aged care Taskforce released its report in March 2024 providing for 23 recommendations to support an aged care system that is sustainable, fair and facilitates greater innovation in the sector. For providers, the recommendations support more predictable and sustainable funding and increased capacity to cover the cost of delivering services in residential care. More broadly, this would help to strengthen the financial viability of the residential care sector to encourage different forms of investment. The Australian Government responded to these recommendations in September 2024 with a mix of some immediate responses effective 1 July 2025, and a commitment to undertake further review.

These legislative reforms are instrumental in reshaping the Residential Aged Care sector to better meet the needs of elderly Australians and provide high-quality care. They reflect a commitment to improving the overall standard of aged care services, promoting transparency, and ensuring that the sector operates efficiently and effectively. As these reforms are implemented and integrated into the sector, it is essential for all stakeholders, including providers, to adapt and comply with these new regulations to continue offering the best possible care and support to our elderly population.

Mandated Care Minutes and Star Ratings

Care Minute requirements were introduced as follows:
- 24/7 on-site Registered Nurse requirement from 1 July 2023;
- A sector wide average of 40 Registered Nurse care minutes per resident per day, and 200 total care minutes per resident per day (inclusive of Registered Nurse component) from 1 October 2023; and
- A sector wide average of 44 Registered Nurse care minutes per resident per day, and 215 total care minutes per resident per day (inclusive of Registered Nurse component) from 1 October 2024.

Although the sector has generally been facing skilled staffing shortages in Registered Nurses, Enrolled Nurses and Personal Care Workers, the Approved Provider has made, and continues to make positive progress in pursuit to achieve these targets.

Star ratings provides information about the performance of residential aged care homes across Australia. Aged care homes get an overall star rating of 1 to 5 stars made up of ratings across 4 sub-categories being Residents Experience, Compliance, Staffing and Quality Measures. A 3-star rating is determined by the Department as an acceptable quality of care. As at the quarter ended 30 June 2024, the star rating for the Approved Provider was 4-star.

Government Support

In addition to core funding provided from the Government, the following funding was received by the Approved Provider in response to core aged care sector challenges.

The Aged Care Registered Nurses' payment to reward clinical skills and leadership offers payments to registered nurses who work for the same aged care employer for 6 or 12 months. The total Aged Care Registered Nurses' Grant Income received and paid to eligible employees of the Approved Provider amounted to $68,643.74 for the year ended 30 June 2024.

In response to the Final Report of the Royal Commission into Aged Care Quality and Safety, the Australian Government is providing better support to Residential Aged Care Services (RACS) and their residents. This includes supporting Providers to adopt new technologies to help make ensure medication use is effective and appropriate. The Government has and will continue to provide funding of up to $45.4 million over four financial years from 2021-22 to 2024-25 for implementation of electronic National Residential Medication Chart (eNRMC) adoption. The total eNRMC Grant Income received by the Approved Provider amounted to $7,000.00 for the year ended 30 June 2024.

Other Sector Challenges

Other sector challenges that have impacted the Approved Provider throughout the year and present ongoing challenges to the sector include:
- **Workforce Shortages and Talent Attraction:** There is a shortage of qualified and experienced staff in the aged care sector, including Registered Nurses, Personal Care Workers, and Allied Health Professionals.
- **Infrastructure and Aging Facilities:** Some residential aged care facilities in Australia are outdated and not designed to meet the needs of modern aged care. Upgrading infrastructure to create more comfortable and liveable environments and incorporating technology to enhance care delivery can be a challenge due to funding.
- **Cultural and Linguistic Diversity:** Australia's population is diverse, with people from various cultural and linguistic backgrounds. Residential aged care facilities need to provide culturally appropriate care, including language support, culturally specific food, and activities that respect and celebrate diverse traditions and customs.
- **Integration of Services:** Coordinating and integrating aged care services with healthcare and other support services is a challenge. There is a need for better collaboration and communication between different sectors to ensure holistic and seamless care for older Australians.

Sector Opportunities

The Approved Provider continues to adapt and respond to a rapidly changing regulatory environment and expects to benefit over time from the following opportunities:

- **Government Reforms:** The Australian Government's ongoing reforms in aged care provide opportunities for providers to enhance service delivery and receive increased funding for quality improvements.
- **Technological Advancements:** Innovations in aged care and healthcare technology, such as telehealth and electronic health records, offer the potential to improve care coordination and efficiency.
- **Aging Population:** The growing aging population in Australia continues to drive demand for aged care services, presenting opportunities for expansion and diversification of services.
- **Research and Innovation:** Investing in research and innovation can drive improvements in residential aged care. Opportunities exist for research studies on best practices, new care models, and interventions that enhance the physical, mental, and emotional well-being of residents. Innovation in areas such as assistive technologies, dementia care, and end-of-life care can also lead to significant advancements in aged care.

The Approved Provider is committed to navigating these challenges and leveraging opportunities to enhance care quality, achieve sustainable growth and delivery stronger community engagement.

4. Other items

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Approved Provider during the financial year.

Future developments & 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.

Indemnity 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 the 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 2024, has been received and is included in this report.

Events after the reporting date

There has not been any matter or circumstances occurring subsequent to the end of the financial year that has 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 financial years.

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

Luke Benjamin Greive
Director

31 October 2024

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DECLARATION OF INDEPENDENCE BY L G MYLONAS TO THE DIRECTORS OF HAHNDORF HOLDINGS PTY LTD AS APPROVED PROVIDER (NAPS ID 2979) CONDUCTING THE CHURCHILL RETREAT

As lead auditor of Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat for the year ended 30 June 2024, 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 2024

Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue	3	8,947,176	7,248,593
Expenses			
Direct Care		(561,445)	(538,545)
Direct residency costs		(194,244)	(198,889)
Employee benefits expense	4	(4,218,439)	(3,630,918)
Rental outgoings		(1,256)	(1,200)
Depreciation and amortisation expense	10,8	(1,065,728)	(1,068,385)
Loss on disposal of assets	10	(103)	(545)
Consulting & professional fees		(220)	(13,000)
Management Fees		(833,231)	(720,297)
Other expenses		(92,994)	(89,340)
Finance costs	4	(827,796)	(488,734)
Profit before income tax expense		1,151,720	498,740
Income tax expense	5	(576,564)	(377,061)
Profit after income tax expense for the year		575,156	121,679
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		575,156	121,679

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	6	6,141,504	3,503,842
Trade and other receivables	7	7,111,114	75,524
Other Assets	9	25,149	133,100
Total current assets		13,277,767	3,712,466
Non-current assets			
Trade and other receivables	7	348,966	9,636,122
Property, plant and equipment	10	218,281	174,777
Right-of-use assets	8	5,016,852	5,252,017
Intangibles	11	120,279	897,176
Deferred tax	12	477,489	-
Total non-current assets		6,181,867	15,960,092
Total assets		19,459,634	19,672,558
Liabilities			
Current liabilities			
Trade and other payables	13	831,997	878,552
Lease Liability	14	136,867	128,455
Provisions	15	571,558	461,965
Refundable Accommodation Deposits	16	9,295,003	8,796,985
Total current liabilities		10,835,425	10,265,957
Non-current liabilities			
Trade and other payables	13	-	1,202,622
Lease Liability	14	5,839,094	5,975,961
Provisions	15	13,089	31,148
Total non-current liabilities		5,852,183	7,209,731
Total liabilities		16,687,608	17,475,688
Net assets		2,772,026	2,196,870
Equity			
Issued capital	17	1	1
Retained profits		2,772,025	2,196,869
Total equity		2,772,026	2,196,870

The above statement of financial position should be read in conjunction with the accompanying notes

Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat
Statement of changes in equity
For the year ended 30 June 2024

	Issued capital $	Retained profits $	Total equity $
Balance at 1 July 2022	1	2,075,190	2,075,191
Profit after income tax expense for the year	-	121,679	121,679
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	121,679	121,679
Balance at 30 June 2023	1	2,196,869	2,196,870

	Issued capital $	Retained profits $	Total equity $
Balance at 1 July 2023	1	2,196,869	2,196,870
Profit after income tax expense for the year	-	575,156	575,156
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	575,156	575,156
Balance at 30 June 2024	1	2,772,025	2,772,026

The above statement of changes in equity should be read in conjunction with the accompanying notes

Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from residents		1,599,172	1,551,704
Receipts from government		6,345,032	4,834,458
Receipts from sundry income		20,022	314,554
Refundable Accommodation Deposits Received		4,642,000	5,131,000
Refundable accommodation deposits paid		(4,103,473)	(1,815,000)
Payments to suppliers and employees		(5,688,090)	(4,920,497)
Interest Received		178,747	45,967
Finance costs		(33,690)	(15,574)
Net cash from operating activities		2,959,720	5,126,612
Cash flows from investing activities			
Purchase of property, plant and equipment		(97,274)	(70,782)
Loans repaid by related parties		2,850,505	-
(Loans made) to related parties		(498,573)	(1,539,004)
Net cash from/(used in) investing activities		2,254,658	(1,609,786)
Cash flows from financing activities			
Payment of lease liabilities		(513,000)	(513,000)
Proceeds from related party borrowings		192,958	(9,752)
(Repayment) of related party borrowings		(2,256,674)	(431,903)
Net cash used in financing activities		(2,576,716)	(954,655)
Net increase in cash and cash equivalents		2,637,662	2,562,171
Cash and cash equivalents at the beginning of the financial year		3,503,842	941,671
Cash and cash equivalents at the end of the financial year	6	6,141,504	3,503,842

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Summary of significant accounting policies

The accounting policies that are material to the Approved Provider are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

The functional and presentation currency of Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting the Churchill Retreat 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.

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 financial report was approved by the directors on the 31st of October 2024.

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.

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.

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.

<u>Current income tax</u>

Current income 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.

Note 1. Summary of significant accounting policies (continued)

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.

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.

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.

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.

Government revenue

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.

Note 1. Summary of significant accounting policies (continued)

Other resident fees

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.

Government grants

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

Imputed revenue on RAD and Bond balances

Under AASB 16 Leases, total revenue includes an imputed non-cash charge for accommodation in respect of residents who have chosen to pay a RAD and the corresponding finance costs representing the amount of interest expense saved on the interest-free loan. Because the RADs are interest-free only until the resident vacates the premises, the RAD balance is required to be discounted and measured at fair value. The company has determined the use of the RBA's Overnight Cash Rate as the interest rate used in the calculation of the discounting of the RAD balance. Because the repayment of the RAD is guaranteed by the Federal Government, there is no credit risk and therefore the appropriate discount rate is the RBA's Overnight Cash Rate.

Finance Costs

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

Borrowing costs

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 in the period in which they are incurred.

Leases

The Approved Provider as lessor

Under AASB 16 Leases ("AASB 16"), 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.

Note 1. Summary of significant accounting policies (continued)

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.

The Approved Provider as lessee

From 1 July 2021, 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 and 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.

Note 1. Summary of significant accounting policies (continued)

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.

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 consolidated 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.

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.

Note 1. Summary of significant accounting policies (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.

Note 1. Summary of significant accounting policies (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.

Impairment of non-financial assets

At the end of each reporting period the Approved Provider determined whether there is any evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use.

Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

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, 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.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Approved Provider has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Note 1. Summary of significant accounting policies (continued)

Impairment of financial assets

The Approved Provider recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Approved Provider's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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
Land and 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.

Depreciation
Property, plant and equipment, is depreciated on a straight-line basis over the assets 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%
Leasehold 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.

Note 1. Summary of significant accounting policies (continued)

Intangible assets

Bed Licences

Bed Licences are carried at cost less amortisation and accumulated impairment losses. Bed licences are initially recognised at fair value as identified as part of a business combination.

Prior to May 2021, bed licences were assessed as having an indefinite useful life as the licences were able to be traded. As a result of a change in the regulation of bed licences in the residential aged care sector resulting from the Federal Government adopting the recommendation from the Aged Care Royal Commission in May 2021 to allocate residential aged care places to consumers rather than Approved Providers, existing bed licences are deemed to have a useful life to 30 June 2024 and have now been fully depreciated.

Employee benefits

Short-term employee benefits

Provision is made for the Approved Provider's obligation for short-term employee benefits. Short-term employee benefits are 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, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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 Approved Provider'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.

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.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1. Summary of significant accounting policies (continued)

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 adoption of new accounting standards did not have a material impact on the approved providers financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The Approved Provider determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Approved Provider assesses impairment of non-financial assets other than goodwill and other indefinite life intangible 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. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	2024 $	2023 $
Care Income		
DHA Funding Care	5,593,585	4,395,492
Resident basic daily fees	1,194,071	1,079,515
DHA Funding - Accommodation	642,738	542,634
Resident Fee - Accommodation	270,941	284,666
Other resident fees	113,670	165,101
	7,815,005	6,467,408
Other Income		
Government grant income	18,008	314,553
Interest received	695,597	466,632
Covid & Outbreak Support Supplement	22,446	-
Imputed revenue on RADs	396,120	-
	1,132,171	781,185
Revenue	8,947,176	7,248,593

Note 4. Results for the Year

	2024 $	2023 $
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
Salaries and wages	3,203,333	2,759,106
Superannuation Contributions	362,838	292,623
Other Employee benefits	652,268	579,189
	4,218,439	3,630,918
Finance costs		
Interest paid	-	705
RAD Refund Interest	33,690	14,869
Bond Loan Interest	14,523	80,719
Finance lease interest	384,545	392,441
RAD interest expense	395,038	-
Finance costs expensed	827,796	488,734

Note 5. Income tax expense

	2024 $	2023 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	1,151,720	498,740
Tax at the statutory tax rate of 30%	345,516	149,622
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Adjustment from prior year	6	(5,630)
Non-deductible expenses	232,744	233,069
Opening PPE variance	(1,702)	-
Income tax expense	576,564	377,061

Note 6. Cash and cash equivalents

	2024 $	2023 $
Current assets		
Cash on hand	500	500
Cash at bank	6,141,004	3,503,342
	6,141,504	3,503,842

The cash at bank held by the Approved Provider at 30 June 2024 includes $3,180,232 (2023: $3,132,214) of Refundable Accommodation Deposits (“RADs”) which are only available for permitted use and cannot be used for working capital purposes.

Note 7. Trade and other receivables

	2024 $	2023 $
Current assets		
Trade receivables	7,318	74,166
Government fees receivables	28,783	1,358
	36,101	75,524
Loan – IC SA Property Trust (1)	7,075,013	-
	7,111,114	75,524
Non-current assets		
Loan – IC SA Property Trust (1)	-	6,601,063
Loan – Hahndorf Holdings Pty Ltd as Approved Provider Conducting Klemzig Residential Care Services (2)	-	253,270
Loan - IC Southport Trust (3)	348,966	324,342
Loan – Infinite Aged Care (Cornubia) Pty Ltd (4)	-	434,509
Loan - Infinite Aged Care (Operations) Pty Ltd (5)	-	2,022,938
	348,966	9,636,122
	7,460,080	9,711,646

Note 7. Trade and other receivables (continued)

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(1) Amounts owed by IC SA Property Trust are interest bearing with a maturity date of 21 April 2025 and are secured under a Security Trust Deed where the Security Trustee holds registered securities with PPSR ("Personal Properties Securities Register) against the assets of IC SA Property Pty Ltd and a Guarantee and Indemnity of Infinite Aged Care Pty Ltd. Interest is payable at the MPIR of 8.34% per annum calculated daily.

(2) Amounts owed by Hahndorf Holdings as Approved Provider Conducting Klemzig Residential Care Services are interest bearing with a maturity date of 26th April 2028 and are secured under a Security Trust Deed where the Security Trustee has security over the borrower and its approved aged care places in respect of the facility, a mortgage over the borrower's leasehold interest in the facility and a Guarantee and Indemnity of Infinite Aged Care Pty Ltd. Interest is payable at the MPIR of 8.34% per annum calculated daily. The loan has been repaid during the year.

(3) Amounts owed by IC Southport Trust are interest bearing with a maturity date of 24 January 2027 and are secured under a Security Trust Deed where the Security Trustee has security over the borrower and its approved aged care places in respect of the facility, a mortgage over the borrower's leasehold interest in the facility and a Guarantee and Indemnity of Infinite Care Holdings No.10 Pty Ltd. Interest is payable at the MPIR of 8.34% per annum calculated daily.

(4) Amounts owed by Infinite Aged Care (Cornubia) Pty Ltd are interest bearing with a maturity date of 16 December 2026 and are secured under a Security Trust Deed where the Security Trustee holds securities against the assets of the Approved Provider. Interest is payable at the MPIR of 8.34% per annum calculated daily. The loan has been repaid during the year.

(5) Amounts owing by Infinite Aged Care (Operations) Pty Ltd are interest free, unsecured and at call. The loan has been repaid during the year.

Note 8. Right-of-use assets

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

	2024 $	2023 $
Non-current assets		
Property Lease - right-of-use	6,411,576	6,411,576
Less: Accumulated amortisation	(1,394,724)	(1,159,559)
	5,016,852	5,252,017

In July 2020, a related party of the Approved Provider within the Infinite Group purchased the land and buildings that the Churchill Retreat operates in after exercising an option in April 2020. The Approved Provider continues to have a long-term lease to operate the aged care service within the current premises but a reduction in the annual rental payments required has resulted in the remeasurement of the right-of-use asset and lease liabilities.

The below sets out the maturity analysis of lease liabilities:

Reconciliations		
Less than one year	513,000	513,000
Between 1 year and 5 years	2,052,000	2,052,000
Later than 5 years	8,356,935	8,869,935
Total undiscounted lease liabilities as at 30 June 2024	10,921,935	11,434,935

Note 8. Right-of-use assets (continued)

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Property Lease $	Total $
Balance at 1 July 2023	5,252,017	5,252,017
Amortisation expense	(235,165)	(235,165)
Balance at 30 June 2024	5,016,852	5,016,852

Note 9. Other Assets

	2024 $	**2023 $**
Current assets		
Accrued revenue	-	112,125
Prepayments	25,149	20,975
	25,149	133,100

Note 10. 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.

	2024 $	**2023 $**
Low Value Assets	-	-
Balance at the beginning of the year	8,474	12,657
Additions	12,592	4,691
Disposal	(73)	-
Less: Depreciation	(7,569)	(8,874)
	13,424	8,474
Leasehold improvements	-	-
Balance at the beginning of the year	23,347	4,514
Additions	17,723	20,109
Disposals	-	(544)
Less: Depreciation	(1,655)	(732)
	39,415	23,347
Plant & Equipment	-	-
Balance at the beginning of the year	142,956	143,691
Additions	54,359	46,435
Cost adjustment	(2,501)	(453)
Less: Depreciation	(44,442)	(46,717)
	150,372	142,956
Work in Progress	15,070	-
	218,281	174,777

Note 11. Intangibles

	2024 $	2023 $
Non-current assets		
Other intangible assets - at cost	2,582,831	2,593,286
Less: Accumulated amortisation	(2,462,552)	(1,696,110)
	120,279	897,176

Movements in carrying amounts of intangible assets

	Bed Licences $	Other Intangible Assets $	Total $
Balance at 1 July 2023	776,897	120,279	897,176
Amortisation expense	(776,897)	-	(776,897)
Balance at 30 June 2024	-	120,279	120,279

*Due to the discontinuing of the Aged Care Approvals Round and allocating residential care places to consumers as opposed to Approved Providers commencing July 2024 as part of the recommendations accepted by the federal Government from the Royal Commission into Aged Care, bed licences are deemed to have a useful life of 38 months from 11 May 2021 and have commenced being amortised in FY21. These have now been fully amortised during the year.

Note 12. Deferred tax

	2024 $	2023 $
Non-current assets		
Deferred tax asset	477,489	-

Note 13. Trade and other payables

	2024 $	2023 $
Current liabilities		
Sundry payables and accrued expenses	624,516	501,491
Loan - Infinite Aged Care (Operations) Pty Ltd (1)	207,481	377,061
	831,997	878,552
Non-current liabilities		
Loan - IC (Edmonton) Pty Ltd (2)	-	803,036
Loan - Infinite Aged Care (Toowoomba) Pty Ltd (3)	-	399,586
	-	1,202,622
	831,997	2,081,174

Note 13. Trade and other payables (continued)

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 counterparties have confirmed that the loans will not be called upon unless the entity has sufficient cash reserves to repay without adversely impacting its ability to continue as a going concern.

(1) Amounts owing by 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 IC (Edmonton) Pty Ltd are interest bearing with a maturity date of 27 April 2027 and are secured under a Security Trust Deed where the Security Trustee has security over the borrower and its approved aged care places in respect of the facility, a mortgage over the borrower's leasehold interest in the facility and a Guarantee and Indemnity of Infin8 Care Pty Ltd. Interest is payable at the MPIR of 8.34% per annum calculated daily. This loan has been fully repaid during the year.

(3) Amounts owed to Infinite Aged Care (Toowoomba) Pty Ltd are interest bearing with a maturity date of 2 August 2025 and are secured under a Security Trust Deed where the Security Trustee has security over the borrower and its approved aged care places in respect of the facility, a mortgage over the borrower's leasehold interest in the facility and a Guarantee and Indemnity of Infinite Aged Care Pty Ltd. Interest is payable at the MPIR of 8.34% per annum calculated daily. This loan has been fully repaid during the year.

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Note 14. Lease Liability

	2024 $	2023 $
Current liabilities		
Lease liability	136,867	128,455
Non-current liabilities		
Lease liability	5,839,094	5,975,961
	5,975,961	6,104,416

Note 15. Provisions

	2024 $	2023 $
Current liabilities		
Provision for annual leave	241,359	197,621
Provision for long service leave	330,199	264,344
	571,558	461,965
Non-current liabilities		
Provision for long service leave	13,089	31,148
	584,647	493,113

Note 16. Refundable Accommodation Deposits

	2024 $	2023 $
Current liabilities		
Refundable Accommodation Deposits received	9,295,003	8,796,985

Note 17. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	1	1	1	1

Ordinary shares

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.

Note 18. Dividend paid or recommended

There were no Dividend paid or recommended or declared during the current or previous financial year.

Note 19. Key management personnel disclosures

The totals of remuneration paid to the key management personnel of Hahndorf Holdings Pty Ltd as Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting the Churchill Retreat Aged Care Facility during the year are as follows:

	2024 $	2023 $
Short term benefits	165,527	118,500

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 19: Related Party Transactions.

Note 20. 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 Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat.

i) 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 19: Key Management Personnel Disclosures.

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

Note 20. Related Parties (continued)

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.

a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.
Key management personnel
Disclosures relating to key management personnel are set out in Note 19.

b) Transactions with related parties
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:

		Balance outstanding	
	Purchases	**Owed to the company**	**Owed by the company**
	$	$	$
2024			
Associates			
Management Fees - Infinite Aged Care (Services) Pty Ltd	239,147	-	-
Management Fees - Infinite Aged Care (Administration) Pty Ltd	594,084	-	-
Rental payments to IC SA Property Trust for building	513,000	-	-
Loan - IC SA Property Trust	-	7,075,013	-
Loan - Infinite Aged Care (Operations) Pty Ltd	-	-	207,481
Loan - IC Southport Trust	-	348,966	-
	1,346,231	7,423,979	207,481

		Balance outstanding	
	Purchases	**Owed to the company**	**Owed by the company**
	$	$	$
2023			
Associates			
Management Fees - Infinite Aged Care (Services) Pty Ltd	266,473	-	-
Management Fees - Infinite Aged Care (Administration) Pty Ltd	453,824	-	-
Rental payments to IC SA Property Trust for building	513,000	-	-
Loan - IC SA Property Trust	-	6,601,063	-
Loan - Infinite Aged Care (Operations) Pty Ltd	-	1,645,876	-
Loan – IAC (Cornubia) Pty Ltd	-	434,509	-
Loan - IC Southport Trust	-	324,342	-
Loan – Infinite Aged Care (Toowoomba) Pty Ltd	-	-	399,585
Loan - Hahndorf Holdings Pty Ltd in its capacity as Approved Provider for Klemzig Residential Aged Care Service	-	253,270	-
Loan – IC (Edmonton) Pty Ltd	-	-	803,036
	1,233,297	9,259,060	1,202,621

Note 21. Contingencies

In the opinion of the Directors of the Approved Provider, there are no contingencies on 30 June 2024 (2023: $NIL).

Note 22. Events occurring after the reporting date

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Approved Provider's operations, the results of those operations, or the Approved Provider's state of affairs in future financial years.

Note 23. Company Details

The registered office of and principal place of business of the company is:

Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979)
Conducting The Churchill Retreat
470 Churchill Road
KILBURN SA 5084

Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat
Directors' declaration
30 June 2024

The directors of the Approved Provider declare that:

1. In the opinion of the directors of Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat Residential Care Services ('the Company'):

(a) the Company is not publicly accountable;

(b) the financial statements and notes that are set out on pages 7 to 29 are in accordance with the Aged Care Act 1997, including:

- presenting fairly the Company's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and

- 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

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

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Luke Benjamin Greive
Director

31 October 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat (the Company), which comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information, and the directors' declaration.

In our opinion the accompanying financial report of Hahndorf Holdings Pty Ltd as Approved Provider (NAPS ID 2979) Conducting The Churchill Retreat, 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 2024 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 Director's 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

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Loucas Mylonas
Director

Brisbane, 31 October 2024