Christadelphian Homes Annual Report 2021-22

Vision, Mission & Values

To reflect God's love as seen in the words and actions of Jesus Christ.

Treating our residents and their families with love and respect.

Striving for impeccable governance to enable our staff to provide care in an exceptional workplace.

Giving the Christadelphian community a practical way to 'love our neighbour'.

Love	Gentleness
Kindness	Peace
Joy	Patience
Goodness	Self-Control

Faithfulness

'But the fruit of the Spirit is love, joy, peace, patience, kindness, goodness, faithfulness, gentleness and self-control. Against such things there is no law.'
Galatians 5:22-23

Contents

Christadelphian Homes Limited (CHL)
ABN: 60 960 501 367
Trading as Christadelphian Aged Care, we are an experienced aged care provider that has been serving the community for 75 years. As a charitable, not-for-profit organisation any surplus funds are reinvested back into caring for our residents.

Editors: Jane Burns & Jenny Galbraith.

Cover image: This painting by former resident Harry Finch is of the original entrance into Maranatha from Anzac Ave. The painting was kindly donated by Harry and Merle Finch and is proudly hanging in the reception at Maranatha.

Our Villages

Courtlands Village, North Parramatta NSW
Courtlands Village offers stylish one, two and three bedroom units within a safe and friendly retirement community, with amenities such as a hair salon and gym.

Maranatha Village, Kallangur QLD
Maranatha Village is situated on five hectares of beautiful tropical gardens, and features two and three bedroom ground-floor units with secure garages.

Our Homes

Ashburn House, Gladesville NSW
Ashburn House provides high-quality nursing care in an elegant aged care residence, that features an onsite cafe and lush natural surroundings.

Courtlands, North Parramatta NSW
Courtlands offers round the clock care in a vibrant garden estate. We deliver care for high needs residents, and also provide dementia care and Extra Service places.

Maranatha, Kallangur QLD
Maranatha provides compassionate and dignified care within a tropical garden estate. Private and companion rooms are available, and secure dementia care.

Northcourt, North Parramatta NSW
Northcourt is a small aged care home that offers exceptional 24-hour care in a family environment, with private and companion rooms available.

Chair Report

Chairman of the Board, Phil Cubbin

An important Bible message is to always put our trust in God, and not rely on our own thoughts and preferences. The Prophet Isaiah states (64 v 8), 'Lord, You are our Father; We are the clay, and You our potter; And we are all the work of Your hand', reinforcing we are always in God's hands.

Our Board meetings commence and conclude with prayer. A common theme has been to pray for God's guidance and help with the many challenges Christadelphian Homes Limited (CHL), and the industry faces.

The last year was one of ongoing challenges, and significant changes for CHL.

As announced, following a review of all our operations, we took the difficult, but necessary decision to sell some of our properties in NSW, including three aged care facilities: Casa Mia, Chamberlain Gardens, and Southhaven.

This was in response to ongoing performance challenges brought about by continued chronic underfunding despite spiralling costs across the industry, higher care needs and changing preferences of residents entering aged care, and increasing regulation and compliance requirements for Providers.

For CHL, these translated into deteriorating occupancy (especially at our older sites), unsustainable demands on our cashflow and capital, workforce management challenges, increasing costs, and impacts on the efficient and effective management of CHL overall.

The property sales reduced our footprint, simplified our operation, reduced drains on our costs, capital and other resources, and decreased risk. Additionally, it allows focus on our 'flagship sites' (Maranatha and Courtlands), and better support of the longer term needs of the community, including Christadelphians.

The sales were effected in two 'phases' and concluded in June 2022. While we were sad to see these facilities transfer to another aged care provider, CHL teams worked hard to ensure residents and staff were supported throughout the transitions.

For example, at Southaven (the only site sold with Christadelphian residents), Christadelphian residents were offered a place at another CHL facility. Some took this up and appear to have settled in well. For Christadelphians remaining at Southaven, ongoing support is also being provided by CHL's Spiritual Care team.

Since the sales, our overall metrics are beginning to stabilise, including occupancy, costs and revenues, however there is still a way to go.

We have also reduced our central ('head office') support team, and focus is now on these important, and longer-term initiatives:

• Responding to recent Government announcements made as part of the aged care industry reforms, in response to the Royal Commission recommendations. Many initiatives involve additional reporting and compliance obligations for Providers, and we are working to ensure CHL can meet, and benefit from these.

• As part of the reforms, a new Government funding model is being introduced, expected to deliver some additional funding soon. This is welcome, but also long overdue. It will also only partially provide relief to the ongoing financial pressures Providers are facing.

• The Government is introducing new 'minimum Care minutes' requirements for each resident. This is welcome to ensure care is being applied uniformly across the industry, but also represents a substantial additional cost and compliance burden. CHL is well placed to meet the minimum care requirements, as our staffing levels have generally been higher than some other Providers, consistent with our Christian based approach.

• The Government has also announced a process for the full write-down of bed licences. This follows a long period of consideration and consultation with the industry, and it's pleasing to have this clarified. For CHL, the full write-down of our bed licences has occurred this year, reducing our Balance Sheet asset and equity values (see also below).

• A Board strategy day in July reflected on the past and looked to the future. Selected staff members and residents shared insights into what was working well and what could be improved. We also discussed our Villages, and heard from an industry specialist.

• Despite an industry wide chronic shortage of aged care staff, CHL is implementing several initiatives to improve management of care staff costs. A full review of rostering is expected to inform us on 'best practice', allow us to utilise all care resources available more efficiently to us (including Agency staff), and reduce care costs, without impacting the level of resident care provided ('care minutes').

• We are also examining our Sales effectiveness, and considering potential improvements to marketing our Villages, to maximise occupancy.

Clinical care quality has been a pleasing highlight this year. Following considerable effort to address the clinical issues raised at Courtlands during the 2020 Accreditation review, the Courtlands Sanction was extinguished in late 2021. This allowed us to resume admission of new residents and begin restoring overall facility performance.

Additionally, the clinical quality function CHL implemented in 2020 is delivering good outcomes. Both Southhaven (just prior to settlement), and Maranatha more recently, achieved full compliance of all clinical requirements, and 3-year re-accreditation.

As the community begins to live with COVID, we are trying to balance ongoing infection control, with 'normality' for our residents, staff and visitors. An example has been the recent re-opening of the coffee shop at Ashburn House, which has been well received. As for all Providers, CHL has managed several COVID-19 outbreaks during the year resulting in significant staffing challenges, and substantial COVID-19 related costs. While the Government introduced some financial assistance schemes, these are administratively challenging, and rebate payments are subject to lengthy delays.

Our Trading results continue to reflect the very difficult operating environment, and some of the impacts from the challenges we faced, as well as actions taken. While capital relief was available from property sales early in the sales process, our facility operating costs were impacted until final settlements in June 2022.

Also, while CHL's footprint is now smaller, we continue to carry depreciation, incurred an adjustment for revaluation of land and buildings following our regular reassessment, and have incorporated the write down of bed licences in our accounts.

Focus on our 'Mission' has continued, with work done to share, and reinforce, our Mission and Values across our facilities and villages.

Additionally, many volunteers have supported us, especially from the Maranatha, and West Ryde ecclesial communities. They have continued to demonstrate, in a practical way, God's continued love and support for our residents and their families, our staff, volunteers, contractors, and the broader community. We all appreciate and continue to be encouraged by such efforts.

The Maranatha community is celebrating the site's 40th anniversary this year. What a milestone! We thank and praise God, for the blessings of love, wisdom and the generous support of many people over this period, particularly our Queensland brothers and sisters.

Finally, I thank the Executive team, management, staff, contractors, and volunteers for their tireless efforts throughout the year. It has again been challenging for everyone, and many changes have occurred across CHL. The dedication, energy and commitment of all teams has continued to be inspiring, and a blessing to us all.

> "The dedication, energy and commitment of all teams has continued to be inspiring, and a blessing to us all."

Our thanks to all the Board members for their devoted commitment, support and ongoing efforts. We also thank CHL members, and others in the Christadelphian and broader community, for their prayers and support.

The Board and the Executive team look forward to the year ahead, managing a smaller, simpler operation that's been re-shaped, in the face of ongoing industry challenges, and the introduction of some initial reforms.

We especially thank God for His blessing and guidance throughout another challenging year, as we continue to trust in Him, and seek His ongoing blessings, guidance and help. For we know that 'God has plans of hope and for the future for each of us', through His son Jesus.

Phil Cubbin
Chairman of the Board

The Executive

Ross Peden
Chief Executive Officer

A CPA who has been involved in the aged care industry from 1986 in a variety of roles including as a Director of CHL. Following a career in corporate banking which included consulting to a number of aged care companies, I was appointed CEO of CHL 12 years ago. I have presented at industry forums and have been actively involved in aged care associations advocating on behalf of the industry to government.

Bruce Thornthwaite
Chief Clinical Officer

A professional nurse for more then 30 years with qualifications in General Nursing, Psychiatric Nursing, Geriatric Nursing and Psychogeriatric Nursing. I was fortunate to have worked with the Homes previously for 15 years as General Manager, and then served as CEO of two different organisations for the next 10 years before returning to Christadelphian Homes in 2020 as the Chief Clinical Officer.

Kristle Van Biljon
Senior Manager - Human Resources

A Senior HR Manager in various industries including Aged Care and Disability, mainly in Homecare. Prior to this I spent eight years managing Retirement Villages. Aged care is a passion of mine, and the Homes allow me to work within the industry I love while working with our amazing staff as they evolve and develop throughout their career and provide excellent care for our residents.

Radhika Kumar
General Manager - Health Services

A Registered Nurse for 27 years, having worked in the public and private Health Care industry in acute, community and aged care facilities. I have held various portfolios at CHL including Facility Manager, Health Systems Manager, Funding Manager and now GM Health Services. I value the organisation's vision and mission as it is very much aligned to my personal beliefs and values.

Jane Burns
Head of Mission and Wellbeing

For the last 39 years I have worked in many different areas of aged care including dementia, hostel, self-care and community living, lately as Head of Mission for Christadelphian Aged Care. I ensure that the CHL Vision, Mission and Values are hardwired into all aspects of the organisation by developing Mission Integrity programs, supporting residents, families, staff and the Christadelphian community.

Helen Milanovic
General Manager - Finance

Assoc Diploma (Accounting), BTax, CPA. I oversee all aspects of the finance function including receivables/payables, month-end reporting, budgeting and statutory reporting. After more than 20 years with Manchester Unity/HCF I joined Christadelphian Homes in 2016, and have completed many M&A projects over the last two decades, including both divestments and acquisitions.

Jacob Morgan
Company Secretary

B. Science (Biotechnology).

Experience in compliance, risk management and operational efficiency having worked across pharmaceutical manufacturing, aged care and independent schools.

The Board

Phil Cubbin, Chairman
B.Bus. MBA

CHL Committee/s: Chair of Board Finance, Remuneration and Board Nomination Committee (FRBN).

Phil is a senior banking and finance professional and has worked domestically and internationally for almost 40 years. Currently Global Head of Operations, Trade Finance, ANZ Banking Group Ltd. based in Sydney.

Diane Green
B.Com, MBA, FCA, MAICD

CHL Committee/s: Member of Board Finance and Audit Committees

Diane has worked in senior management roles within large organisations, specialising in accounting and shared services portfolios. She retired in 2020 and now undertakes voluntary roles.

Ken Pooley
B.Eng.

CHL Committee/s: Chair of Board Audit Committee, Finance Committee.

Prior to retirement Ken has held senior roles in two major telecommunications companies, including strategy, planning, and delivery of communications infrastructure. Extensive experience in strategy, planning, engineering design, financial and project management of infrastructure delivery, people and stakeholder management.

Kirralie Houghton
B.Town Planning (Hons), (PhD), Member Planning Institute of Australia

CHL Committee/s: Chair of Mission Integrity Committee

Kirralie is the Principal Strategic Infrastructure Planner for Moreton Bay Regional Council, and has a PhD in urban informatics. She also served on Maranatha's Board of Directors from 2007-2010.

Colin Hillman
BSc (Hons) in Computing Science

CHL Committee/s: Mission Integrity Committee

Colin has 40 years' experience in software development.

Sally Collins
BNurse, Grad Dip Midwifery, Master of Nursing, Certificate of Governance in NFPs

CHL Committee/s: Governance, Risk and Compliance Board Committee

Sally is a Registered Nurse/Midwife with experience across the public and private sectors in acute care, community nursing, perioperative nursing and midwifery. She is also a Lecturer in Nursing at Charles Sturt University.

Greg Della
BA, MSc, FIAA

CHL Committee/s: Chair of Governance, Risk and Compliance Committee and member of Finance Committee

Greg is a finance professional with broad ranging international leadership, management and Board roles across life insurance, general insurance and investments.

Directors' Report

The Directors present their report on Christadelphian Homes for the financial year ended 30 June 2022.

General information

Principal activities
The principal activity of Christadelphian Homes Limited during the financial year was the operation of aged care homes and retirement villages.

No significant changes in the nature of the Company's activity occurred during the financial year. However, the Company completed a significant multi-year asset restructuring program by realising the sale of three of its aged care facilities.

The Short-term objectives of the Company are:

- to provide a high standard of care to all residents;
- to encourage excellence in staff and volunteers so that their contribution is a means of personal fulfilment; and
- to provide an avenue for the Christadelphian community to demonstrate "love your neighbour", through engaging with the aged and vulnerable.

The Long-term objectives of the Company are:

- to enrich the quality of life of older Australians, by nurturing them through our compassion, service and a comfortable living environment; and
- to operate and deliver aged care services in a way that is aligned with the principles of God and imbeds the life of His son Jesus Christ.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies – we strive to:

- maintain a reputation for excellent service and care through a mission-based, supportive culture;
- provide residents with comfortable, attractive, and well-maintained facilities;
- support those in particular need of help;
- promote innovation and best practice among staff;
- attract and retain quality staff and volunteers through a positive environment, ongoing education, and development programs;
- meet regulatory requirements and pursue best practice care and exceeding consumer expectations; and
- focus on financially sustainable operations and prudential management of residents' funds.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- maintaining an important focus on pastoral and spiritual care, and volunteer services to our residents;
- providing a high standard of service and support to our residents as validated by resident feedback and Government accreditation; and
- enabling the Company to implement ongoing improvements to the quality of residents' accommodation and services, across all our properties.

Financial performance measures

The following measures are used within the Company to monitor performance:

- Net profit
- Cash operating profit
- Net cash flow
- Accommodation bond and resident loan balances
- Care wages to care income
- Bed occupancy levels

Members' guarantee

Christadelphian Homes Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $10, subject to the provisions of the Company's constitution. At 30 June 2022 the collective liability of members was $2810 (2021: $2900).

Review of PBI status

The Directors are of the opinion that the Company meets the requirements to be treated as a Public Benevolent Institution (PBI). The Board has conducted a review and was satisfied that its status continued to apply. The characteristics of a 'PBI' are:

- it is set up for needs that require benevolent relief;
- it relieves those needs by directly providing services to people suffering them;
- it is carried on for the public benefit;
- it is non-profit;
- it is an institution; and
- its dominant purpose is providing benevolent relief.

Board sub-committees

The Directors are conscious of the need for Board members to possess the diversity of skill and experience required to fulfil the obligations of the Board. The Board has established four sub-committees to oversee specific areas of corporate responsibility.

Audit Committee

The Company operates a Board Audit Committee to assist in the effective discharge of the Board's responsibilities for the integrity of financial reporting, internal control structures, internal and external audit functions, and financial risk management systems. The Committee meets at least twice per year and comprises Board members with relevant financial, commercial and risk management experience, senior management, and auditors.

Finance, Remuneration and Board Nomination Committee

The Company operates a Finance, Remuneration and Board Nomination Committee to assist the Board with oversight of the financial performance of the Company, the remuneration of management and staff and the recruitment of new Board members. The Committee meets as required and comprises the Chairman and other Board members and senior management with relevant financial, management and commercial experience.

Governance, Risk and Compliance Committee

The Company operates a Governance, Risk and Compliance Committee to assist the Board in ensuring that policies and processes enable the business activities to be conducted in a safe, legally compliant, and effective way consistent with the organisational mission. It also seeks to foster a culture of continuous improvement to minimise the adverse impact of risk within the organisation. The Committee meets as required and comprises Board members and senior management with relevant regulatory compliance and risk management experience.

Mission Integrity Committee

The Company operates a Mission Integrity Committee to help provide the Board with valuable insights into the application, and effectiveness of our Mission across our homes and villages. It also supports the Head of Mission by ensuring the Board is informed of the progress of fulfilling our Mission through our employees, contractors, and volunteers, in the care and support we provide to residents and their families, and by giving the broader community, including the Christadelphians, advocacy, and visibility of our Mission. The Committee meets as required and comprises Board members, the Head of Mission, and other stakeholder representatives by invitation.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year: Jacob Isaias Morgan – Bachelor in Biotechnology

Meetings of Directors

During the financial year, seventeen meetings of Directors (in addition to committee meetings involving Directors) were held. Attendances by each Director at Directors' meetings during the year were as follows:

Phil Cubbin: 17
Colin Hillman: 17
Ken Pooley: 14
Diane Green: 15
Sally Collins: 15
Greg Della: 16
Kirralie Houghton: 14

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 60-40 of the Australian Charities and Not-For-Profits Commission Act 2012, for the year ended 30 June 2022 has been received and can be found on page 30 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

P R Cubbin
Chairman of the Board

Ken Pooley

Ken Pooley
Director

Dated this 4th day of November 2022

Smaller footprint, greater heart to serve

During 2021-22 Christadelphian Homes entered into an agreement to sell three of our existing aged care homes to support the future viability of the organisation, and better serve out our Mission and purpose in the community.

The properties and operations at Casa Mia at Padstow, Southhaven at Padstow Heights, and Chamberlain Gardens at Wyoming were sold and are now operated by Infinite Care, an aged care provider with more than 30 years in the industry.

The sale of the homes was not taken lightly by the Board, especially given the long association Southhaven has had with the Christadelphian community.

However, given the continued challenges faced by the aged care industry, including significant underfunding and increasing regulation, costs and resident care needs, it was determined a smaller footprint would allow the organisation to optimally manage our ongoing operations and pursue our Mission and purpose more effectively.

After a strategic review into all Christadelphian Homes' operations, the three sites were identified as the most challenging and costly for us to maintain into the future.

Casa Mia and Southhaven are older facilities and the cost of updating the properties was considered unviable. Southhaven alone would have required an investment of more than $14m, and therefore the Board reluctantly concluded the organisation could not justify or manage such a project.

The location of Chamberlain Gardens was not considered optimal for the organisation to easily support, or aligned with our Mission, purpose and strategy.

At the time of the sale Southhaven had nine Christadelphian residents and two Christadelphian staff, Casa Mia had no Christadelphian residents and two Christadelphian staff, and Chamberlain Gardens had no Christadelphian residents and one Christadelphian staff member.

All staff and residents were able to continue at these three sites, given the sites continue to operate as aged care facilities, under the same operating 'Quality Standards', set by the Federal Government's Aged Care Quality and Safety Commission.

> The sale of the homes was not taken lightly by the Board, especially given the long association Southhaven has had with the Christadelphian community.

Christadelphian residents at Southhaven will continue to be supported by a CHL appointed Spiritual Carer for their spiritual needs, including meetings and Bible-based activities for the foreseeable future. Additionally, Christadelphian residents at the home were offered support to relocate to one of CHL's other properties.

One such resident, Bev Russell, has moved from Southhaven to Courtlands, and believes CHL's mission and purpose will continue to be reflected by the staff who have continued on at the Padstow Heights Home.

"I have seen such care and compassion, as age runs its unfailing course there. I find that fact remarkable. I think that is a reflection of how the staff itself reflected you on the day-to-day management of that facility," she wrote to the Board.

"You may not think you as a group can possibly have such a reflection, but I am convinced that it is a mirror of the ongoing number of members of the Board who, over so many years, allowed themselves to be reflected in that 'haven in the south'."

In recent years, CHL's strategy has focused on developing our 'flagship' sites for Christadelphians at Maranatha and Courtlands, which have residential aged care and retirement villages co-located.

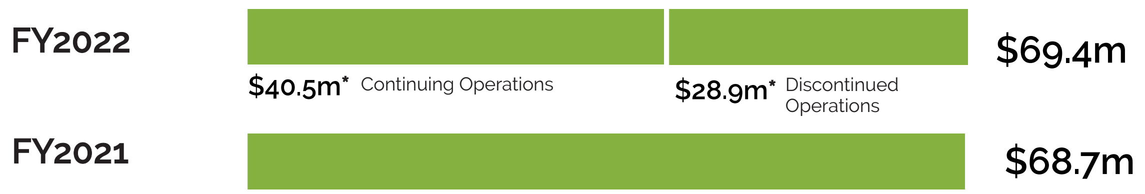
It is our hope that as the number of Christadelphians living at Courtlands in North Parramatta continues to increase, this site may increasingly appeal to Christadelphians across Sydney, as a Christadelphian community.

We thank all our members for your continued support, and ask for your ongoing prayers for the organisation, including all our residents, staff, and volunteers.

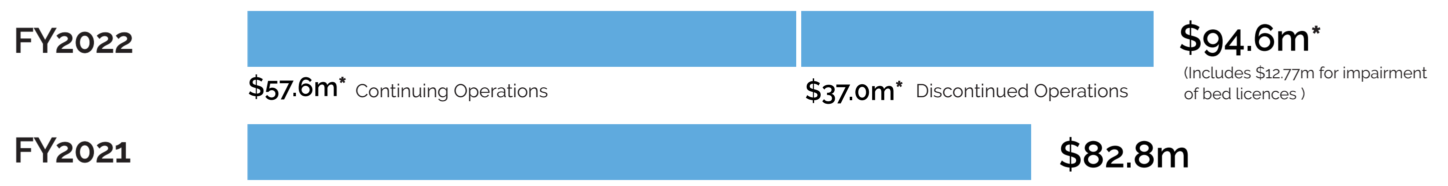
Financial Snapshot

Revenue & Expenses

Revenue

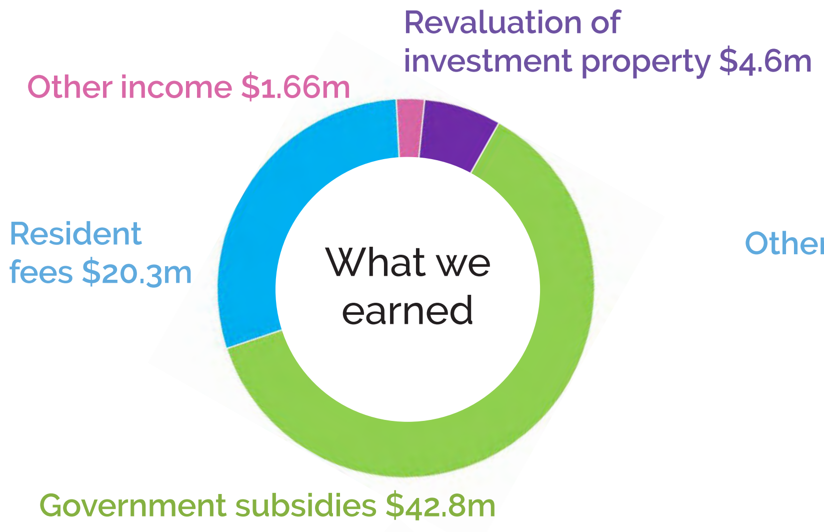


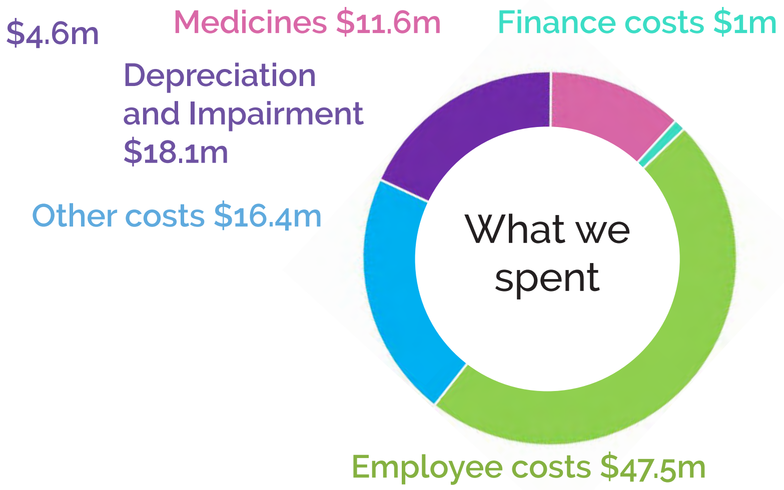
Expenses

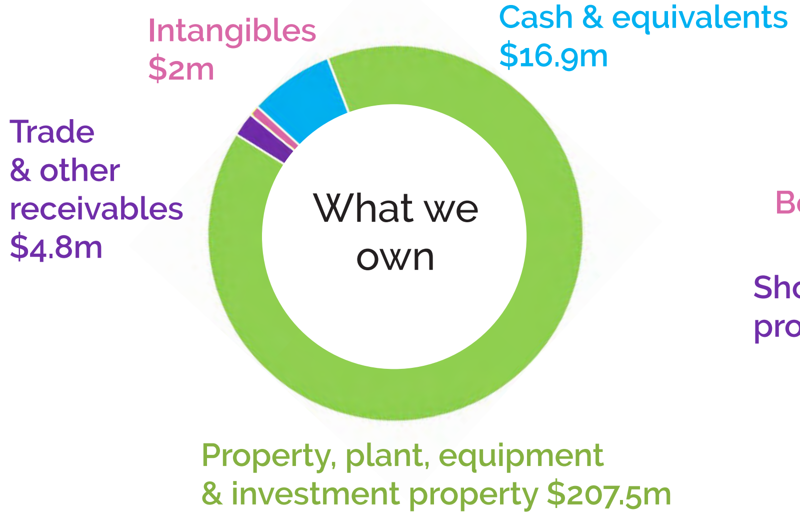


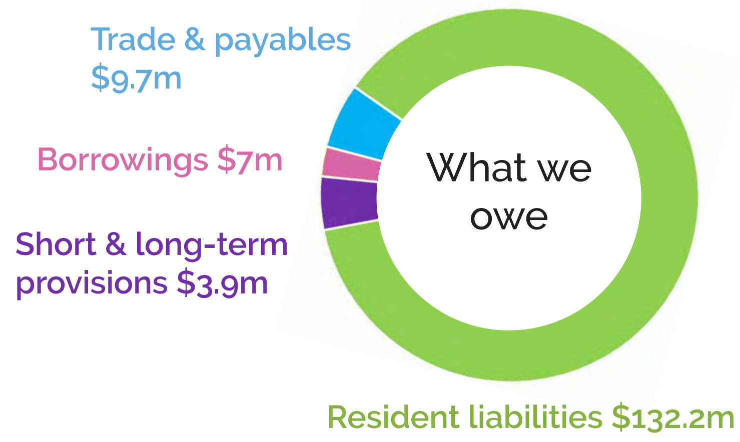
*FY22 With the Federal Government's cessation of the Aged Care Approvals Round (ACAR) process by July 2024 it was recognised that bed licences have a finite useful life. After assessment by external valuers for indicators of impairment CHL has taken the position of fully impairing these in FY22 rather than amortising for a further two years to June 2024.

As a charitable, not-for-profit organisation any surplus funds are reinvested back into caring for our residents and facilities.









A year of change and reconnection across our Homes and Villages




Ashburn House, Gladesville

Ashburn House welcomed a new Director of Care, Jing Cui, after Lisa Burton accepted a role closer to her home. Jing worked in the management of residential aged care homes for more than five years before starting at Ashburn House in December 2021.

The home has also introduced a staff recognition program, where staff members are nominated by residents for going 'above and beyond'. They receive a gift card and a handwritten thank you card at our monthly meetings, presented by our resident representative.

Courtlands Aged Care, North Parramatta

Staff at Courtlands are being recognised for their commitment and service, with exceptional team members awarded a certificate and gift card each month.

After so much separation from family over the past couple of years due to the pandemic, Courtlands has introduced family dinners to help residents and their loved ones connect and spend time with one another. Upon request, an area in Bluegum is transformed into a beautiful dining space with electric candles, flowers and place settings. This new initiative will soon be rolled out to other areas of the Home.

Maranatha Aged Care, Kallangur

We said a sad farewell to Kathy Hallmark this year, and welcomed Melanie Grace to the Director of Care role. Melanie has worked extensively in aged care since moving to Australia from New Zealand more than 30 years ago.

The staff at the Queensland home have shown outstanding dedication and resilience this year in the face of the continuing COVID-19 pandemic, and significant weather events. Some staff came to work during the floods when their own homes were in danger. Others had their homes inundated and lost possessions, but still continued to serve the residents with a smile.

During outbreaks Maranatha had helpers from the surge workforce organised by the Federal Government, which was appreciated greatly.

Northcourt, North Parramatta

Jaroz Filipe was appointed Northcourt's Director of Care this year after working as a Registered Nurse at the home for a number of years.

Northcourt has adopted new technology to assist in communicating with residents from non-English speaking backgrounds.

Along with flash cards in different languages, staff are able to use Google Translate on their tablets to communicate in Chinese, Greek, Italian and a number of other languages spoken by residents.

The home has also acquired an Air Comfort Deluxe bed which helps maintain the privacy and dignity of residents when transferring them around the home, and also assists the staff in safe manual handling when lifting and transferring.

A highlight of the year for residents was the inaugural Vivid Night Lights Bus Trip to see the spectacular lighting on the Harbour Bridge, Opera House and around Sydney.

Courtlands Village, North Parramatta

The Independent Living residents at Courtlands Village love their day trips, and have travelled extensively around Sydney and surrounds this year. They enjoyed a lavish high tea at the Hydro Majestic in Leura, and soaked in the natural wonder of the Blue Mountains.

They also visited the new Sydney Zoo in Blacktown, along with Palm Beach, Bobbin Head, Fagan Park and Emu Hall.

Maranatha Village, Kallangur

Phase Two of the Maranatha Garden Train was officially opened this year. Members of the Men's Shed were there to cut the ribbon on the updated display.

There have been many new features added, including dinosaurs in Jurassic Park, waterfalls, an underground subway, a farm with animals and farmers, a circus and ferris wheel and petrol station. There are also some new stunted pine trees and beautiful flowers and plants around the display.




Maranatha marks a milestone

It's been 40 years since Maranatha first opened its doors in Kallangur with a mission to provide care for the aged in the local Christadelphian community.

Staff and residents celebrated the anniversary with a special morning tea in the home attended by some residents who have lived at Maranatha since its opening. There was also an anniversary lunch held by the Maranatha Fundraising Committee on September 11 this year.

The village and the aged care home have come a long way since their beginnings four decades ago, and now stand as shining lights within Queensland and beyond, for their exceptional standard of care and warm community.

Maranatha's history

The first discussions around creating a home began in 1963, but it wasn't until a larger committee was formed in 1972 that work truly began to make the vision a reality.

A constitution was drawn up, and in December 1973 the Queensland Christadelphian Retirement Village Committee was registered as a religious and charitable organisation, followed by an inaugural meeting in April 1974 that was attended by around 200 members.

Support began to flow and a suitable piece of land was purchased on Anzac Ave in Kallangur for $85,000. The former owner of the land lived on the adjoining property and became a volunteer caretaker of the land while plans and approvals for building were acquired.

Before any work commenced a fair was held on the grounds in 1979, and the Maranatha Fair became an annual event, until it paused due to the COVID-19 pandemic.

The first stage was a 39-bed hostel, and four self-contained units. The 12 residents moved into the new facility on September 11, 1982, and a week later the building was officially opened.

The Kallangur Ecclesia also formed at the same time, and included not only Maranatha residents but also others who transferred to give their assistance and support. The ecclesia first met in the hostel lounge, but as the membership grew a new extension was built in 1985.

By 1994 30 Independent Living Units had been built, and this grew to 52 units in 2009.

As aged care regulations changed new accommodation was required, and Acacia Lodge was opened in 1999. Many other improvements were made over the years, including new private ensuites, the expansion of the dining and lounge areas, and a sensory garden.

In late 2007 three new wings - Frangipani, Jacaranda and Wattle - were constructed and the aged care facility doubled its capacity to 80 residents, with extra dining, lounge and outdoor spaces added. One wing of the original building was adapted to create a secure area for those with dementia.

The Sunflower Cafe, now known as Dell's Cafe, was also a popular addition to the home, as was the hairdressing salon.

The latest 33 bed development was opened in 2016, with the large pond and extensive landscaping also carried out.

In 2017 construction on 13 fully rebuilt retirement units and two new freestanding units was completed.

Maranatha Fundraising Committee

Maranatha would not exist as we know it today if not for the hard work and dedication of the Maranatha Fundraising Committee.

They are the driving force behind the annual Maranatha Spring Fair, and many other activities. All funds raised are used to benefit and enhance the lives of our residents.

A block of land was purchased on Anzac Ave, and dedicated volunteers gave their time to maintain it.

Construction of the hostel commenced in February 1982..

The first 12 residents moved into the hostel on September 11, 1982.

Looking toward Anzac Ave from Banksia Court, 1988.

The Activities Room was extended in 1985.

The second stage of the Banksia Court units began in 1985.

The site of Acacia Lodge.

The Sensory Garden was constructed in 2003.

Kerry Kennedy and Mel Grace.

Dawn Middleton and Denis Arthur.

Edith has lived at Maranatha for 40 years.

Ross Peden and Kerry Kennedy.

Maranatha Village residents enjoyed a lunch held by the Maranatha Fundraising Committee to celebrate the 40th anniversary.

Industry shake-up for aged care

A number of significant reforms to the aged care sector will come into effect later this year in response to the Royal Commission into Aged Care Quality and Safety.

The changes introduced by the Federal Government establish new requirements for aged care through measures that aim to improve accountability and transparency within the industry.

One of the most significant changes include a new funding model called the Australian National Aged Care Classification (AN-ACC), that replaces the existing Aged Care Funding Instrument (ACFI).

This funding instrument provides subsidies to aged care providers based on the type of service and each resident's care needs, and is connected to the new minimum numbers of care minutes per day that a resident should receive during the day.

Christadelphian Aged Care's Chief Clinical Officer, Bruce Thornthwaite, said it was still too early to accurately estimate the overall effect of the new funding system,

"While the overall funding seems to be slightly higher, we are seeing that the Government is already adjusting the subsidies to reduce funding. That and the shortage of staff are going to be major issues in the coming year," he said.

A new program is being developed to make staff aware of the new funding model, which is essential since auditors will now only speak with day-to-day care staff and residents, rather than the Care Manager or senior staff as they did previously.

A new Aged Care Sector Code of Conduct is also being introduced that will set out standards of expected behaviours.

Bruce said the Code strengthened the principle of putting the resident first and taking into consideration what the resident wants.

"It is based on acknowledgment, acceptance and respect, and all of these have been part of the philosophy of Christadelphian Homes for many years," he said.

A star rating system for aged care is also being developed, and homes will have an overall star rating listed on My Aged Care, based on information gathered through measurable indicators of quality and available data.

"While the overall funding seems to be slightly higher, we are seeing that the Government is already adjusting the subsidies to reduce funding. That and the shortage of staff are going to be major issues."

Homes will be rated against four categories, including quality indicators, compliance ratings, consumer experience and staff care minutes.

Legislative changes around the use of restrictive practices have also been introduced, that mandate the nomination of a "restrictive practices substitute decision-maker" if a resident lacks capacity to give informed consent.

Governance requirements for aged care providers will be strengthened, which require providers to assess the suitability of key personnel at least once a year, report annually on their operations, and meet reporting requirements for changes to governance.

While the long-term benefits of the aged care reforms were clear, a more cooperative approach from the Government would have been helpful, Bruce said, along with a discussion around the cost of the changes.

"The greater problem is lack of staff and the minimum pay rate that these staff receive for doing a very demanding job, especially when NDIS staff are being paid almost double the aged care staff rate, while not having to do the difficult work of physical personal care," he said.

These changes are some of a number of reforms that will come info effect by the end of the year.

For more information on the aged care reforms visit www.agedcarequality.gov.au.

High standards of care

Christadelphian Aged Care is passionate about continuously improving the care we deliver to our residents every day, and the outcomes from two accreditation visits over the last 12 months have highlighted this commitment to clinical excellence.

All residential aged care homes must meet a set of Quality Standards as assessed by The Aged Care Quality and Safety Commission, to ensure they are meeting the needs of the residents and delivering services safely and effectively.

These standards focus on the dignity and choices of residents, ongoing care assessment and planning, personal and clinical care, services and supports for daily living, the physical environment, processes around feedback and complaints, human resources and organisational governance.

Maranatha and Southhaven met all standards during unannounced accreditation visits by the Commission this year, and received positive feedback from the assessors on their regulatory compliance.

The visits lasted for three days, and the Assessment Team collected information to assess the Homes' performance against the Quality Standards.

They do this from interviews with residents, families, staff, management, allied health personnel, volunteers, suppliers and contractors, along with observing staff practices and interactions with residents, and the general living environment, and also reviewing documents and records.

The assessors observed there was good overall compliance with the Quality Standards, and high levels of satisfaction from the residents and staff. They noted that open discourse was embedded in the operation of the facilities, and that the organisation had strong clinical governance with a systemic approach in care delivery and services. They noted the provision of a dedicated Spiritual Care Coordinator, and the daily spiritual and emotional support and services offered to residents.

Chief Clinical Officer Bruce Thornthwaite and General Manager Health Services Radhika Kumar.

Along with the visits, there were also a number of phone conferences initiated by the Commission to help ensure regulatory compliance. These focused on areas such as infection control, respite and permanent admissions process, care documentation, environment, laundry and feedback.

A number of factors led to the strong performances, including good leadership and a diverse clinical skill set at the Homes.

A robust quality care and services framework is essential to Christadelphian Aged Care's care delivery, along with good governance and monitoring by our Quality and Operations Team.

One of the tools used by the clinical management team are reviews by the Aged & Community Care Providers Association (ACCPA), the new peak body for the aged care industry after the merging of Aged & Community Services Australia (ACSA) and Leading Age Services Australia (LASA).

These reviews are conducted by an independent body as a risk management strategy, and give an overview review of all the standards to identify any risks at a particular Home, and provide a gap analysis report. This then helps the clinical team to focus resources on areas where there are opportunities for improvement in care delivery and compliance.

We have also embedded good risk management processes into business operations such as meeting schedules, audit compliance schedules, resident satisfaction and feedback mechanisms, strengthened processes around continuous improvement, and invested in strong learning and development programs.

Lessons from these visits have been passed on to our other Homes to help continuously improve our service delivery across the organisation, and ensure we are providing the best possible care to our residents.

Shahana Pagaddinnimath celebrated 25 years of service at Ashburn House this year.


Rosy Devi marked 20 years of service in Corporate Services.


Cloanne Samiano achieved 15 years of service at Courtlands Village.

Recognising our staff

Christadelphian Homes employs hundreds of people across our aged care homes and retirement villages, and are honoured that so many have chosen to stay with us for years. We sincerely thank those listed below who have celebrated significant employment milestones over the last 12 months.

10 years

Ashburn House
Bola Hulme
Rukmani Russell
James Peden
Regina Addae
Corporate Services
Rama Lamsal
Courtlands Village
Helen Turner
Natasha Nadan
Pat Balchin
Violet Maroun

20 years

Ashburn House
Scott Moody
Corporate Services
Rosy Devi
Courtlands Village
Donna Jones

15 years

Ashburn House
Augusto Urquizo
Viviana Lose
Courtlands Village
Cloanne Samiano
Daprosa Nucup
Florife Calimquim
Joseroehl DeGuzman
Yar Tingang

25 years

Ashburn House
Shahana Pagaddinnimath
Courtlands Village
Avensh Lata

Our mission to elevate wellbeing for all our residents

Christadelphian Aged Care has embarked upon a ground-breaking initiative that takes a comprehensive approach to the wellbeing of our residents. Leisure and Lifestyle programs will now join our Volunteer and Spiritual Care programs under one umbrella to more deeply embed the organisation's Vision, Mission and Values through every aspect of our care. Head of Mission and Wellbeing, Jane Burns, explains how her new role will further enrich the lives of the people in our care.

Wellbeing has now been incorporated into your role, how has this changed what you do?

As Head of Mission and Wellbeing I am responsible for the management of a comprehensive Wellbeing Program across all our Homes that supports, challenges and enhances the physical, social, emotional and spiritual wellbeing of residents, and delivers on our Vision, Mission and Values. I provide mentorship and guidance to the wellbeing teams, including volunteers, for the betterment of the resident experience. I continue to ensure our Mission and Values are reflected into all aspects of the organisation including induction, education, policies and procedures, quality and continuous improvement.

What was the reasoning behind the change?

We have been given an opportunity to reconsider resident wellbeing by strengthening and supporting a much larger, more flexible team. This is essential from a spiritual perspective as we apply our Vision, Mission and Values in practical ways. A resident may have some challenges in their health and abilities, but they still have goals and preferences they want to achieve, and a desire to manage their day-to-day life and live as best they can. Sharing insights, information and ideas across our teams will build a better community and a safer and happier environment.

How do you think Christadelphian Aged Care's holistic approach to wellbeing sets us apart?

This initiative aims to gather the best of our Spiritual Care, Volunteer and Leisure and Lifestyle programs and activities to provide a rich and meaningful experience at our Homes. By working together, our teams will have a greater understanding of how to deliver programs in a way that will meet the individual needs and aspirations of each of our residents. The Aged Care Quality and Safety Commission has recognised the importance of Wellbeing roles within the Aged Care Quality Standards, including a skilled workforce. Care, environment, human resources, complaints and assessments all relate back to wellbeing. By being able to utilise the skills and experiences of this diverse team, we are able to challenge ourselves to provide comprehensive Wellbeing Programs that deliver person-centred care and services to all our residents.

What are your aims over the coming year?

One of the losses Christadelphian Aged Care has experienced during COVID-19 lockdowns is that of many of our wonderful volunteers. This has been a difficult thing for us, as volunteers add a further layer of kindness to the resident experience. For example, they are able to spend one-on-one time with residents that solely focuses on the here and now; what the resident feels like sharing, talking about or doing in that moment, without the same time constraints or task orientation as staff. Volunteers reminisce with residents and share their life experiences, and often can help bring reflection and resolution of the past. We aim to rebuild our volunteer teams across all our locations for the greater wellbeing of both residents and staff.

How have all the teams worked to support residents and families during lockdowns?

Not only did residents develop a deeper understanding of technology to reconnect with family and friends, but our staff embraced it as well and often organised Zoom and FaceTime "picnics" with family living all over the world. Those moments of happiness helped bridge the distance and kept spirits up. Christadelphian Aged Care also adopted a program called "Masks with Heart", which was developed by Meaningful Ageing. All staff must continue to wear masks when working in our Home, but this may make it difficult for residents to connect with those providing their care. Staff took a photo of themselves and attached this to their ID card. By showing the residents their photo, residents were aware of who they were with, which gave them confidence in the care and attention they were receiving.

Nerida O'Neill is the Wellbeing Team Leader at Courtlands Aged Care.

How vital were the Spiritual Coordinators during the last year?

Many residents were unable to understand why they weren't receiving visits from family and friends, or who the staff were hidden behind gowns, masks, gloves and face shields. Staff too were often overwhelmed by these circumstances. The most important thing for us to understand is that we need to know our residents – truly know them. Life is a story, and they are continuing their story with us. The Spiritual Coordinators were able to provide another level of emotional support which inspired trust and positivity to the residents and staff. Even a simple smile can be heard through a mask – try it!

Warm hearts, minds and hands

Volunteers were welcomed back into our Homes and Villages this year after being kept away for some time due to COVID-19 restrictions.

Christadelphian Aged Care is privileged to have more than 80 volunteers across our organisation, who contribute in a myriad of ways to enrich the lives of our residents and staff.

The pandemic has led many people to reflect on the needs of those around them, and consider how they can improve the lives of others in some small way.

The beauty of volunteering within an aged care organisation is the flexibility it offers in terms of time and activities. You can give as much or as little time as you wish, and still make a difference in the lives of our residents.

Sue Geddes volunteers at Maranatha in Kallangur once a fortnight when she drops in to visit her mum who lives there.

Sue worked for Christadelphian Aged Care as an Activities Officer down in Sydney, and after semi-retiring and moving up to Queensland to be closer to family, found she missed spending time with older people.

"I missed the interaction with the elderly. I really believe that's my forte," she said.

Sue's mum liked bowls so she initially volunteered to run a game of indoor bowls with a group of residents.

She now does reminiscence sessions to keep their minds and memories active.

"I don't think you can go wrong when you volunteer, even if you go in and sit with a resident for five minutes that still makes a difference," she said.

"It makes me feel like I'm 20, I feel so young, I don't have to look in a mirror to see how old I am, I feel young and energetic and it makes me feel useful and worthwhile."

There are so many different ways to volunteer at an aged care home, and everyone is encouraged to bring their own skills and hobbies to share with others.

Every one of our Homes has a Spiritual Care Coordinator who can guide you through our volunteering program and help you find the best use of your time and skills.

"It makes me feel like I'm 20, I feel so young, I don't have to look in a mirror to see how old I am, I feel young and energetic and it makes me feel useful and worthwhile."

Some volunteering activities include:

- scrapbooking
- reading out loud to residents
- playing a musical instrument
- making gift baskets for residents
- helping with fetes or fairs
- serving in the onsite cafes
- driving the bus for outings
- recording a resident's life story
- one-on-one conversations
- running bingo or other games
- pet therapy

We would love to welcome more volunteers at our Homes and Villages! If you are interested in volunteering, please contact Head of Mission and Wellbeing, Jane Burns, at jburns@chomes.com.au, or give her a call on 0422 664 510.

Sue Geddes volunteers at Maranatha Aged Care in Kallangur.

Christadelphian Homes Limited

ABN 60 960 501 367

Annual Report - 30 June 2022

General information

The financial statements cover Christadelphian Homes Limited as an individual entity. The financial statements are presented in Australian dollars, which is Christadelphian Homes Limited's functional and presentation currency.

Christadelphian Homes Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

15 Gloucester Avenue
NORTH PARRAMATTA NSW 2151

The financial statements were authorised for issue, in accordance with a resolution of directors, on 3 November 2022. The Directors have the power to amend and reissue the financial statements.

Christadelphian Homes Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue	3	39,375,101	73,786,879
Other Income	3	5,970,346	125,455
Expenses			
Supplies, medicines and consumables		(4,034,511)	(11,516,358)
Employment contractors		(2,460,202)	(2,232,623)
Employees		(27,657,544)	(47,850,790)
Depreciation and amortization		(3,983,534)	(5,388,965)
Repairs and maintenance		(1,474,691)	(2,470,371)
Utilities		(1,034,275)	(1,875,069)
Professional fees		(650,939)	(704,842)
Other operating expense		(2,527,376)	(6,874,079)
Finance	4	(5,839,806)	(6,143,003)
Impairment of bed licences	9	(12,770,000)	(3,000,000)
Total expenses		(62,432,878)	(88,056,100)
Loss from continuing operations		(17,087,431)	(14,143,766)
Loss from discontinued operations	17	(8,112,247)	-
Profit/(loss) for the year attributable to the owners of Christadelphian Homes Limited from continuing operations		(25,199,678)	(14,143,766)
Other comprehensive income			
Revaluation of land and buildings		11,023,357	671,765
Other comprehensive income for the year		11,023,357	671,765
Total comprehensive income for the year attributable to the owners of Christadelphian Homes Limited		(14,176,321)	(13,472,001)

Christadelphian Homes Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	5	16,873,903	6,294,855
Trade and other receivables	6	4,797,664	1,389,914
Non-current assets classified as held for sale	17	-	74,946,514
Total current assets		21,671,567	82,631,283
Non-current assets			
Investment properties	7	99,035,531	94,436,508
Property, plant and equipment	8	108,511,411	101,060,794
Intangibles	9	2,020,301	15,414,431
Total non-current assets		209,567,243	210,911,733
Total assets		231,238,810	293,543,016
Liabilities			
Current liabilities			
Trade and other payables	10	8,556,759	5,294,783
Contract liabilities	11	1,154,474	789,204
Borrowings	12	7,015,081	-
Provisions	13	3,454,535	3,031,709
Resident liabilities	14	132,236,399	131,668,996
Liabilities directly associated with assets classified as held for sale	17	-	49,616,400
Total current liabilities		152,417,248	190,401,092
Non-current liabilities			
Borrowings	12	-	10,000,000
Provisions	13	469,617	613,658
Total non-current liabilities		469,617	10,613,658
Total liabilities		152,886,865	201,014,750
Net assets		78,351,945	92,528,266
Equity			
Reserves	15	30,091,473	34,538,986
Accumulated funds	16	48,260,472	57,989,280
Total equity		78,351,945	92,528,266

Christadelphian Homes Limited
Statement of changes in equity
For the year ended 30 June 2022

	Asset Revaluation Reserve $	General Reserves $	Accumulated Funds $	Total equity $
Balance at 1 July 2020	32,316,117	1,551,104	72,133,046	106,000,267
Profit/(loss) for the year	-	-	(14,143,766)	(14,143,766)
Other comprehensive income for the year	671,765	-	-	671,765
Total comprehensive income for the year	671,765	-	(14,143,766)	(13,472,001)
Balance at 30 June 2021	32,987,882	1,551,104	57,989,280	92,528,266

	Asset Revaluation Reserve $	General Reserves $	Accumulated Funds $	Total equity $
Balance at 1 July 2021	32,987,882	1,551,104	57,989,280	92,528,266
Profit/(loss) for the year	-	-	(25,199,678)	(25,199,678)
Other comprehensive income for the year	11,023,357	-	-	11,023,357
Total comprehensive income for the year	11,023,357	-	(25,199,678)	(14,176,321)
Transfer to / (from) reserves	(15,470,870)	-	15,470,870	-
Balance at 30 June 2022	28,540,369	1,551,104	48,260,472	78,351,945

Christadelphian Homes Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from residents including net bonds and loans		59,958,157	68,897,849
Payments to suppliers and employees (inclusive of GST)		(71,620,163)	(73,314,205)
Interest received		7,100	5,881
Finance costs		(972,575)	(928,585)
Net cash used in operating activities	18	(12,627,481)	(5,339,060)
Cash flows from investing activities			
Payments for investment property		-	(94,759)
Payments for property, plant and equipment		(3,761,755)	(5,044,969)
Payments for intangibles		(13,035)	(484,177)
Proceeds from disposal of property, plant and equipment and investment property		29,398,835	4,865,764
Net cash from/(used in) investing activities		25,624,045	(758,141)
Cash flows from financing activities			
Proceeds from/(repayment of) borrowings		(2,984,919)	10,000,000
Proceeds from/(repayment of) resident liabilities		567,403	(5,534,786)
Net cash from/(used in) financing activities		(2,417,516)	4,465,214
Net increase/(decrease) in cash and cash equivalents		10,579,048	(1,631,987)
Cash and cash equivalents at the beginning of the financial year		6,294,855	7,926,842
Cash and cash equivalents at the end of the financial year	5	16,873,903	6,294,855

Note 1. General information and statement of compliance

The financial report includes the financial statements and notes of Christadelphian Homes Limited ("the Company") as a not-for-profit individual entity. The functional and presentation currency of Christadelphian Homes Limited is Australian dollars.

The financial statements for the year ended 30 June 2022 were approved and authorised for issue by the Board of Directors on 3 November 2022.

Note 2. Significant accounting policies

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

(a) Going concern

The financial report has been prepared on a going concern basis which assumes the Company will be able to meet its obligations as and when they fall due.

For the year ended 30 June 2022, the Company incurred a loss from continuing operations of $25,199,678 (2021: loss of $14,143,766), and faced some liquidity pressures (see note 2(t) for further details). The Company's result has been impacted by a number of factors including; the write-off of bed licences, the revenue impact of a number of offline beds and ILUs due to renovation projects and slower sales conditions, significant COVID-19 expenses, additional restructuring costs and difficult industry trading conditions.

During the year, the Company completed a significant multi-year asset restructuring program by realising the sale of its Southhaven, Chamberlain Gardens and Casa Mia facilities, which were loss-making for CHL. In addition the company relocated its head office and sold its property at Arab Road Padstow. The Company also obtained a $7,600,000 loan from the Department of Health under the Refundable Accommodation Deposit Support Loan Program. The balance of $1,915,081 of this loan was repaid in September 2022. In October 2022, the Company extended the term of its separate third-party loan balance of $5,100,000 to December 2023. These measures led to the increase in the cash balance during the year, improved the liquidity position and reduced future losses of the Company from the assets sold.

For the current year the Company has assessed the impact of the facility sales, the return of offline beds and ILUs back online, and future sales, the reimbursement of eligible COVID-19 expenses for financial years 2021 and 2022 by the Federal Government, and the expected positive impact of the new AN-ACC funding model introduced by the Federal Government, and expects to achieve a positive cash operating result for 2022/23.

The Directors recognise the ongoing uncertainties in relation to the industry, the economy and possible future impact of the COVID-19 pandemic on the Company. Accordingly, the Directors have undertaken the following measures to improve the financial performance and cash position of the Company:

- Implement a cost reduction program which together with additional revenue improvement initiatives are expected to improve the Company's operating performance
- Ensure resident occupancy across residential aged care and independent living units is maintained at an appropriate level
- Recover eligible COVID-19 related expenses already incurred from the Federal Government under the COVID-19 Aged Care Support Program Extension Grant Opportunity Program
- Review the potential for the sale of other property assets if deemed appropriate

Note 2. Significant accounting policies (continued)

While total assets exceeded total liabilities by $78,351,945, the Company's current liabilities exceeded current assets by $130,745,681 as at 30 June 2022 resulting in a net deficiency of current assets. This mainly arises because of the requirement to classify Refundable Accommodation Deposits (RAD) and the Independent Living Unit Resident Loans (ILU loan) of $132,236,399 as current liabilities. Excluding the resident liabilities, the current assets exceed current liabilities by $1,490,718.

The resident loans are classified as current liabilities as the Company does not have an unconditional right to defer settlement of any specific resident loan for at least twelve months after the reporting date. The total RAD and ILU loan liability represents the sum of separate payments from individual residents and frequently a departing RAD and ILU loan paying resident is replaced shortly afterwards with a new RAD or ILU loan paying resident. The repayment of individual balances depends on the tenure of individual residents. The Company applies its liquidity benchmark in managing its cash flow obligations for RAD paying residents as described in Note 2(t).

The Company has significant net assets and in managing the difficult trading conditions, the Company has taken specific measures to address the 2022 financial year's loss, strengthen the Company's cash position and mitigate any possible future risks and financial impact arising from the COVID-19 pandemic and difficult industry trading conditions.

The Directors consider that appropriate actions have been taken to improve the financial performance of the Company, and consider that the Company will be able to meet its debts and financial obligations as and when they fall due, including the realisation of assets and settlement of liabilities in the ordinary course of business at the amounts stated in this financial report.

(b) Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The company 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.

There was no impact on the amounts recognised, measured and classified in the financial statements of the company as a result of the change in basis of preparation.

Note 2. Significant accounting policies (continued)

(c) New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards and has not yet assessed the impact.

(d) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012*, and the *Aged Care Act 1997*.

(e) Revenue and other income

Revenue recognition policy for revenue from contracts with customers (AASB 15)
AASB 15 requires revenue to be recognised when performance obligations under the contract are passed to the customer at an amount which reflects the expected consideration. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligation
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Revenue is recognised when performance obligations under the contract are passed to the customer at an amount which reflects the expected consideration. The timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations. Revenue can be recognised over a period of time or at a point in time depending on when the performance obligation is satisfied.

- Over a period of time – if the performance obligation is satisfied over a period of time, revenue will be recognised by being spread over this period.
- At a point in time – if the performance obligation is satisfied at a point in time, for example, services are delivered, or goods are transferred to customers, revenue is recognised at this point.

Where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. Contract Assets and Liabilities AASB 15 Revenue from contracts with customers ("AASB 15") requires presentation of the following items separately in the statement of financial position:

(i) Contract asset for the right to consideration in exchange for services that have transferred to a customer;
(ii) Contract liability for the obligation to transfer services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer; and
(iii) Receivable for the right to consideration that is unconditional (only the passage of time is required before payment of that consideration is due).

The Company has disaggregated revenue based on the source of the funding for the provision of residential aged care.

Government subsidies and grants
The Australian Government determines the amount of subsidies and supplements in accordance with the provisions of the Aged Care Act. In accordance with the Act, the level of subsidy or supplement is dependent on a range of factors, including a resident's care needs, supported resident ratios in a particular home and whether a home has been newly built or significantly refurbished. The subsidies and supplements are calculated as a daily rate which is payable for each day that a resident is in a home. The Government may require a resident to pay a proportion of that subsidy or supplement dependent on their own financial circumstances.

Note 2. Significant accounting policies (continued)

Resident care fees, retentions and charges
The Company receives Daily Fees in accordance with the Aged Care Act which are funded directly by the resident as a Basic Daily Fee which is set by the Government. The Basic Daily Fee is calculated as a daily rate and is payable by a resident for each day that a resident is in a home. The Company provides additional services and accommodation to residents that are funded directly by the resident, under mutually agreed terms and conditions.

Retirement living - management fees
Retirement living revenue represents a fee that is contractually deducted from the incoming contribution that is paid back to a resident upon exit from a retirement village. Retirement living revenue is recognised over the expected length of stay of a resident.

Imputed Revenue on RAD and Bond Balances under AASB 16
For residents who have chosen a RAD or Bond arrangement to receive residential aged care services, the Company has determined that following the adoption of AASB 16, these are lease arrangements for accounting purposes with the Company acting as the lessor. The Company has recognised as revenue an imputed non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement. The accounting treatment required a non-cash increase in revenue for accommodation and a non-cash increase in finance cost on the outstanding RAD and Bond balance, with no net impact on the result for the period.

Interest revenue
Interest income is recognised on an accrual basis using the effective interest method.

<u>*Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)*</u>

Donations
Donations collected, including cash and goods for resale, are recognised as revenue when the group gains control of the asset.

Bequests
Bequests are recognised when the group is notified of an impending distribution or the bequest is received, whichever occurs earlier. Revenue from bequests comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the group becomes legally entitled to the shares or property.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

The Company recognises gains and losses from the sale of assets held for sale at the point in time that control transfers to the purchaser, which is when the legal title is transferred between parties, typically on settlement. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(f) Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Note 2. Significant accounting policies (continued)

(g) Financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses' (ECL) model. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and Fair Value through Other Comprehensive Income (FVOCI), trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The carrying value of trade and other receivables are deemed to be materially consistent with their fair values given their short term nature and after adjustment for expected future credit losses.

Management also considers whether any external factors, such as macro-economic changes, are expected to have an impact on future credit losses expected and, where applicable, overlay this into the assessment of future credit losses.

Balances are deemed to be in default, and therefore written off, when reasonable attempts to recover the balances have been exhausted.

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Company allows 100% for amounts that are 90 days past due.

(i) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Provisions

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

Note 2. Significant accounting policies (continued)

(k) Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received; net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Secured and unsecured loans have been obtained. While some loans are interest free, these have not been discounted to present values. Carrying amounts therefore represent the amount expected to be repaid at settlement. Unsecured loans are considered to be repayable at call and therefore presented as current liabilities.

(l) Finance costs
Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare 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 finance costs are recognised in the period in which they are incurred.

(m) Employee benefits
Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(n) Investment property
Investment property is held to generate long-term rental yields and capital growth. Independent valuations are obtained at least triennially and at the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market. Changes to fair value are recorded in the income statement as other income/expenses.

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

Property
Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, and generally triennial valuations, by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve directly in equity. All other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation
The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

Note 2. Significant accounting policies (continued)

Plant and Equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired. The following depreciation rates apply:

Capital Works in Progress	0%
Freehold Land	0%
Buildings	2.5% - 7%
Plant and Equipment	10%
Furniture, Fixtures and Fittings	20%
Motor Vehicles	20%
Office Equipment	20%
Computer Equipment	30%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(p) Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Bed licences
Bed licences are considered intangible assets in accordance with AASB 138 Intangible Assets and are stated at cost less any accumulated impairment losses. Bed licences were recognised at fair value upon transition to IFRS in 2005. Fair value was determined by reference to market prices at which the licences had been traded. It is considered that an active market for these licences has ceased to exist and consequently they are carried at their deemed cost, less any impairment.

The licences were originally considered to have an indefinite life and accordingly are not amortised. On the back of the Federal Government’s announcement to cease the Aged Care Approvals Round (ACAR) process by July 2024, the Company reassessed this position and noted that the licences would have a finite useful life till then. The licences are tested for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in government regulations and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset’s recoverable amount is calculated. Directors use external valuers triennially to assist in their assessment of impairment. During the year, the licences were fully impaired as a result of this assessment.

Note 2. Significant accounting policies (continued)

(q) Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

(r) Impairment of non-financial assets
At the end of each reporting year, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 Impairment of Assets are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(s) Resident loans and Accommodation bonds / Refundable Accommodation Deposits

Resident loans

Resident loan liabilities represent the assessed amount payable to a resident at balance sheet date in respect of the termination of the resident's occupation rights to an independent living unit in a retirement village. Resident loans are measured at face value plus the resident's share of any capital gains or losses, less any fees and charges accrued. Capital gains or losses are based on the market value of the underlying property as at reporting date.

Notwithstanding the expected term of an occupancy is several years, the resident has the option to terminate the residency agreement at any time. As this option constitutes a demand feature and the Company does not have the right to defer settlement for greater than 12 months, these loans are classified as current liabilities. Resident loans are stated net of deferred management fees (Refer Note 11). Experience has shown that the mean duration of occupation is between 7 and 9 years.

Accommodation bonds / Refundable Accommodation Deposits

Refundable Accommodation Deposits (RADs) and accommodation bonds are non-interest bearing deposits made by the aged care facility residents to the Company upon their admission. The liability for the RAD and accommodation bond is carried at the assessed amount that would be payable on exit of the resident. This is based on the amount received on entry of the resident less deductions for fees and retention pursuant to the Aged Care Act 1997. RADs and accommodation bonds are classified as current liabilities as the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The obligation to settle could occur at any time up to 14 days after the notification of departure. These amounts have been included in resident liabilities. Experience has shown that the average period of stay of the residents is between 2 and 3 years.

Note 2. Significant accounting policies (continued)

(t) Critical accounting estimates and judgments
The Directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgments are based on the best information available at the time of preparing the financial statements, however, the actual results may differ from the estimates. The significant estimates and judgments made have been described below.

Key estimates - fair value of land, buildings and investment property
The Company carries its land and buildings at fair value with changes in the fair value recognised in the revaluation reserve. The Company also carries its investment property at fair value with changes in the fair value recognised in the income statement. Independent valuations are obtained at least triennially and at the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

Key estimates – bed licences
Bed licences are stated at cost less any accumulated impairment losses. The Directors test bed licences for impairment annually. An independent valuation of bed licences was performed in the year ending 30 June 2022. This assessment noted that the Company's bed licences are fully impaired as a result of the impending cessation of the Aged Care Approvals Round (ACAR) process by July 2024 and other factors including the financial performance, conditions and geographic area of the facilities. In 2021, an impairment of $3,000,000 was recognised.

Key estimates – liquidity
The Company is required to maintain a certain level of liquidity in satisfying its obligations as an Approved Provider under the Aged Care Act 1997. This assessment requires judgment around the benchmark applied to monitor the adequacy of liquidity. The Company determines the benchmark by reference to a percentage of the Refundable Accommodation Deposits and a percentage of the resident loans and compares that benchmark against its available liquid funds which includes its cash and cash equivalents as well as its financing facility limits. During the year 30 June 2022, the Company applied a benchmark of 5% of the Refundable Accommodation Deposits balance. Under the Aged Care Act 1997, the Fees and Payments Principles 2014 (No. 2) and by reference to its liquidity policy, the Company breached its liquidity benchmark during the year as its liquid assets fell below its benchmark at different dates.

(u) Economic dependence
The continuing operation of the Company is dependent upon the Federal Government's aged care policies which provide subsidy funding for each bed licence by the Department of Health. The funding is subject to the facilities obtaining accreditation.

(v) Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market. Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(w) Income Tax
No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(x) Goods and Services Tax ('GST') and other similar taxes
Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST.
The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position. Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

Note 3. Revenue and other income

	2022 $	2021 $
Continuing operations		
Revenue from contracts with customers under AASB 15		
Revenue recognised over a period of time under AASB 15		
Government subsidies and grants	21,717,573	45,284,588
Resident fees, retentions and charges	11,595,456	22,064,932
Other operating income	176,929	287,223
Retirement village - management fees	1,008,710	892,533
	34,498,668	68,529,276
Revenue recognised under AASB 1058 (Income of Not-for-profit Entities)		
Donations and bequests (AASB 1058)	813	37,304
	813	37,304
Other revenue		
Interest income	7,100	1,596
Interest received - third parties	1,289	4,285
Imputed revenue on RAD/Bond (AASB 16)	4,867,231	5,214,418
	4,875,620	5,220,299
Revenue and other income from continuing operations	39,375,101	73,786,879
Other income		
Gain on sale of assets	1,371,323	125,455
Gain on revaluation of investment properties	4,599,023	-
	5,970,346	125,455

Discontinued Operations

	2022 $	2021 $
Revenue from contracts with customers under AASB 15		
Revenue recognised over a period of time under AASB 15		
Government subsidies and grants	21,116,599	-
Resident fees, retentions and charges	7,687,033	-
Other operating income	61,505	-
Revenue from discontinued operations	28,865,137	-
Other income		
Gain on sale of assets	43,296	-
Other income from discontinued operations	43,296	-

Note 4. Expenses

	2022 $	2021 $
Profit/(loss) includes the following specific expenses:		
Finance costs		
Imputed interest on RAD/Bond (AASB 16)	4,867,231	5,214,418
Interest and finance charges paid/payable on borrowings	541,378	550,338
RAD/accommodation bond settlement interest expense	431,197	328,241
Finance costs expensed	5,839,806	6,143,003

Note 5. Cash and cash equivalents

	2022 $	2021 $
Current assets		
Cash at bank and in hand	16,873,903	6,294,855

Restricted Cash and Bank balances

Capital Replacement Fund
Under the Retirement Villages Act 1999 (Queensland) (the Act), incorporating the Retirement Villages Amendments Act 2006 (Queensland) and the Retirement Villages Regulation 2010 (Queensland), the Company is required to provide a separate bank account as funds to replace the Maranatha Village's capital items. The amount required to be held in the fund is determined by an independent quantity surveyor's report and the Company is required to meet these funds within five years of commencement of the Act. The investments of the fund are restricted to investments authorised under Trust Act 1973 (Queensland). As at 30 June 2022, the balance in the Capital Replacement Fund was $319,832 (2021: $319,801).

Maintenance Reserve Fund
Under the Retirement Villages Act 1999 (Queensland) (the Act), the Company is required to provide a separate bank account for the purpose of maintaining and repairing the Maranatha Village's capital items. Residents are solely responsible for contributions to the fund. However if the amount held in the fund is less than the amount determined by an independent quantity surveyor's report, the Company is required to meet the expected maintenance and repair costs, and also required to meet the difference within five years of the commencement of the Act. As at 30 June 2022, the balance in the Maintenance Reserve Fund was $144,115 (2021: $144,101).

Note 6. Trade and other receivables

	2022 $	2021 $
Current assets		
Trade receivables	849,117	657,687
GST Receivable	3,145,301	409,345
Government subsidies receivable	493,294	(80,145)
Prepayments	309,952	403,027
	4,797,664	1,389,914

Note 6. Trade and other receivables (continued)

Trade and other receivables are categorised as financial assets at amortised costs. The carrying value of trade and other receivables are deemed to be materially consistent with their fair values given their short-term nature and after adjustment for expected future credit losses.

Management also considers whether any external factors, such as macro-economic changes are expected to have an impact on future credit losses expected and, where applicable, overlay this into the assessment of future credit losses.

Balances are deemed to be in default, and therefore written off, when reasonable attempts to recover the balances have been exhausted.

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Company allows 100% for amounts that are 90 days past due.

Note 7. Investment properties

	2022 $	2021 $
Non-current assets		
Independent living units	99,035,531	94,436,508

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Balance at beginning of year	94,436,508	98,450,719
Additions for the year	-	94,759
Disposals for the year	-	(4,209,739)
Transfers	-	100,769
Gain on revaluation of investment property	4,599,023	-
Closing fair value	99,035,531	94,436,508

The independent living units of the Company are classified as investment properties as these units meet the definition of ‘investment property’ in accordance with AASB 140 Investment Property. Investment property is property held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties of the Company are measured at fair value with any changes therein recognised in the statement of profit or loss and other comprehensive income. During the year, fair value gain on revaluation of $4,599,023 was recorded (2021: Nil).

The Company's investment properties were revalued at 30 June 2022 based on the values determined by the independent valuer Nelson Partners. Independent valuations are obtained at least triennially and at the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

Note 8. Property, plant and equipment

	2022 $	2021 $
Non-current assets		
Buildings at fair value	65,695,104	107,886,985
Less: Buildings - accumulated depreciation	(4,332,716)	(5,035,949)
Add: revaluation	1,558,879	-
Transfer to non-current assets held for sale	-	(39,570,995)
	62,921,267	63,280,041
Freehold land at fair value	38,799,980	53,993,073
Transfer to non-current assets held for sale	-	(23,221,765)
	38,799,980	30,771,308
Plant and equipment - at cost	7,403,644	11,113,937
Less: Plant and equipment - accumulated depreciation	(2,584,357)	(4,369,597)
Transfer to non-current assets held for sale	-	(3,157,240)
	4,819,287	3,587,100
Furniture & Fittings - at cost	5,818,107	8,023,813
Less: Furniture & Fittings - accumulated depreciation	(4,671,449)	(5,765,593)
	1,146,658	2,258,220
Motor vehicles - at cost	868,744	1,358,539
Less: Motor Vehicles - accumulated depreciation	(411,122)	(712,172)
	457,622	646,367
Computer equipment - at cost	860,402	936,259
Less: Computer Equipment - Accumulated depreciation	(523,379)	(489,296)
	337,023	446,963
Office equipment - at cost	153,959	165,125
Less: Office Equipment - accumulated depreciation	(124,385)	(136,134)
	29,574	28,991
Capital Works in Progress	-	41,804
	108,511,411	101,060,794

The Company's land and buildings were revalued at 30 June 2022 based on the values determined by the independent valuer Nelson Partners. The Company's policy is to generally perform independent valuations of its land and buildings triennially. Valuations are made on the basis of open market value in an arm’s length transaction based on similar properties. The Directors believe the carrying value of the land and buildings correctly reflects the fair value of land and buildings less costs to sell at 30 June 2022.

	Capital Works in Progress $	Land $	Buildings $	Plant and Equipment $
Balance at 1 July 2021	41,804	30,771,308	63,280,041	3,587,100
Additions	-	-	735,559	2,131,302
Disposals	-	(1,435,806)	(297,232)	-
Transfers	(41,804)	-	41,804	-
Depreciation expense	-	-	(2,397,784)	(899,115)
Revaluation	-	9,464,478	1,558,879	-
Balance at 30 June 2022	-	38,799,980	62,921,267	4,819,287

Note 8. Property, plant and equipment (continued)

	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Total
	$	$	$	$	$
Balance at 1 July 2021	2,258,220	646,367	28,991	446,963	101,060,794
Additions	324,858	470,535	23,033	102,538	3,787,825
Disposals	(449,156)	(450,107)	(9,460)	(27,419)	(2,669,180)
Transfers	-	-	-	-	-
Depreciation expense	(987,264)	(209,173)	(12,990)	(185,059)	(4,691,384)
Revaluation	-	-	-	-	11,023,357
Balance at 30 June 2022	1,146,658	457,622	29,574	337,023	108,511,411

Note 9. Intangibles

	2022 $	2021 $
Non-current assets		
Computer Software - at cost	3,563,568	3,294,064
Less: Computer software - accumulated depreciation	(1,543,267)	(923,969)
	2,020,301	2,370,095
Bed licences - at cost	-	12,770,000
Software projects in progress	-	274,336
Total	2,020,301	15,414,431

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

	Bed licences $	Software projects in progress $	Computer software $	Total $
Balance at 1 July 2021	12,770,000	274,336	2,370,095	15,414,431
Additions	-	4,200	8,835	13,035
Additions through business combinations	-	-	-	-
Classified as held for sale (note 17)	-	-	-	-
Disposals	-	-	(10,991)	(10,991)
Transfers in/(out)	-	(278,536)	278,536	-
Amortisation	-	-	(626,174)	(626,174)
Impairment	(12,770,000)	-	-	(12,770,000)
Balance at 30 June 2022	-	-	2,020,301	2,020,301

a) Bed licences are stated at cost less any accumulated impairment losses. The Directors test bed licences for impairment annually. An independent valuation of bed licences was performed in the year ending 30 June 2022. This assessment noted that the Company's bed licences are fully impaired as a result of the impending cessation of the Aged Care Approvals Round (ACAR) process by July 2024 and other factors including the financial performance, conditions and geographic area of the facilities. In 2021, an impairment of $3,000,000 was recognised.

Note 10. Trade and other payables

	2022 $	2021 $
Current liabilities		
Trade payables	2,783,835	2,890,676
Employee related accruals	2,026,161	1,963,299
Deposits	57,026	52,879
Sundry payables and accrued expenses	3,689,737	387,929
	8,556,759	5,294,783

Note 11. Contract liabilities

	2022 $	2021 $
Current liabilities		
Contract liabilities – deferred management fees	1,154,474	789,204
	1,154,474	789,204

Unearned income consists of ILU entry contributions received in advance for services to be provided by the Company. The unearned income is recognised as deferred management fee income as and when the services are performed.

Note 12. Borrowings

	2022 $	2021 $
Loans – non-current liabilities	-	10,000,000
Loans – current liabilities	7,015,081	-

In July 2020, the Company obtained a 24-month, $10m loan to assist with its working capital requirements. During the 2022 financial year, the Company repaid a portion of the loan and the loan term was extended to December 2022. In October 2022, the term for the remaining loan balance of $5,100,000 was extended to December 2023. The other portion relates to a separate loan from the Department of Health under the Refundable Accommodation Deposit Support Loan Program. The balance of this loan, $1,915,081, was fully repaid in September 2022.

Note 13. Provisions

	2022 $	2021 $
Current liabilities		
Annual leave provision	2,827,031	2,566,793
Long service leave	627,504	464,916
	3,454,535	3,031,709
Non-current liabilities		
Long service leave	469,617	613,658
	3,924,152	3,645,367

Note 14. Resident liabilities

	2022 $	2021 $
Current liabilities		
Refundable accommodation deposits / accommodation bonds	82,405,653	80,753,760
Resident loans - retirement village	47,553,996	48,258,986
Capital gains provision - retirement village	2,276,750	2,656,250
	132,236,399	131,668,996

Note 14. Resident liabilities (continued)

(a) Refundable accommodation deposits / accommodation bonds
The resident accommodation deposits and bonds do not bear interest. The Commonwealth Department of Health requires that the Company must have adequate liquidity to cater for the repayment of resident accommodation bonds received as prescribed by the Aged Care Act 1997 and the Fees and Payments Principles 2014 (No. 2). To this end the Company maintains a liquidity management strategy ("LMS") to ensure that adequate liquidity is maintained to refund any bond balances that may fall due. The LMS is reviewed and updated annually or at times of significant change to adjust for any change in the liquidity requirements. Ordinarily, the repayment of refundable accommodation deposits and accommodation bonds are funded by the contributions of the new incoming residents.

(b) Resident loans
The resident loans do not bear interest. Ordinarily, the repayments of the resident loans are funded by the contributions of the new incoming residents.

(c) Capital gains provision
In accordance with their contract, some retirement village residents are entitled to a portion of the capital gain on the revaluation achieved on the sale of their unit. The provision is determined by reference to estimated capital gain for each unit calculated on the number of remaining units subject to such provision.

Note 15. Reserves

(a) Asset revaluation reserve
The asset revaluation reserve records unrealised gains on revaluation of property, plant and equipment recorded at fair value.

(b) General reserve
The general reserve records funds set aside for future expansion of Christadelphian Homes Limited.

	2022 $	2021 $
Revaluation reserve	28,540,369	32,987,882
General reserve	1,551,104	1,551,104
	30,091,473	34,538,986

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Movements in reserves
Movements in each class of reserve during the current financial year are set out below:

	Revaluation reserve $	General reserve $	Total $
Balance at 1 July 2021	32,987,882	1,551,104	34,538,986
Transfer to accumulated funds	(15,470,870)	-	(15,470,870)
Revaluation - gross	11,023,357	-	11,023,357
Balance at 30 June 2022	28,540,369	1,551,104	30,091,473

Note 16. Accumulated funds

	2022 $	2021 $
Accumulated funds at the beginning of the financial year	57,989,280	72,133,046
Transfer from revaluation reserve	15,470,870	-
Profit/(loss) for the year	(25,199,678)	(14,143,766)
Accumulated funds at the end of the financial year	48,260,472	57,989,280

Note 17. Assets classified as held for sale

As at 30 June 2021, the Company had resolved to divest some of its facilities effectively resolving that the carrying amount of the non-current assets relating to these facilities would be recovered principally through a sale transaction rather than through continuing use. Balances relating to the disposal group are shown below.

On 29 June 2022, the Company completed the divestment of Casa Mia, Chamberlain Gardens and Southhaven facilities for net consideration of $25,802,476. The net assets as at the date of sale were $25,759,180. As a result, a gain on sale of $43,296 was recognised in the financial statements.

As disclosed in Note 3, revenue from discontinued operations was $28,865,137. Combined with the gain on sale of $43,296 and net of expenses from discontinued operations of $37,020,680, the net loss from discontinued operations during the year was $8,112,247.

(a) Non-current assets classified as held for sale

	2022 $	2021 $
Current assets		
Property, plant and equipment	-	65,950,000
Bed licences	-	8,550,000
Other assets	-	446,514
	-	74,946,514

(b) Liabilities directly associated with assets classified as held for sale

	2022 $	2021 $
Current liabilities		
Resident liabilities	-	46,743,378
Provisions	-	2,873,022
	-	49,616,400

Note 18. Cash Flow Information

Reconciliation of result for the year to cash flows from operating activities

	2022 $	2021 $
Surplus / (deficit) for the year	(25,199,678)	(14,143,766)
Adjustments to reconcile surplus or (deficit) to net cash flows		
Depreciation and impairment	5,317,558	5,388,965
Impairment of bed licences	12,770,000	3,000,000
Gain on sale of assets and gain on revaluation of investment properties	(6,013,642)	(125,455)
Imputed revenue on RAD and bond balances (AASB 16)	(4,867,231)	(5,214,418)
Imputed interest on RAD and bond balances (AASB 16)	4,867,231	5,214,418
	12,073,916	8,263,510
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(3,407,750)	331,264
Increase/(decrease) in trade and other payables	3,261,976	(855,578)
Increase/(decrease) in unearned revenue	365,270	320,605
Increase/(decrease) in provisions	278,785	744,905
	498,281	541,196
Cash flow from operations	(12,627,481)	(5,339,060)

Note 19. Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and the ACNC Act 2012 and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Company. At 30 June 2022, the number of members was 281 (2021: 290).

Note 20. Key management personnel disclosures

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 is considered key management personnel. Key management personnel of Christadelphian Homes Limited are the Company’s senior executives.

The total remuneration paid to key management personnel of the Company was $2,937,221 (2021: $3,084,324). There were no tools of trade provided to Directors during the year to assist them in fulfilling their role as Directors of the Company (2021: Nil).

Note 21. Contingencies

The borrowing facilities of the Company are secured by a first mortgage over certain Company assets.

In the opinion of the Directors, the Company did not have any other contingencies at 30 June 2022 (2021: Nil) other than those disclosed above.

Note 22. Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities are:

	2022 $	2021 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment and investment properties:		
not later than one year	-	225,400

Note 23. 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 remuneration is disclosed in Note 20. There were no other related party transactions during the year.

Note 24. Disclosure in respect of the Charitable Fundraising Act 1991 (NSW)

The Company undertook fundraising appeals throughout the year and holds an authority to fundraise under the Charitable Fundraising Act 1991 (NSW). The Company has disclosed the fundraising income statement below in respect of fundraising activity conducted with non-members. Proceeds from members are not considered to be fundraising activity in accordance with the Charitable Fundraising Act 1991 (NSW) and therefore are not included in the information below.

(a) Fundraising Income Statement

	2022 $	2021 $
Donations	813	37,304

(b) Accounting principles and methods adopted in fundraising accounts

The fundraising financial statements have been prepared on an accrual basis in accordance with Australian Accounting Standards as per Note 1. Cost of fundraising includes all direct fundraising costs in accordance with the Act. Any surplus arising from fundraising appeals is applied to the charitable purposes of the Company.

Note 25. Impact of COVID-19

At the onset of COVID-19 during early March 2020, there was uncertainty as to the impact of the pandemic on the operations of the Company. The Company continued to operate with various risk mitigation strategies in place. The pandemic affected the Company’s service delivery, including new measures for residents, staff, visitors and contractors. The demand for the Company’s services was also impacted. Management’s focus was to control working capital and introduce mandatory expense savings measures. The Company has carefully considered the impact of COVID-19 in preparing its financial statements for the year ended 30 June 2022. The key impacts on the financial statements, including the application of critical estimates and judgments are as follows:

Note 25. Impact of COVID-19 (continued)

Fair value of properties
The Company has assessed the impact of COVID-19 on the fair value of land and buildings and on the fair value of investment properties and determined that there was no significant impact of COVID-19 on the fair value of the Company's properties.

Assessment of impairment of non-financial assets
The Company assessed plant and equipment and intangible assets for indicators of impairment. The Company prepared an assessment of impairment on its non-financial assets. Whilst this was not directly related to the effects of COVID-19, an impairment of bed licences was recognised during the year.

Provision for credit losses
The Company has assessed the impact of COVID-19 when assessing credit risk and measuring expected future credit losses including past events and current conditions. There were no material provisions for credit losses reported as a result of COVID-19.

Reimbursement of COVID-19 expenses by Federal Government
The Federal Government has committed to the reimbursement of eligible COVID-19 expenses related to outbreaks at all facilities. The Company has incurred significant COVID-19 outbreak expenses during 2021 and 2022, and anticipates reimbursement of the eligible expenses during the current financial year

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	2022 $	2021 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit of the financial report, prudential compliance report and other special purpose financial reports	86,000	80,000
Other services - Grant Thornton Audit Pty Ltd		
Preparation of financial reports	6,000	5,300
	92,000	85,300

Note 27. Events after the reporting period

In September 2022 the Company fully repaid the balance of $1,915,081 of the loan it held from the Department of Health under the Refundable Accommodation Deposit Support Loan Program. In October 2022, the Company extended the term of its separate third-party loan from December 2022 to December 2023. The balance of this loan at year-end was $5,100,000. These measures will further improve the liquidity position of the Company. In addition, the Company has assessed the impact of the facility sales, the return of offline beds and ILUs back online, and future sales, the reimbursement of eligible COVID-19 expenses for financial years 2021 and 2022 by the Federal Government, and the expected positive impact of the new AN-ACC funding model introduced by the Federal Government subsequent to year-end and expects to achieve a positive cash operating result for 2022/23.

No other matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 28. Company Details

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

Christadelphian Homes Limited
15 Gloucester Avenue
NORTH PARRAMATTA NSW 2151

Christadelphian Homes Limited
Directors' declaration
30 June 2022

The Directors of the Company declare that:

1) The financial statements and notes of Christadelphian Homes Limited, as set out on pages 1 to 27, are in accordance with and complying with the Australian Charities and Not-for-profits Commission Act 2012, including:

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

(b) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013; and

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

This declaration is made in accordance with a resolution of the Board of Directors.

Ken Pooley

K Pooley
Director

D Green
Director

3 November 2022
Sydney

Christadelphian Homes Limited
Charitable Fundraising Act 1991 Declaration
30 June 2022

DECLARATION BY PRINCIPAL OFFICER OF CHRISTADELPHIAN HOMES LIMITED

I, Ross Peden, Principal Officer of Christadelphian Homes Limited, declare that:

a) the Company is able to pay all of its debts as and when the debts become due and payable;

b) the financial statement satisfies the requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2021;

c) the contents of the financial statement are true and fair;

d) the Company has appropriate and effective internal controls.

Christadelphian Homes Limited

Ross Peden
Principal Officer

Dated: 3 November 2022
Sydney

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230

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Auditor's Independence Declaration

To the Directors of Christadelphian Homes Limited

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Christadelphian Homes Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

B Narsey
Partner - Audit & Assurance

Sydney, 3 November 2022

GrantThornton

Grant Thornton Audit Pty Ltd
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Queen Victoria Building NSW
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Independent Auditor's Report

To the Members of Christadelphian Homes Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Christadelphian Homes Limited (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the financial report of the Christadelphian Homes Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act"), including:

a. giving a true and fair view of the Registered Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

b. complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Events after the reporting period

We draw attention to Note 27 of the financial report, which indicates certain events occurring subsequent to year-end, including the extension of the Registered Entity's third-party loan term from December 2022 to December 2023 and other operating factors. These events form part of the measures taken by the Registered Entity to improve its liquidity position and mitigate financial risks and uncertainty arising from the COVID-19 pandemic and industry trading conditions. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

Those charged with governance are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon. The other information also comprises the Declaration by the Principal Officer.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the ACNC Act and the Charitable Fundraising Act (NSW) 1991, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Registered Entity'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 Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Registered Entity's financial reporting process.

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Registered Entity.
- Conclude on the appropriateness of the Registered Entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B Narsey
Partner – Audit & Assurance

Sydney, 3 November 2022

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