

**Huntingdon Nursing Home Pty Limited And
Controlled Entity
ABN 86 001 405 447**

**Financial Report
For the Year Ended 30 June 2022**

**HUNTINGDON NURSING HOME PTY LIMITED
AND CONTROLLED ENTITY
A.B.N. 86 001 405 447**

**Financial Report
For the year ended 30 June 2022**

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HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

A.B.N. 86 001 405 447

Directors' Report For the year ended 30 June 2022

Your directors present their report on the company and its controlled entity for the financial year ended 30 June 2022.

Directors

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

- Frank Moschella
- Christine Moschella
- Rosemarie Moschella
- Joseph Moschella

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

Review of operations

The consolidated profit of the consolidated group for the financial year after providing for income tax amounted to \$2,807,693 (2021: \$3,091,621).

A review of the operations of the consolidated group during the financial year and the results of those operations are as follows:

The company's operations during the year performed as expected in the opinion of the directors.

Significant changes in the state of affairs

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

Principal activities

The principal activities of the consolidated group during the financial year were delivering residential aged care services.

No significant change in the nature of these activities occurred during the year.

Events subsequent to the end of the reporting period

No item, transaction or event of a material and unusual nature has occurred since 30 June 2022, which is likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of these operations, or the state of affairs of the company, in future financial years.

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Directors' Report For the year ended 30 June 2022

Likely developments and expected results of operations

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

Environmental regulation

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

Dividends

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

- a) Franked dividends of \$1,874,297 were paid during the year.
- b) There were no dividends recommended or declared for payment to members during the year that have not been paid or credited to the member throughout the year.

Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares or interests in the company or a controlled entity have been issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of officers

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

Proceedings on behalf of the company

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

The consolidated group was not a party to any such proceedings during the year.

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Directors' Report

For the year ended 30 June 2022

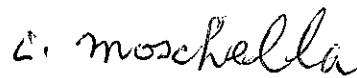
Auditor's independence declaration

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 6.

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



Frank Moschella
Director



Christine Moschella
Director

Dated this 9th day of October 2022

**AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF HUNTINGDON NURSING HOME PTY LTD**

I declare that, to the best of my knowledge and belief during the year ended 30th June 2022, there have been:

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



Peter Wyatt CPA

Reg. Company Auditor

9 October 2022

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	Consolidated Group	
		2022	2021
		\$	\$
Revenue	3	19,886,084	19,118,367
Other income	3	386,716	503,795
Employee benefits expense	4	(11,046,257)	(10,457,695)
Depreciation and amortisation	4	(1,327,291)	(1,263,341)
Finance costs	4	(260,426)	(196,601)
Cleaning, repairs & maintenance		(1,177,742)	(1,205,261)
Catering costs		(938,983)	(792,189)
Medical supplies		(426,320)	(570,357)
Recoverable resident expenses		(209,400)	(216,926)
Rates, land tax and utilities cost		(487,761)	(532,751)
Other expenses		(691,919)	(744,316)
Profit before income tax		<u>3,706,701</u>	<u>3,642,725</u>
Income tax (expense) income	5	(899,008)	(1,145,095)
Profit for the year		<u>2,807,693</u>	<u>2,497,630</u>
Other comprehensive income			
Gain on sale of non-current asset		-	593,991
Total other comprehensive income for the year		<u>-</u>	<u>593,991</u>
Total comprehensive income for the year		<u>2,807,693</u>	<u>3,091,621</u>

The accompanying notes form part of this financial report

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

A.B.N. 86 001 405 447

Consolidated Statement of Financial Position

For the year ended 30 June 2022

		Consolidated Group	
	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	7	24,834,198	13,733,382
Trade and other receivables	8	1,129,375	14,564,856
Total current assets		<u>25,963,573</u>	<u>28,298,238</u>
Non-current assets			
Other financial assets	9	1,070,962	1,370,962
Property, plant and equipment	10	35,033,934	36,193,229
Deferred tax assets	11	378,941	364,241
Total non-current assets		<u>36,483,837</u>	<u>37,928,432</u>
Total Assets		<u>62,447,410</u>	<u>66,226,670</u>
Current Liabilities			
Trade and other payables	12	50,631,598	54,002,474
Borrowings	15	1,600,000	1,600,000
Current tax liabilities	13	235,927	365,630
Provision for employee entitlements	14	1,147,039	836,621
Total current liabilities		<u>53,614,564</u>	<u>56,804,725</u>
Non-current liabilities			
Borrowings	15	4,840,337	6,473,214
Provision for employee entitlements	14	730,726	620,344
Total non-current liabilities		<u>5,571,063</u>	<u>7,093,558</u>
Total liabilities		<u>59,185,627</u>	<u>63,898,283</u>
Net assets		<u>3,261,783</u>	<u>2,328,387</u>
Equity			
Issued capital	16	34	34
Retained profits	17	3,261,749	2,328,353
Total equity		<u>3,261,783</u>	<u>2,328,387</u>

The accompanying notes form part of this financial report

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Consolidated Statement of Changes in Equity For the year ended 30 June 2022

Consolidated group	Share capital	Retained earnings
	\$	\$
Balance at 1 July 2020	34	7,203,747
Profit for the year	-	2,497,630
Other comprehensive income for the year	-	593,991
Dividends paid	6	(7,967,015)
Balance at 30 June 2021	<u>34</u>	<u>2,328,353</u>
Balance at 1 July 2021	34	2,328,353
Profit for the year	-	2,807,693
Other comprehensive income for the year	-	-
Dividends paid	6	(1,874,297)
Balance at 30 June 2022	<u>34</u>	<u>3,261,749</u>

The accompanying notes form part of this financial report

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	Consolidated Group	
		2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		19,835,843	19,306,704
Payments to suppliers and employees		(14,683,280)	(14,043,536)
Proceeds from refundable accommodation deposits		13,111,630	9,934,092
Interest received		65,846	131,071
Finance costs		(260,426)	(212,601)
Income tax		(1,043,411)	(729,028)
Repayment of refundable accommodation deposits		(16,406,836)	(15,332,480)
Net cash flow from operating activities	22	<u>619,366</u>	<u>(945,778)</u>
Cash flow from investing activities			
Payments for acquisitions of property, plant and equipment		(167,996)	(337,249)
Proceeds from sale of property, plant and equipment		13,856,620	-
Loans to related parties			
- Payments made		-	-
- Proceeds received		-	-
Net cash flow from investing activities		<u>13,688,624</u>	<u>(337,249)</u>
Cash flow from financing activities			
Proceeds from borrowings		-	8,000,000
Repayment of borrowings		(1,332,877)	(1,429,990)
Dividend paid		(1,874,297)	(7,967,015)
Net cash flow from financing activities		<u>(3,207,174)</u>	<u>(1,397,005)</u>
Net increase/(decrease) in cash held		<u>11,100,816</u>	<u>(2,680,032)</u>
Cash and cash equivalents as at beginning of financial year		13,733,382	16,413,414
Cash and cash equivalents as at end of financial	7	<u><u>24,834,198</u></u>	<u><u>13,733,382</u></u>

The accompanying notes form part of this financial report

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

The consolidated financial report and notes represent those of Huntingdon Nursing Home Pty Limited and Controlled Entity (the “consolidated group” or “group”). Huntingdon Nursing Home Pty Limited is a company limited by shares, incorporated and domiciled in Australia.

The separate financial report of the parent entity, Huntingdon Nursing Home Pty Limited, has not been presented within this financial report as permitted by the Corporations Act 2001.

Note 1: Summary of significant accounting policies

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards-Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial report are presented below and have been consistently applied unless stated otherwise.

The financial report, except for cash flow information, has been prepared on an accruals basis and is based on historical costs. The amounts presented in the financial report have been rounded to the nearest dollar.

Accounting policies

(a) Principles of consolidation

The consolidated financial report incorporates all of the assets, liabilities and results of the parent and the subsidiary. The subsidiary is an entity the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiary is provided in Note 25.

The assets, liabilities and results of the subsidiary are fully consolidated into the financial report of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of the subsidiary have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(b) Income tax

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

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

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

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

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

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

(c) Property, plant and equipment

Property

Freehold land and buildings are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of Freehold land and buildings is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Accounting Policy note - Impairment).

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Accounting Policy note - Impairment).

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences 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. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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

Class of fixed asset	Depreciation rate
Buildings	2.50%
Plant and Equipment	2.0-66.0%
Motor Vehicles	12.5-22.5%
Furniture and Fittings	10.0-40.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(d) Impairment of asset

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belong. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(e) Intangibles

General

Intangible assets acquired separately are capitalised at cost as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on intangible assets with finite lives, this expense is taken to the income statement through the 'Depreciation and Amortization' line item.

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

(e) Intangibles (continued)

Intangible assets created within the business are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred. Intangible assets are tested for impairment where an indicator of impairment exist, and in the case of intangible assets with indefinite useful lives, annually, either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Bed licences

The intangible assets recognised relates to bed licences acquired from third parties during recent financial years. All licences are initially recognised at cost and are continued to be carried at that value, less any accumulated impairment loss. Bed licences are assessed as having indefinite lives and as a result no amortisation is charged against the asset. These bed licences are tested for impairment on an annual basis.

(f) Employee benefits

(i) Short term employee benefits

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

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

(ii) Long term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(g) Provisions

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

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY
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Notes to the Consolidated Financial Report
For the year ended 30 June 2022

(h) Cash and cash equivalents

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

(i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable. All revenue is stated net of the amount of goods and services tax (GST).

(j) Trade and other receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

(k) Trade and other payables

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

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

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Notes to the Consolidated Financial Report
For the year ended 30 June 2022

(m) Comparative figures

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

Where the group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(n) Refundable accommodation deposits

Refundable accommodation deposits are non-interest bearing deposits made by aged care facility residents to Huntingdon Nursing Home Pty Limited upon their admission. The liability for refundable accommodation deposits is carried at the amounts that would be payable on exit of the resident.

This is the amount received on entry of the resident less deduction for fees and retentions pursuant to the Aged Care Act 1997. Refundable accommodation deposits are classified as current liabilities as Huntingdon Nursing Home Pty Limited 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. On departure by the resident, interest payable is accrued on refundable accommodation deposits until they are repaid.

(o) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

(p) Lease (the company as lessee)

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (lease with a remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

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Notes to the Consolidated Financial Report
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(p) Lease (the company as lessee) (continued)

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payment made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company does not act as a lessor in relation to lease contracts.

(q) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY
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Notes to the Consolidated Financial Report
For the year ended 30 June 2022

Note 2: Parent information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of financial position	2022	2021
	\$	\$
Assets		
Current assets	25,963,573	14,412,012
Non-current assets	36,483,937	51,219,330
Total assets	<u>62,447,510</u>	<u>65,631,342</u>
Liabilities		
Current liabilities	53,614,564	62,609,670
Non-current liabilities	5,571,063	1,093,560
Total Liabilities	<u>59,185,627</u>	<u>63,703,230</u>
Equity		
Issued capital	34	34
Retained earnings	3,261,849	1,928,078
Total equity	<u>3,261,883</u>	<u>1,928,112</u>
Statement of comprehensive income		
Total profit	<u>3,208,068</u>	<u>2,694,081</u>
Total comprehensive income	3,208,068	2,694,081

Guarantees

At 30 June 2022, Huntingdon Nursing Home Pty Limited had granted a guarantee to its subsidiary over a finance facility used to purchase land.

Contingent liabilities

At 30 June 2022, Huntingdon Nursing Home Pty Limited had no contingent liability.

Contractual commitments

At 30 June 2022, Huntingdon Nursing Home Pty Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment.

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

A.B.N. 86 001 405 447

Notes to the Consolidated Financial Report

For the year ended 30 June 2022

	Consolidated group	
	2022	2021
	\$	\$
Note 3: Revenue and other income		
Revenue		
Fees received from residents	6,782,302	6,637,622
Government subsidies	13,103,782	12,480,745
	<u>19,886,084</u>	<u>19,118,367</u>
Other income		
Interest received	65,846	131,071
Other revenue	216,870	80,884
Workforce retention bonus	104,000	291,840
	<u>386,716</u>	<u>503,795</u>
	<u>20,272,800</u>	<u>19,622,162</u>
Note 4: Profit before income tax		
Employee benefits expense		
Wages	8,436,732	8,269,991
Superannuation	841,772	783,206
Leave payments	1,108,996	736,532
Payroll tax & insurance	619,267	631,353
Agency & recruitment	13,290	-
Staff training & welfare	26,200	36,613
	<u>11,046,257</u>	<u>10,457,695</u>
Depreciation and amortisation expenses		
Depreciation	1,327,291	1,247,341
Amortisation	-	16,000
	<u>1,327,291</u>	<u>1,263,341</u>
Finance Costs		
Interest to other persons/corporations	<u>260,426</u>	<u>196,601</u>
Note 5: Tax expenses		
The components of tax expense (income) comprise:		
Current tax liability for the year	913,708	1,203,956
Deferred tax	(14,700)	(58,861)
	<u>899,008</u>	<u>1,145,095</u>

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

	Consolidated group	
	2022	2021
	\$	\$
Note 6: Dividends proposed or paid		
Dividends paid to members during the year: fully franked	<u>1,874,297</u>	<u>7,967,015</u>
Note 7: Cash and cash equivalents		
Term deposits	20,800,000	9,100,000
Cash at bank	<u>4,034,198</u>	<u>4,633,382</u>
	<u>24,834,198</u>	<u>13,733,382</u>
Reconciliation of cash		
Cash and cash equivalents	<u>24,834,198</u>	<u>13,733,382</u>
Total cash and cash equivalents	<u>24,834,198</u>	<u>13,733,382</u>
Note 8: Trade and other receivables		
Current		
Trade receivables	1,064,569	647,554
GST recoverable	64,806	60,682
Receivable from sale of freehold property	-	13,856,620
Total trade and other receivables	<u>1,129,375</u>	<u>14,564,856</u>
Note 9: Other financial assets		
Non-current		
Loan-Chadhawk Trust-pre 1997	853,065	853,065
Loan-Chadhawk Trust	<u>217,897</u>	<u>517,897</u>
Total other financial assets	<u>1,070,962</u>	<u>1,370,962</u>
Note 10: Property, plant and equipment		
Land and buildings – at cost		
Land and buildings – Huntingdon Gardens	38,775,379	38,775,379
Land and buildings – Belrose	-	-
Accumulated depreciation & impairment	<u>(6,741,843)</u>	<u>(6,100,176)</u>
Total land and buildings	<u>32,033,536</u>	<u>32,675,203</u>

Land and buildings are carried at cost less accumulated depreciation. The directors have assessed the carrying amount of land and buildings and are of the view that the realisable value of land and buildings is in excess of the carrying amount.

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

	Consolidated group		
	2022	2021	
	\$	\$	
Note 10: Property, plant and equipment (continued)			
Plant and equipment – at cost			
Plant & equipment	8,145,158	7,997,564	
Accumulated depreciation & impairment	(5,549,081)	(4,929,804)	
	<u>2,596,077</u>	<u>3,067,760</u>	
Motor vehicles	144,497	144,497	
Accumulated depreciation & impairment	(110,193)	(105,263)	
	<u>34,304</u>	<u>39,234</u>	
Furniture, fittings & office equipment	1,012,817	992,415	
Accumulated depreciation & impairment	(642,800)	(581,383)	
	<u>370,017</u>	<u>411,032</u>	
Total plant and equipment	<u>3,000,398</u>	<u>3,518,026</u>	
Total property, plant and equipment	<u>35,033,934</u>	<u>36,193,229</u>	
	Buildings	Plant & equipment	Total
Carrying amount at 1 July 2020	40,918,477	3,945,443	44,863,920
Additions	94,969	200,666	295,635
Disposals	(7,696,658)	(22,327)	(7,718,985)
Depreciation	(641,585)	(605,756)	(1,247,341)
Carrying amount at 30 June 2021	<u>32,675,203</u>	<u>3,518,026</u>	<u>36,193,229</u>
Carrying amount at 1 July 2021	32,675,203	3,518,026	36,193,229
Additions	-	167,996	167,996
Disposals	-	-	-
Depreciation	(641,667)	(685,624)	(1,327,291)
Carrying amount at 30 June 2022	<u>32,033,536</u>	<u>3,000,398</u>	<u>35,033,934</u>
Note 11: Deferred tax assets			
Deferred tax assets	<u>378,941</u>	<u>364,241</u>	
Deferred tax assets comprise temporary differences attributable to:			
Provisions and accruals	469,441	364,241	
Accrued income	(90,500)	-	
Closing balance of deferred tax assets	<u>378,941</u>	<u>364,241</u>	

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

	Consolidated group	
	2022	2021
	\$	\$
Note 12: Trade and other payables		
Current		
Trade and other payables	301,255	274,088
Income in advance	348,069	402,079
Other payables	285,093	307,924
Refundable accommodation deposits	49,697,181	53,018,383
Total trade and other payables	<u>50,631,598</u>	<u>54,002,474</u>
Note 13: Current tax (asset)/liability		
Opening balance	365,630	(109,298)
Income tax refund/(payment)	(127,224)	457,774
PAYG instalments paid to ATO	(916,187)	(1,186,802)
Income tax liability for current period	913,708	1,203,956
Total current tax (asset)/liability	<u>235,927</u>	<u>365,630</u>
Note 14: Provision for employee entitlements		
Current		
Provision for RDO	18,776	13,443
Provision for counter leave	17,073	14,041
Provision for holiday pay	1,111,190	809,137
	<u>1,147,039</u>	<u>836,621</u>
Non-current		
Provision for long service leave	730,726	620,344
Total provision for employee entitlements	<u>1,877,765</u>	<u>1,456,965</u>
Note 15: Borrowings		
Current		
Bank loan (secured)	<u>1,600,000</u>	<u>1,600,000</u>
Non-current		
Bank loan (Secured)	4,399,990	5,999,998
Loan-Aspic Holdings Pty Ltd	440,347	473,216
	<u>4,840,337</u>	<u>6,473,214</u>
Total borrowings	<u>6,440,337</u>	<u>8,073,214</u>

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

	Consolidated group	
	2022	2021
	\$	\$
Note 16: Issued capital		
Ordinary shares	34	34
Share movements		
Shares issued at beginning of the year	34	34
Movement in ordinary shares	-	-
Shares on issue at end of the reporting period	34	34

Fully paid ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, or via a show of hands.

Note 17: Retained earnings

Retained earnings at the beginning of the financial year	2,328,353	7,203,747
Add		
Net profit attributable to members of the company	3,706,701	4,236,716
Less		
Income tax expense	(899,008)	(1,145,095)
Dividend paid	(1,874,297)	(7,967,015)
Retained earnings at the end of the financial year	3,261,749	2,328,353

Note 18: Key management personnel compensation

There was no remuneration paid to the company's directors during the year.

Note 19: Events after the reporting period

The directors are not aware of any significant events since the end of the reporting period.

Note 20: Related parties transactions

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

(a) Huntingdon Nursing Home Pty Limited has received management services from Trinity Management Services Pty Limited. The management fee paid is based on normal commercial terms and conditions. Frank Moschella is one of the two directors of Trinity Management Services Pty Limited.

Balances to/ (from) related parties

Chadhawk Trust pre 1997	853,065	853,065
Chadhawk Trust	217,897	517,897
Aspic Holdings Pty Ltd	(440,347)	(473,216)

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

	Consolidated group	
	2022	2021
	\$	\$
Balances from Related Parties		
Aspic Holdings Pty Ltd	-	-
Note 21: Remuneration of auditors		
Remuneration of the auditor of the company for: audit and review of the financial statements	<u>10,000</u>	<u>10,000</u>
Note 22: Cash flow information		
Reconciliation of cash flow from operations with profit after income tax:		
Profit and loss after income tax	2,807,693	3,091,621
Non-cash flows in profit		
Refundable accommodation deposits drawdown	(25,997)	(43,707)
Depreciation and amortization	1,327,291	1,247,341
Loss/(profit) on sale of assets	-	(593,991)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(421,139)	(123,854)
(Increase)/decrease in prepayment	-	-
Increase/(decrease) in refundable accommodation deposits	(3,295,205)	(5,398,388)
Increase/(decrease) in trade and other payables	4,336	91,524
Increase/(decrease) in income in advance	(54,010)	20,650
Increase/(decrease) in current tax liability	(129,703)	474,928
(Increase)/decrease in deferred tax asset	(14,700)	(58,861)
Increase/(decrease) in provisions	420,800	346,959
Total cash flow from operations	<u>619,366</u>	<u>(945,778)</u>

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

	2022	2021
	\$	\$

Note 23: Financial risk management

The Company's activities expose it to credit, liquidity and market risk. The Company holds the following financial instruments:

Financial assets

Cash and cash equivalents	24,834,198	13,733,382
Trade and other receivables	1,129,375	14,564,856
	<u>25,963,573</u>	<u>28,298,238</u>

Financial liabilities

Trade and other payables	50,631,598	54,002,474
Borrowings and financial liabilities	5,999,990	7,599,998
Provision for employee benefits	1,147,039	836,621
	<u>57,778,627</u>	<u>62,439,093</u>

The carrying values of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of current borrowings approximated the carrying amount as the impact of discounting is not significant.

(a) Market risk

Market risk is the risk that changes in market prices, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. As the Company does not hold any securities exposed to price risk, the Company's direct exposure to market risk includes cash, loans and borrowing and refundable accommodation deposits.

(b) Interest risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of change in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, primarily related to the Company's bank debt. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the values of financial instruments. The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates.

At balance date, the Company's bank facilities, totalling \$5,999,990 (2021: \$7,599,998), are principal and interest loans with a term of 5 years.

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its constructive obligations, and arises principally from the Company's cash and cash equivalents, trade and other receivables.

The Company's cash and cash equivalents comprise deposits in bank(s) with high credit-ratings held with AA-rated financial institutions.

Credit risk on trade and other receivables is ultimately managed in the day to day operations of the aged care facility. Trade and other receivables (\$1,129,375 in 2022 and \$14,564,856 in 2021) are within 30 days of the due date at balance date and are not considered impaired at 30 June 2022.

(d) Liquidity risk

The Company maintains sufficient cash to meet obligations when due. At the end of the reporting period, the Company held cash at bank totalling \$24,834,198 (2021: \$13,733,382).

Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flows, and considers the level of liquid assets necessary to meet expected cash flows while maintaining a sufficient level of liquidity to ensure compliance with the prudential requirements of the Aged Care Act 1997.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are contractual undiscounted cash flows.

	0-30 days	Greater than 30 days	Total contractual cash flows	Carrying amount of liabilities
30 June 2022	\$	\$	\$	\$
Interest bearing	-	5,999,990	5,999,990	5,999,990
Non-interest bearing	934,417	49,697,181	50,631,598	50,631,598
Total non-derivatives	<u>934,417</u>	<u>55,697,171</u>	<u>56,631,588</u>	<u>56,631,588</u>
30 June 2021				
Interest bearing	-	7,599,998	7,599,998	7,599,998
Non-interest bearing	984,091	53,018,383	54,002,474	54,002,474
Total non-derivatives	<u>984,091</u>	<u>60,618,381</u>	<u>61,602,472</u>	<u>61,602,472</u>

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

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Notes to the Consolidated Financial Report

For the year ended 30 June 2022

Note 24: Segment reporting

The approved provider delivers only residential aged care services and the GPFR therefore relates only to such operations.

Note 25: Company details

Huntingdon Nursing Home Pty Ltd
11 Connemarra Street
Bexley NSW 2207

Note 26: Controlled entity

Controlled Entity Consolidated

The Subsidiary of Huntingdon Nursing Home Pty Limited:
-Chiroseph Pty Ltd

HUNTINGDON NURSING HOME PTY LIMITED AND CONTROLLED ENTITY

A.B.N. 86 001 405 447

Directors' Declaration
For the year ended 30 June 2022

In accordance with a resolution of the directors of Huntingdon Nursing Home Pty Limited, the directors of the company declare that:

1. The financial report and notes, as set out in the financial report, are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian accounting standards, and
 - b. give a true and fair view of the consolidated group's financial position as at 30 June 2022 and of its performance for the year ended on that.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.



Frank Moschella
Director



Christine Moschella
Director

Dated this 9th day of October 2022

INDEPENDENT AUDITORS REPORT

To the Directors of Huntingdon Nursing Home Pty Limited and the Secretary, Department of Health.

Report on the Financial Report

We have audited the accompanying financial report of Huntingdon Nursing Home Pty Limited which comprises the statement of financial position as of 30 June 2022, the statement of comprehensive income, the statement of cash flows for the year ended on that date, the statement of changes in equity, a summary of significant accounting policies, other explanatory notes.

Directors' Responsibility for the Financial Report

The directors of the partners are responsible for the preparation and fair presentation of the financial report by Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit by Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the partners, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditors Opinion

In our opinion, the financial report, presents fairly in all material respects, the financial position of Huntingdon Nursing Home Pty Limited as of 30 June 2022 and its financial performance and cash flows for the year ended on that date by Australian Accounting Standards (including the Australian Accounting Interpretations).

Also, in our opinion, the approved provider has complied with Part 5 of the Fees and Payments Principles 2014 (No. 2) in the 2021-22 financial year.

A handwritten signature in black ink, appearing to read 'Peter Wyatt', with a large, stylized initial 'P'.

Peter Wyatt

Registered Company Auditor 3209

9th October 2022