LS Basire Family Trust and Consolidated Entities

ABN 55 109 217 124

Financial Report - 30 June 2023

LS Basire Family Trust and Consolidated Entities
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General information

The financial statements cover both LS Basire Family Trust and Consolidated Entities as an individual entity and the consolidated entity consisting of LS Basire Family Trust and Consolidated Entities and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is LS Basire Family Trust and Consolidated Entities's functional and presentation currency.

Bansley Pty Ltd As Trustee For LS Basire Family Trust and Consolidated Entities is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 2, 179 St Georges Terrace, Perth, WA 6000	Level 2, 179 St Georges Terrace, Perth, WA 6000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2023. The directors have the power to amend and reissue the financial statements.

LS Basire Family Trust and Consolidated Entities
Statements of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Revenue					
Revenue from rendering of aged care services	3	25,838,320	24,101,998	14,566,645	13,502,685
Interest income	3	1,226,975	983,348	516,960	320,763
Dividend income	3	16,567	14,228	236,567	3,779,228
Other income	3	107,376	125,329	587,621	581,769
		27,189,238	25,224,903	15,907,793	18,184,445
Expenses					
Agency		(2,713,847)	(1,827,977)	(2,035,285)	(1,414,653)
Accounting fees		(91,828)	(59,500)	(54,788)	(29,350)
Auditor's remuneration	4	(27,831)	(28,280)	(14,361)	(14,157)
Chemist and medical		(452,031)	(283,032)	(284,526)	(144,007)
Directors' fees		(33,000)	(33,000)	-	-
Depreciation		(482,946)	(505,636)	(333,307)	(341,584)
Finance costs		(242,266)	(330,614)	(241,783)	(330,297)
Rates and taxes		(208,369)	(260,898)	(76,401)	(118,987)
Wages and salaries		(17,987,159)	(16,386,954)	(10,242,742)	(9,292,654)
Amortisation costs		(1,997,574)	(1,488,603)	-	-
Patient expenses		(210,057)	(179,575)	(111,173)	(65,067)
Electricty and gas		(298,011)	(267,802)	(185,582)	(161,951)
Food and stores		(918,971)	(829,256)	(507,209)	(457,898)
Replacements, repairs and maintenance		(404,798)	(329,661)	(194,654)	(185,875)
Other expenses		(1,087,949)	(929,478)	(849,806)	(738,028)
Operating profit		32,601	1,484,637	776,176	4,889,937
Unrealised Profit/(Loss) on financial assets	3	1,186,940	(3,475,650)	64,770	(1,260,160)
Profit/(loss) before income tax expense		1,219,541	(1,991,013)	840,946	3,629,777
Income tax expense	5	(367,255)	(475,335)	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of LS Basire Family Trust and Consolidated Entities		852,286	(2,466,348)	840,946	3,629,777
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Other Comprehensive income that cannot be subsequently reclassified to the profit and loss		55,737	(22,347)	55,737	(22,347)
Other comprehensive income for the year, net of tax		55,737	(22,347)	55,737	(22,347)
Total comprehensive income for the year attributable to the owners of LS Basire Family Trust and Consolidated Entities		908,023	(2,488,695)	896,683	3,607,430

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

LS Basire Family Trust and Consolidated Entities
Statements of financial position
As at 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Assets					
Current assets					
Cash and cash equivalents	6	7,210,823	10,894,296	2,362,355	3,015,467
Trade and other receivables	7	1,143,283	801,933	1,037,658	669,323
Inventories	8	6,593	6,593	-	-
Financial assets	9	2,890,300	12,327,491	1,633,201	3,917,511
Other current assets	10	282,925	118,071	131,154	96,671
Floating rate notes and term deposits	11	15,000,000	3,000,000	7,000,000	3,000,000
Total current assets		26,533,924	27,148,384	12,164,368	10,698,972
Non-current assets					
Financial assets	9	4,043,441	363,573	20,114,383	19,151,194
Property, plant and equipment	12	21,773,962	22,226,129	9,932,078	10,252,607
Bed Licences	13	2,003,047	4,000,621	-	-
Deferred tax	14	297,780	299,900	-	-
Total non-current assets		28,118,230	26,890,223	30,046,461	29,403,801
Total assets		54,652,154	54,038,607	42,210,829	40,102,773
Liabilities					
Current liabilities					
Trade and other payables	15	1,678,826	1,499,299	1,131,000	1,077,671
Accommodation Bonds & Refundable Accommodation Deposits (RADs)	16	21,526,022	22,227,371	12,929,081	12,054,166
Income tax	17	49,823	187,577	-	-
Employee benefits	18	2,499,208	2,172,869	1,408,686	1,160,728
Total current liabilities		25,753,879	26,087,116	15,468,767	14,292,565
Non-current liabilities					
Trade and other payables	15	26,288,588	25,408,054	26,288,585	25,408,054
Employee benefits	18	109,134	109,961	87,098	91,512
Total non-current liabilities		26,397,722	25,518,015	26,375,683	25,499,566
Total liabilities		52,151,601	51,605,131	41,844,450	39,792,131
Net assets		2,500,553	2,433,476	366,379	310,642
Equity					
Issued units		100	100	100	100
Reserves		366,279	310,542	366,279	310,542
Retained profits		2,134,174	2,122,834	-	-
Total equity		2,500,553	2,433,476	366,379	310,642

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

LS Basire Family Trust and Consolidated Entities
Statements of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2021	100	332,889	8,218,959	8,551,948
Loss after income tax expense for the year	-	-	(2,466,348)	(2,466,348)
Other comprehensive income for the year, net of tax	-	(22,347)	-	(22,347)
Total comprehensive income for the year	-	(22,347)	(2,466,348)	(2,488,695)
Transactions with owners in their capacity as owners:				
Distributions to unitholders	-	-	(3,629,777)	(3,629,777)
Balance at 30 June 2022	100	310,542	2,122,834	2,433,476

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2022	100	310,542	2,122,834	2,433,476
Profit after income tax expense for the year	-	-	852,286	852,286
Other comprehensive income for the year, net of tax	-	55,737	-	55,737
Total comprehensive income for the year	-	55,737	852,286	908,023
Transactions with owners in their capacity as owners:				
Distribution to unitholders	-	-	(840,946)	(840,946)
Balance at 30 June 2023	100	366,279	2,134,174	2,500,553

Parent	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2021	100	332,889	-	332,989
Profit after income tax expense for the year	-	-	3,629,777	3,629,777
Other comprehensive income for the year, net of tax	-	(22,347)	-	(22,347)
Total comprehensive income for the year	-	(22,347)	3,629,777	3,607,430
Transactions with owners in their capacity as owners:				
Distribution to unitholders	-	-	(3,629,777)	(3,629,777)
Balance at 30 June 2022	100	310,542	-	310,642

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

LS Basire Family Trust and Consolidated Entities
Statements of changes in equity
For the year ended 30 June 2023

Parent	**Issued capital $**	**Reserves $**	**Retained profits $**	**Total equity $**
Balance at 1 July 2022	100	310,542	-	310,642
Profit after income tax expense for the year	-	-	840,946	840,946
Other comprehensive income for the year, net of tax	-	55,737	-	55,737
Total comprehensive income for the year	-	55,737	840,946	896,683
Transactions with owners in their capacity as owners:				
Distribution to unitholders	-	-	(840,946)	(840,946)
Balance at 30 June 2023	100	366,279	-	366,379

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

LS Basire Family Trust and Consolidated Entities
Statements of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Cash flows from operating activities					
Receipts from customers		25,604,346	24,233,423	14,163,827	13,557,206
Payments to suppliers		(23,851,883)	(21,269,371)	(14,017,871)	(12,485,500)
Interest received		1,226,975	983,348	516,960	320,763
Finance costs		(242,266)	(330,614)	(241,783)	(330,297)
Income tax paid		(502,889)	(343,568)	-	-
Net cash from operating activities	25	2,234,283	3,273,218	421,133	1,062,172
Cash flows from investing activities					
(Payments for)/ receipts from for investments		7,000,000	(3,500,000)	1,500,000	(1,500,000)
Purchase for property, plant and equipment	12	(30,779)	(113,087)	(12,778)	(57,234)
Dividends received		16,567	14,228	236,567	3,779,228
(Investments in)/ return on term deposits		(12,000,000)	2,000,000	(4,000,000)	2,000,000
Net cash from/(used in) investing activities		(5,014,212)	(1,598,859)	(2,276,211)	4,221,994
Cash flows from financing activities					
Proceeds/(refunds) from accommodation bonds		(701,349)	209,258	874,915	1,343,579
Related Party Loan Repayments		(202,195)	(6,573,523)	327,051	(5,832,613)
Net cash from/(used in) financing activities		(903,544)	(6,364,265)	1,201,966	(4,489,034)
Net increase/(decrease) in cash and cash equivalents		(3,683,473)	(4,689,906)	(653,112)	795,132
Cash and cash equivalents at the beginning of the financial year		10,894,296	15,584,202	3,015,467	2,220,335
Cash and cash equivalents at the end of the financial year	6	7,210,823	10,894,296	2,362,355	3,015,467

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

Note 1. Significant accounting policies

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

The financial statements cover the economic entity of Bansley Pty Ltd As Trustee For LS Basire Family Trust, is a unit trust, established and domiciled in Australia.

The financial statements were authorised for issue on 21 October 2023 by the directors of the trustee company.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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.

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

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

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

There are no new or amended accounting standards which had an impact on the trust during this reporting period.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Trust is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Financial Position: The Trust (Parent Entity) reported a current liability position at 30 June 2023 of $3,304,399. This position arises as the Refundable Deposits Payable (RADS or Accommodation bonds) of $ 12,929,081 are reported as current liabilities under Australian Accounting Standards. However, in practice the Bonds and RADS that are repaid are replaced by RADS from incoming residents in a short time frame. Based on prior year history, the Association does not expect to pay the entire balance of the RADS within 12 months from the date of this financial report. Furthermore, the Company expects the departing residents to be replaced by new incoming residents. For the year ended 30 June 2023 the Trust reported a net operating profit of $776,176 and a net cash inflow from operating activities of $421,133. The Consolidated Group reported a net operating profit of $32,601, a net inflow from operating activities of $2,234,283 and a current asset surplus of $780,045. Therefore, based on the above facts, the Trust considers the going concern basis of preparation to be appropriate.

The financial report has been presented in Australian Dollars which is the functional currency of the Trust.

Note 1. Significant accounting policies (continued)

Critical accounting estimates
The directors evaluate estimates and judgments incorporated into the financial statements 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 trust.

The preparation of financial statements in conformity with AASBs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 13 - Impairment testing of intangible assets
Note 13 - Amortisation of Bed Licences
Note 18 - Financial Instruments measured at Fair Value

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at 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 surplus relating to that asset are transferred to retained earnings.

Intangibles with an indefinite useful life are tested for impairment annually.

Accommodation Bonds/Refundable Accommodation Deposits ("RADs")
Recognition

Accommodation Bonds and RADs are measured at the principal amount less retentions amounts. They are classified as current liabilities because the trust does not have an unconditional right to defer settlements for greater than 12 months in accordance with AASB 101 Para 69 (d). History shows in the industry that on average a resident in the facility will stay for 2 years.

Parent entity information
These financial statements include the results of both the parent entity and the consolidated entity in accordance with Class Order 10/654, issued by the Australian Securities and Investments Commission.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of LS Basire Family Trust and Consolidated Entities ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. LS Basire Family Trust and Consolidated Entities and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 1. Significant accounting policies (continued)

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Trust has control. The Trust controls an entity when the Trust 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Trust. They are deconsolidated from the date that control ceases.

A list of controlled entities is contained in note 7 to the financial statements. All controlled entities have a June financial year-end. Investments in controlled entities in the separate financial statements of the parent are reported at cost.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The acquisition method of accounting is used to account for business combinations by the Trust.

Intercompany transactions, balances and unrealised gains on transactions between Trust companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Trust.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Changes in ownership interests

Changes in the Trust's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Trust's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Trust loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Revenue recognition

The consolidated entity recognises revenue as follows:

To determine whether and when to recognise revenue, the Trust follows a 5-step process:
(1) Identifying the contract with a customer;
(2) Identifying the performance obligations;
(3) Determining the transaction price;
(4) Allocating the transaction price to the performance obligations; and
(5) Recognising revenue when/as the performance obligation(s) are satisfied

Note 1. Significant accounting policies (continued)

The Trust has the following sources of revenue.

Revenue from sale of care services: Revenue from sale of care services (i.e. resident fees and government subsidies) is recognised over time as the Trust satisfies the obligations under the agreements with the resident. (i.e. provides the care to the resident).

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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 consolidated entity'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 consolidated entity'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.

Note 1. Significant accounting policies (continued)

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 borrowings in current liabilities on the statement of financial position.

Trade and other receivables
Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. 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.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

Note 1. Significant accounting policies (continued)

Financial Instruments
Initial recognition and measurement

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the trust commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Classification and subsequent measurement
Financial liabilities
Financial liabilities are subsequently measured at:
— amortised cost; or
— fair value through profit or loss

A financial liability is measured at fair value through profit and loss if the financial liability is:
— a contingent consideration of an acquirer in a business combination to which AASB 3 applies
— held for trading; or
— initially designated as at fair value through profit or loss.
All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Trust does not measure any financial liabilities at fair value through profit or loss. All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount of initial recognition. A financial liability cannot be reclassified.

Classification and Subsequent Measurement (Financial Assets)
Financial assets
Financial assets are subsequently measured at:
— amortised cost; or
— fair value through other comprehensive income (debt instruments)
— fair value through other comprehensive income (equity – no recycling); or
— fair value through profit and loss.

On the basis of the two primary criteria:
— the contractual cash flow characteristics of the financial asset; and
— the business model for managing the financial assets

A financial asset is subsequently measured at amortised cost when it meets the following conditions:
— the financial asset is managed solely to collect contractual cash flows; and
— Payments of principal and interest on the principal amount outstanding on specified dates.

Note 1. Significant accounting policies (continued)

The Trust financial assets measured at amortised cost include trade and other receivables and cash at bank (including term deposits).

The Trust has equity investments of $419,311 that are not held for trading. These investments are measured and reported at fair value through other comprehensive income.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:
— the right to receive cash flows from the asset has been expired or been transferred;
— all risk and rewards of ownership of the asset have been substantially transferred; and
— the Trust no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

Impairment of financial assets
The Trust recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument. The Trust uses the simplified approach to impairment, as applicable under AASB 9.

Property, plant and equipment
Property

Freehold land and buildings are measured on the cost basis.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the trust and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Note 1. Significant accounting policies (continued)

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life to the trust commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Buildings	2.50%
Plant and equipment	15.00%
Computer Equipment	37.50% - 40.00%
Motor Vehicle	18.75% - 22.50%
Other Assets	7.50% - 37.50%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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

These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Impairment
The Trust assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Trust makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset’s value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Intangible assets
Bed Licences

Bed licences are measured and reported at initial cost less impairment unless acquired via a business combination in which case the licences are reported at fair value. Effective from 1 October 2021 Bed licences are amortised from 1 October 2021 to 30 June 2024. Following the government's announcements and the information provided in the discussion paper in September 2021, management expect that the remaining useful lives of the assets would not extend beyond 1 July 2024, therefore management have determined that it is appropriate to commence the amortisation of these licences under AASB 138 Intangible Assets from 1 October 2021 to 30 June 2024.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

Borrowing Costs
Borrowing 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 borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions
Provisions are recognised when the trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee benefits

Short-term employee benefits
Provision is made for the Trust’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 trust’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.

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 Trust’s obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Trust 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.

Goods and Services Tax ('GST') and other similar taxes
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).

Note 1. Significant accounting policies (continued)

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.

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 trust retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, is presented.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. Management of the Association has assessed that this standard is unlikely to have a material impact on the financial report.

Other than the above management assessment indicates that there are no other new Australian Accounting Standards that have been issued but are not yet effective with an expected material impact on the Trust's financial report in the period of initial application.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

The trustees evaluate estimates and judgements incorporated into the financial statements 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 trust.

Note 3. Revenue and Other Income

The trust has recognised the following amounts relating to revenue in the statement of profit or loss:

Note 3. Revenue and Other Income (continued)

	Consolidated		Parent	
	2023	2022	2023	2022
Services revenue	$	$	$	$
Patient fees	10,992,223	10,532,073	8,497,647	7,942,852
Health subsidies	13,961,129	12,732,140	5,694,193	5,165,102
DAP - accommodation payments	839,322	741,841	345,235	314,571
DOH AC retention grant	29,570	80,160	29,570	80,160
Rent received	16,076	15,784	-	-
Total services revenue	25,838,320	24,101,998	14,566,645	13,502,685

	Consolidated		Parent	
	2023	2022	2023	2022
Other revenue	$	$	$	$
Interest received	1,226,975	983,348	516,960	320,763
Dividend income	16,567	14,228	236,567	3,779,228
Other income	107,376	125,329	587,621	581,769
Total other revenue	1,350,918	1,122,905	1,341,148	4,681,760

	Consolidated		Parent	
	2023	2022	2023	2022
	27,189,238	25,224,903	15,907,793	18,184,445

	Consolidated		Parent	
	2023	2022	2023	2022
Net Finance Cost	$	$	$	$
Unrealised loss on financial assets	1,186,940	(3,475,650)	64,770	(1,260,160)

Note 4. Auditor's Remuneration

	Consolidated		Parent	
	2023	2022	2023	2022
Remuneration of the auditor of the trust for:	$	$	$	$
Auditing or reviewing the financial statements	27,831	28,280	14,361	14,157

Note 5. Income tax expense/(benefit)

	Consolidated		Parent	
	2023	2022	2023	2022
Tax components of tax (expense)/income comprise:	$	$	$	$
Current tax	365,135	472,720	-	-
Deferred tax	2,120	(4,990)	-	-
Over provision in respect of prior years	-	7,605	-	-
Total tax expense	367,255	475,335	-	-

Note 5. Income tax expense/(benefit) (continued)

	Consolidated		Parent	
	2023	2022	2023	2022
Profit before income tax	$	$	$	$
Labouchere Investments Pty Ltd	2,323,189	(684,973)	-	-
Anchor Farms Pty Ltd	365,339	1,544,638	-	-
	2,688,528	859,665	-	-
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%)	672,132	214,916	-	-
Total prima facie tax payable on profit from ordinary activities before income tax	672,132	214,916	-	-
Total prima facie tax payable on profit from ordinary activities before income tax:	672,132	214,916	-	-
Add: Tax effect of:				
Other non-allowable items	(6,000)	20,297	-	-
Losses on financial assets	(280,543)	553,870	-	-
Less: Tax effect of:				
Other deductible expenses	-	-	-	-
Rebateable fully franked dividends	(18,334)	(313,748)	-	-
	367,255	475,335	-	-

The applicable weighted average effective tax rates for 2023 25% (2022: 25%).

Note 6. Cash and cash equivalents

	Consolidated		Parent	
	2023	2022	2023	2022
	$	$	$	$
Current assets				
Cash at bank and cash on hand	6,087,573	6,199,567	2,362,355	3,015,467
Short term bank deposits	1,116,543	4,689,422	-	-
Residents trust account	4,016	2,616	-	-
Imprest account	2,691	2,691	-	-
	7,210,823	10,894,296	2,362,355	3,015,467

Note 7. Trade and other receivables

	Consolidated		Parent	
	2023	2022	2023	2022
Trade and other receivables	$	$	$	$
Current assets				
Trade receivables	1,405,536	1,064,186	1,299,911	931,576
Less: Allowance for expected credit losses	(262,253)	(262,253)	(262,253)	(262,253)
	1,143,283	801,933	1,037,658	669,323

Note 7. Trade and other receivables (continued)

No receivables have been written-off during the period. A provision for $0 (2022 $0) for expected credit losses has been brought to account in the current year, the Trust believes these will be recoverable. There has been the $262,253 provision for credit losses based on the historical payments history.

Note 8. Inventories

	Consolidated		Parent	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Current assets				
Raw materials and stores- at cost	6,593	6,593	-	-

Note 9. Financial assets at fair value through other comprehensive income

	Consolidated		Parent	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Current assets				
Other Financial Assets Reported at Fair Value Through Profit and Loss (FVTPL)*	2,890,300	12,327,491	1,633,201	3,917,511
Non-current assets				
Total unlisted	-	-	18,856,903	18,798,531
Total listed (FVTOCI)	418,488	363,573	408,488	352,663
Other Financial Assets Reported at Fair Value Through Profit and Loss (FVTPL)	3,624,953	-	848,992	-
	4,043,441	363,573	20,114,383	19,151,194
	6,933,741	12,691,064	21,747,584	23,068,705

Refer to note 21 for further information on fair value measurement.

Unlisted investments of $18,856,903 held by the parent company in its subsidiaries are reported at cost in accordance with AASB 127 Separate Financial Statements. Investments in other equity instruments are recorded at FVTOCI.

*Other Financial Assets consist of Corporate Bond and Notes accounted for at FVTPL.

Note 10. Other current assets

	Consolidated		Parent	
	2023	**2022**	**2023**	**2022**
Other current assets	**$**	**$**	**$**	**$**
Current assets				
Accrued income	142,586	46,269	40,942	41,337
Prepayments	104,128	55,334	90,212	55,334
GST Refundable	36,211	16,468	-	-
	282,925	118,071	131,154	96,671

Note 11. Term Deposits

Term deposits	**Consolidated 2023 $**	**Consolidated 2022 $**	**Parent 2023 $**	**Parent 2022 $**
Current assets				
Term Deposits	15,000,000	3,000,000	7,000,000	3,000,000

The effective interest rate was 4.25% (2022: 2%)

Note 12. Property, plant and equipment

	Consolidated 2023 $	**Consolidated 2022 $**	**Parent 2023 $**	**Parent 2022 $**
Non-current assets				
Freehold land - at cost	10,706,789	10,706,789	1,319,117	1,319,117
Buildings - at cost	15,060,271	15,048,674	11,404,377	11,392,780
Less: Accumulated depreciation	(4,714,479)	(4,351,622)	(3,209,495)	(2,938,035)
Total buildings	10,345,792	10,697,052	8,194,882	8,454,745
Plant and equipment - at cost	6,341,225	6,322,043	3,164,787	3,163,606
Less: Accumulated depreciation	(5,619,844)	(5,499,755)	(2,746,708)	(2,684,861)
Total plant and equipment	721,381	822,288	418,079	478,745
	21,773,962	22,226,129	9,932,078	10,252,607

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

Consolidated	Freehold land $	Buildings $	Plant and Equipment $	Total $
Balance at 1 July 2021	10,706,789	11,060,199	851,690	22,618,678
Additions	-	-	113,087	113,087
Depreciation expense	-	(363,147)	(142,489)	(505,636)
Balance at 30 June 2022	10,706,789	10,697,052	822,288	22,226,129
Additions	-	11,597	19,182	30,779
Depreciation expense	-	(362,857)	(120,089)	(482,946)
Balance at 30 June 2023	10,706,789	10,345,792	721,381	21,773,962

Note 12. Property, plant and equipment (continued)

Parent	Freehold land $	Buildings $	Plant and Equipment $	Total $
Balance at 1 July 2021	1,319,117	8,726,495	491,345	10,536,957
Additions	-	-	57,234	57,234
Depreciation expense	-	(271,750)	(69,834)	(341,584)
Balance at 30 June 2022	1,319,117	8,454,745	478,745	10,252,607
Additions	-	11,597	1,181	12,778
Depreciation expense	-	(271,460)	(61,847)	(333,307)
Balance at 30 June 2023	1,319,117	8,194,882	418,079	9,932,078

Note 13. Bed Licences

	Consolidated		**Parent**	
Bed Licences	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Non-current assets				
Bed licences	5,489,224	5,489,224	-	-
Less: Accumulated amortisation	(3,486,177)	(1,488,603)	-	-
	2,003,047	4,000,621	-	-

Bed Licences are measured and reported at initial cost less impairment. The bed licences have been amortised from 1 October 2021 to 30 June 2022. These will be amortised over the period 1 October 2021 to 30 June 2024, in line with Government changes to remove bed licences by 30 June 2024.

The value in use was determined by discounting the future cash flows generated from the continuing use of the relevant CGU being Labouchere Investments Pty Ltd trading as Midland Nursing Home and Midland Property Partnership. The recoverable amount of the assets was determined to be higher than the carrying amount and therefore no impairment loss was recognised. The Value in use was determined by using the discounted cash flows generated from the continuing use of the assets. Unless otherwise stated the value in use during the year ended 30 June 2023 was determined similarly as during the year ended 30 June 2022.

The Trust assessed the carrying value of the bed licenses for impairment at 30 June 2023.

Key assumptions used in the discounted cash flow
Discount Rate
The Company have used a pre-tax discount rate of 12% to 15 % (2022: 12 to 15%) which is based on industry averages.

Budgeted EBITDA Growth
Cash flows for the 2024 year were projected based on past experience and actual operating results in prior years. Cash flows for a further 4 years from 2025-2028 were based on a steady and constant growth rate of 3% (2022: 3%) which does not exceed the long-term average growth rate for the industry.

Terminal Value Growth Rate
The recoverable amount of the CGU has five years of cash flows included in their discounted cash flow models. A long term growth rate into perpetuity of +1% has been determined by management. The long term growth rate of +1% does not exceed the nominal GDP rates for Australia and long-term average growth rate for the industry.

Note 14. Deferred tax

Deferred tax assets	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Non-current assets				
Deferred tax asset	297,780	299,900	-	-

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Provisions - employee benefits	33,979	20,184	-	-
Other - accruals, depreciation and leases	263,801	279,716	-	-
	297,780	299,900	-	-

Note 15. Trade and other payables

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Current liabilities				
Trade payables	462,488	355,330	285,787	185,650
Accrued expenses	610,209	476,412	445,589	431,927
Patient billings in advance	146,382	142,561	-	-
Resident trust account	57,331	64,902	-	-
GST payable	26,013	19,243	23,221	19,243
Patient fees in advance	134,620	117,985	134,620	117,985
Accrued sub-trust interest	241,783	322,866	241,783	322,866
	1,678,826	1,499,299	1,131,000	1,077,671
Non-current liabilities				
Unpaid present entitlements*	26,288,588	25,408,054	26,288,585	25,408,054
	27,967,414	26,907,353	27,419,585	26,485,725

Financial liabilities at amortised cost classified as trade and other payables:

Financial liabilities at amortised cost classified as trade and other payables:	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Trade and other payables				
Total current	1,678,826	1,499,299	1,131,000	1,077,671
Total non-current	26,288,588	25,408,054	26,288,585	25,408,054
	27,967,414	26,907,353	27,419,585	26,485,725

* The Trust has received written confirmation that the unpaid present entitlements will not be called for repayment for a period of 12 months from the date of this financial report.

The fair value of financial liabilities (including trade and other payables) is equivalent to their carrying amount.

Note 16. Accommodation Bonds & Refundable Accommodation Deposits (RADs)

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Current liabilities				
Accommodation bonds	1,144,085	1,499,578	374,969	374,969
RAD liabilities	20,381,937	20,727,793	12,554,112	11,679,197
	21,526,022	22,227,371	12,929,081	12,054,166

Refer to note 20 for further information on financial risk management.

Note 17. Income tax

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Current liabilities				
Provision for income tax	49,823	187,577	-	-

Note 18. Employee benefits

	Consolidated		Parent	
	2023 $	2022 $	2023 $	2022 $
Current liabilities				
Annual leave	1,471,025	1,386,610	831,742	711,400
Long service leave	512,499	361,292	210,909	151,822
Sick leave	494,117	406,332	344,468	278,871
Accrued days off	21,567	18,635	21,567	18,635
	2,499,208	2,172,869	1,408,686	1,160,728
Non-current liabilities				
Long service leave	109,134	109,961	87,098	91,512
	2,608,342	2,282,830	1,495,784	1,252,240

	Consolidated		Parent	
Employee benefits	2023 $	2022 $	2023 $	2022 $
Total current	2,499,208	2,172,869	1,408,686	1,160,728
Total non-current	109,134	109,961	87,098	91,512
	2,608,342	2,282,830	1,495,784	1,252,240

Provision for employee benefits

A provision has been recognised for employee entitlements relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. Other key estimates and judgments include the discount rate and inflation rate.

Note 19. Trust Funds

	Consolidated		Parent	
Settled Sum	**2023 $**	**2022 $**	**2023 $**	**2022 $**
At beginning of the reporting period	100	100	100	100
Units issued during the year	-	-	-	-
At the end of the reporting period	100	100	100	100

Note 20. Financial Risk Management

The trust's financial instruments consist mainly of deposits with banks, equity securities, accounts receivable and payable, and loans to and from subsidiaries.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated		Parent	
Financial assets	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Cash and cash equivalents	7,210,823	10,894,296	2,362,355	3,015,467
Term deposits	15,000,000	3,000,000	7,000,000	3,000,000
Trade and other receivables (net of expected credit losses)	1,143,283	801,933	1,037,658	669,323
- Other Financial Assets Reported at Fair Value Through Profit and Loss (FVTPL)	6,515,253	12,327,491	2,482,193	3,917,511
- listed investments (FVTOCI)	418,488	363,573	408,488	352,663
- unlisted investments*	-	-	18,856,903	18,798,531
Total financial assets	30,287,847	27,387,293	32,147,597	29,753,495

	Consolidated		Parent	
Financial liabilities	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Financial liabilities at amortised cost				
Trade and other payables	1,678,826	1,499,299	1,131,000	1,077,671
'Related party loans**	26,288,588	25,408,054	26,288,585	25,408,054
'Accommodation bonds	21,526,022	22,227,371	12,929,081	12,054,166
Total financial liabilities	49,493,436	49,134,724	40,348,666	38,539,891

* $18,856,503 represents the investments held by the parent in its controlled entities. These investments are reported at cost in the accounting records of the parent. Investments at the consolidated level are measured at FVTOCI.

** The Trust has received confirmation that the related party loans will not be called for repayment for a period of 12 months from the date of this financial report.

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the trust in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The Board of Directors meets on a regular basis to discuss financial risk exposure.

Note 20. Financial Risk Management (continued)

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

Credit risk
The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period (excluding the value of any collateral or other security held) is equivalent to their carrying amount, net of any provisions, as presented in the financial statements.

	Consolidated		**Parent**	
	2023	**2022**	**2023**	**2022**
Financial assets	**$**	**$**	**$**	**$**
Cash and cash equivalents	7,210,823	10,894,296	2,362,355	3,015,467
Term deposits	15,000,000	3,000,000	7,000,000	3,000,000
Trade and other receivables (net of expected credit losses)*	1,143,283	801,933	1,037,658	669,323
Other Financial Assets at Fair Value Through Profit and Loss	6,515,253	12,327,491	2,482,193	3,917,511
	29,869,359	27,023,720	12,882,206	10,602,301

*Other Financial Assets at Fair Value Through Profit and Loss in Credit Risk – These primarily consist of Corporate Bonds and Notes of $6,515,253 (Consolidated) and $2,482,193 (Parent) hence there is a credit risk exposure. The Group manages and monitors this credit risk exposure by only investing with recognised and APRA approved and regulated financial institutions as per the investment management strategy.

Liquidity risk

The trust managed liquidity risk by monitoring forecast cash flows and ensuring that adequate cash funds remain in term deposits. The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements.

Financial liability and financial asset maturity analysis

Parent	Within 1 year		Over 5 years		Total	
	2023	2022	2023	2022	2023	2022
Financial liabilities due for payment	$	$	$	$	$	$
Trade and other payables	1,131,000	1,077,671	-	-	1,131,000	1,077,671
Accommodation Bonds	3,232,270	12,054,166	9,696,811	-	12,929,081	12,054,166
Related party loans	-	-	26,288,585	25,408,054	26,288,585	25,408,054
Total contractual outflows	4,363,270	13,131,837	35,985,396	25,408,054	40,348,666	38,539,891

Consolidated	Within 1 year		Over 5 years		Total	
	2023	2022	2023	2022	2023	2022
Financial liabilities due for payment	$	$	$	$	$	$
Trade and other payables	1,678,826	1,499,299	-	-	1,678,826	1,499,299
Accommodation bonds	4,735,725	22,227,371	16,790,297	-	21,526,022	22,227,371
Related party loans	-	-	26,288,588	25,408,054	26,288,588	25,408,054
Total contractual outflows	6,414,551	23,726,670	43,078,885	25,408,054	49,493,436	49,134,724

Note 20. Financial Risk Management (continued)

*Accommodation Bonds and RAD's are measured at the principal amount less retention amounts. They are classified as current liabilities because the trust does not have an unconditional right to defer settlements for greater than 12 months. Included in accommodation bonds are RAD balances for which there is no retention amount deducted from the principal balance. RAD's are applicable to all incoming residents since 1 July 2014.

Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The trust is also exposed to earnings volatility on floating rate debt.

The financial instruments that expose the trust to interest rate risk are limited to borrowings, listed shares, and cash and cash equivalents. The trustees monitor interest rate levels and forecasts and will act to fix interest rates if the outlook is for higher rates.

Interest rate risk is managed through fixed rate debt.

	Consolidated		**Parent**	
Variable rate instruments	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Cash and Term deposits	22,210,823	13,894,296	9,362,355	6,015,467
Financial liabilities	-	-	-	-
	22,210,823	13,894,296	9,362,355	6,015,467

Price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of listed shares held.

The trust is exposed to listed shares price risk on investments held for medium-to-longer terms. Such risk is managed through diversification of investments across industries and geographic locations.

The trust’s investments are held in the following sectors at the end of the reporting period:

Sensitivity analysis

The following table illustrates sensitivities to the trust’s exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated		Parent	
	Profit or loss		Profit or loss	
Year ended 30 June 2023	1% increase	1% decrease	1% increase	1% decrease
Variable rate instruments				
Cash flow sensitivity (net)	222,618	(222,618)	94,133	(94,133)

Note 20. Financial Risk Management (continued)

Year ended 30 June 2022	Consolidated Profit or loss 1% increase	1% decrease	Parent Profit or loss 1% increase	1% decrease
Variable rate instruments				
Cash flow sensitivity (net)	138,943	(138,943)	60,155	(60,155)

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair value
The fair value of the financial instruments in Note 20 is equivalent to the carrying amount.

The Trust does not have sophisticated financial instruments, and invariably fair value is equivalent to carrying amount as presented in these financial statements. Refer to Note Short-term employee benefits for detailed disclosures regarding the fair value measurement of the Trust's financial assets and financial liabilities.

Note 21. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's and company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Available-for-sale financial assets				
Other Financial Assets Reported at Fair Value Through Profit and Loss (FVTPL)	6,515,253	-	-	6,515,253
Listed investments - Measured at FVTOCI	418,488	-	-	418,488
Total assets	6,933,741	-	-	6,933,741

Consolidated - 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Financial Assets				
Available-for-sale financial assets				
Other Financial Assets Reported at Fair Value Through Profit and Loss	12,327,491	-	-	12,327,491
Listed investments - Measured at FVTOCI	363,573	-	-	363,573
Total assets	12,691,064	-	-	12,691,064

Parent - 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Financial Assets				
Available-for-sale financial assets				
Other Financial Assets Reported at Fair Value Through Profit and Loss (FVTPL)	2,482,193	-	-	2,482,193
Listed investments - Measured at FVTOCI	408,488	-	-	408,488
Total assets	2,890,681	-	-	2,890,681

Note 21. Fair value measurement (continued)

Parent - 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Financial Assets				
Available-for-sale financial assets				
Other Financial Assets Reported at Fair Value Through Profit and Loss	3,917,511	-	-	3,917,511
Listed investments - Measured at FVTOCI	352,663	-	-	352,663
Total assets	4,270,174	-	-	4,270,174

There were no transfers between levels during the financial year.

Note 22. Contingent assets and liabilities

No contingent assets or liabilities existed at 30 June 2023 or at 30 June 2022.

Note 23. Related party transactions

Parent entity
Bansley Pty Ltd As Trustee for LS Basire Family Trust and Consolidated Entities is the ultimate parent entity.

Subsidiaries of the LS Basire Family Trust are the following entities:

Labouchere Investments Pty Ltd
Anchor Farms Pty Ltd
Midland Nursing Home Property Partnership

All subsidiaries are 100% controlled by ultimate parent entity.
The directors of Bansley Pty Ltd, being the trustee company of LS Basire Family Trust, have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and are considered key management personnel of the trust.

Mr Lawrence SG Basire (deceased 5/7/2023)
Mr Peter A Basire
Mr Andrew P Basire (appointed 28/02/2023)

Other related parties

Other related parties include close family members of KMP and entities that are controlled or jointly controlled by those KMP, individually or collectively with their close family members.
Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Transactions with related parties	2023 $	2022 $
The trust receives dividends from Labouchere Investments Pty Ltd, Anchor Farms Pty Ltd, which is owned by the directors of the trust. There was no amount outstanding at the end of the period.	220,000	3,765,000
The trust receives distributions from Midland Nursing Home Property Partnership which is owned by the directors of the trust. There was no amount outstanding at the end of the period.	587,621	581,769
Distributions to directors as beneficiaries are identified in the income statement.	840,946	3,629,777
Loan to trust. Trust has received loans from Keylane Pty Ltd, a related party of the trust	26,288,585	25,408,054
The trust paid interest from the loans from Keylane Pty Ltd, a related party of the trust	241,783	322,866

The following transactions occurred with related parties:
Remuneration of key management personnel

Note 23. Related party transactions (continued)

	Consolidated		Parent	
	2023	**2022**	**2023**	**2022**
The totals of remuneration paid to KMP of the trust during the year are as follows:	**$**	**$**	**$**	**$**
Short-term employee benefits	197,844	202,007	164,844	169,006
Post-employment benefits*	17,309	16,901	17,309	16,901
Other long-term benefits	118,869	69,720	118,869	69,720
	334,022	288,628	301,022	255,627

*Post-employment benefits comprise contributions paid to defined contribution superannuation plans on behalf of KMP.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 25. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	Consolidated		Parent	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Profit/(loss) after income tax expense for the year	852,286	(2,466,348)	840,946	3,629,777
Adjustments for:				
Depreciation and amortisation	482,946	505,636	333,307	341,584
Dividend income	(16,567)	(14,228)	(236,567)	(3,779,228)
Unrealised Loss on Financial Assets	(1,186,940)	3,475,650	(64,770)	1,260,160
Amortisation of intangible assets	1,997,574	1,488,603	-	-
Midland Nursing Home Property Partnership investment	-	-	(587,621)	(581,769)
Change in operating assets and liabilities:				
(Increase)/decrease in other assets	(164,854)	51,316	(34,483)	34,993
Decrease in trade receivables and other current assets	(99,568)	328,565	(368,335)	19,528
Increase/(decrease) in income taxes payables and deferred tax liabilities	(135,634)	131,767	-	-
Increase/(decrease) in provisions	325,512	151,621	243,544	131,437
Increase/(decrease) in trade and other payables	179,528	(379,364)	295,112	5,690
Net cash from operating activities	2,234,283	3,273,218	421,133	1,062,172

Note 26. Trust Details

The registered office and principal place of business of the trust is Level 2, 179 St Georges Terrace Perth WA 6000.

The principal activities during the financial year were operating of a nursing home with residential aged care. The financial report relates to residential aged care only.

LS Basire Family Trust and Consolidated Entities
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's and consolidated entity's financial position as at 30 June 2023 and of their performance for the financial year ended on that date; and

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

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

On behalf of the directors

____

26 October 2023

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT TO MEMBERS OF BANSLEY PTY LTD AS TRUSTEE FOR LS BASIRE FAMILY TRUST AND TO THE DEPARTMENT OF HEALTH AND AGED CARE

Opinion

We have audited the accompanying consolidated general purpose financial report of Bansley Pty Ltd as Trustee For LS Basire Family Trust ("the Trust") and its subsidiaries ('the "Group') which comprises the consolidated statement of financial position as at 30 June 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the directors' declaration of the Trust. The consolidated group comprised the Trust and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying consolidated general purpose financial report of the Bansley Pty Ltd As Trustee For LS Basire Family Trust presents fairly in all material aspects the Group's financial position as at 30 June 2023 and of its financial performance and cash flows for the year then ended in accordance with the Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the Accounting Professional 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.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the Trust's financial reporting process.

ARMADA
AUDITING

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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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.This description forms part of this auditor's report.

Armada Audit & Assurance

ARMADA AUDIT & ASSURANCE PTY LTD

NIGEL DIAS

DIRECTOR

Registered Company Auditor: 499186
Dated 27 October 2023
Perth.