Helping Hand Aged Care Incorporated

Financial Report

For the Year Ended

30 June 2024

Helping Hand
new aged care

Contents

Helping Hand operates services on the traditional lands of the Kaurna, Barngarla, Nurungga, Peramangk, Nukunu and Ngadjuri peoples. Helping Hand acknowledges the traditional owners of the land on which we work and provide services. We pay our respects to their culture and heritage and Elders past, present and emerging.

Helping Hand

Board of Directors Report

30 June 2024

The Board of Directors present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2024.

Board of Directors

The following persons were Directors of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Erica Benn (ceased 29 February 2024)	Jason Cattonar (ceased 24 August 2024)
Reena Costello (commenced 05 April 2024)	Janet Finlay
Dr. John Harvey	Jarrad Haynes (commenced 12 August 2023)
Prof. Angela Scarino	Chris Stewart
Stephen Walker (commenced 23 February 2024)	Prof. Craig Whitehead
	Elizabeth O'Connell (commenced 1 October 2024)

Principal Activities

The principal activities for the organisation during the financial year were to provide residential care, home care and retirement living housing to enable our residents and clients to live their best lives. This included providing social experiences and allied health services to enable our community to age well in place whether that be in one of our residential care homes, in a retirement living village or in their own home.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the incorporated association during the financial year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included within this financial report and forms part of the Responsible Entities' Report.

Operational Results

The surplus from ordinary activities for 30 June 2024 amounts to $8,945,000 (30 June 2023: deficit $172,000).

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

....	....
BOARD MEMBER	**BOARD MEMBER**

Dated this ......29th...... **day of** ......October...... **2024**

Helping Hand

General Information

The financial statements cover Helping Hand Aged Care Incorporated (ABN: 19 636 743 675) as an individual entity. The financial statements are presented in Australian dollars, which is Helping Hand Aged Care Incorporated's functional and presentation currency.

Helping Hand Aged Care Incorporated is a not--for--profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

34 Molesworth Street,
North Adelaide, SA 5006.

A description of the nature of the incorporated association's operations and its principal activities are included in the Board of Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue on 29 October 2024.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Operating income			
Revenue from services	2	174,221	139,688
Share of profits of joint ventures accounted for using the equity method	9	653	1,000
Other income	3	22,355	13,693
Total operating income		**197,229**	**154,381**
Operating expenditure			
Other expenses	4	(23,239)	(21,180)
Employee benefits expense		(135,748)	(109,133)
Depreciation and amortisation expense		(8,029)	(8,082)
Finance costs		(180)	(186)
Administration expenses		(4,947)	(3,431)
Repairs and maintenance		(3,414)	(2,971)
Refundable accommodation deposit lease expense		(12,727)	(9,570)
Surplus/(deficit) for the year	19	**8,945**	**(172)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of land and buildings		63,702	-
Whyalla Aged Care Inc - acquisition		-	(998)
Other comprehensive income for the year		**63,702**	**(998)**
Total comprehensive income for the year		**72,647**	**(1,170)**

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

Statement of Financial Position

As at 30 June 2024

	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	5	19,731	40,394
Trade and other receivables	6	3,942	2,700
Other financial assets	7	32,523	-
Total current assets		**56,196**	**43,094**
Non-current assets			
Investments accounted for using the equity method	9	5,761	5,108
Property, plant and equipment	10	296,111	238,695
Right-of-use assets		938	1,283
Other financial assets	7	11,160	2,656
Investment property - resident funded units	8	27,455	26,765
Total non-current assets		**341,425**	**274,507**
Total assets		**397,621**	**317,601**
Liabilities			
Current liabilities			
Trade and other payables	11	8,504	8,700
Refundable accommodation deposits	12	160,757	152,675
Lease liabilities		372	393
Employee benefits	14	14,208	13,024
Provisions	15	1,243	1,532
Contract liabilities	16	7,106	10,457
Resident funded unit licence liabilities	17	14,779	13,522
Total current liabilities		**206,969**	**200,303**
Non-current liabilities			
Lease liabilities		565	890
Employee benefits	14	2,755	1,630
Provisions	15	1,913	2,006
Total non-current liabilities		**5,233**	**4,526**
Total liabilities		**212,202**	**204,829**
Net assets		**185,419**	**112,772**
Equity			
Reserves	18	138,815	75,113
Accumulated funds	19	46,604	37,659
Total equity		**185,419**	**112,772**

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

Statement of Changes in Equity

For the year ended 30 June 2024

		Reserves				
	Accumulated funds $'000	**Asset revaluation $'000**	**Trust ID funds $'000**	**Capital grants $'000**	**Whyalla acquisition reserve $'000**	**Total $'000**
Balance at 1 July 2022	18,993	75,113	2,440	17,396	-	113,942
Deficit for the year	(172)	-	-	-	-	(172)
Other comprehensive income for the year	-	-	-	-	(998)	(998)
Total comprehensive income for the year	(172)	-	-	-	(998)	(1,170)
Transfers between reserves	18,838	-	(2,440)	(17,396)	998	-
Balance at 30 June 2023	**37,659**	**75,113**	**-**	**-**	**-**	**112,772**

		Reserves				
	Accumulated funds $'000	**Asset revaluation $'000**	**Trust ID funds $'000**	**Capital grants $'000**	**Whyalla acquisition reserve $'000**	**Total $'000**
Balance at 1 July 2023	37,659	75,113	-	-	-	112,772
Surplus for the year	8,945	-	-	-	-	8,945
Other comprehensive income for the year	-	63,702	-	-	-	63,702
Total comprehensive income for the year	8,945	63,702	-	-	-	72,647
Balance at 30 June 2024	**46,604**	**138,815**	**-**	**-**	**-**	**185,419**

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

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from operating activities		170,706	141,517
Payments to suppliers and employees		(165,637)	(134,841)
Interest and dividends received		2,960	1,313
Bequests, donations and fundraising		82	24
Interest paid		-	(7)
Net cash from operating activities		**8,111**	**8,006**
Cash flows from investing activities			
Payments for investments - shares		(8,105)	(1,103)
Payments for property, plant and equipment	10	(3,269)	(3,131)
Payment for resident funded unit upgrades		(1,282)	(324)
Payment for financial assets - term deposits		(32,523)	-
Proceeds from disposal of investments - shares		347	181
Proceeds from disposal of property, plant and equipment		4,486	264
Net cash used in investing activities		**(40,346)**	**(4,113)**
Cash flows from financing activities			
Accommodation bond / refundable deposits received		49,863	56,120
Accommodation bond / refundable deposits refunded		(41,175)	(41,251)
Repayment of lease liabilities		(480)	(518)
Money received from resident funded unit entrants		4,455	2,031
Refunds of resident funded units		(1,091)	(1,091)
Net cash from financing activities		**11,572**	**15,291**
Net increase/(decrease) in cash and cash equivalents		(20,663)	19,184
Cash and cash equivalents at the beginning of the financial year		40,394	21,210
Cash and cash equivalents at the end of the financial year	5	**19,731**	**40,394**

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. For the purpose of the statement of cash flows, cash includes cash on hand, at bank, on deposit and investments in equities, property trusts and income securities.

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

Notes to the Financial Statements

30 June 2024

1. Material accounting policy information

The accounting policies that are material to the incorporated association are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The incorporated association 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 incorporated association.

Going concern
The Statement of financial position for the association discloses a net current liability position of $151m (2023: $157m). The financial statements have been prepared on a going concern basis as the deficiency only arises because of the disclosure of resident accommodation deposits and resident liabilities as current liabilities. Resident accommodation deposits and resident liabilities for the association amounting to $161m (2023: $153m) as per note 12, are shown as current liabilities on the basis they are repayable to residents when they leave the facility or unit, which can be at any time.

RAD refunds are guaranteed by the Commonwealth Government under the Prudential Standards and providers are required to have sufficient liquidity to ensure that they can refund RAD balances as they fall due in the following 12 months. In order to achieve this, providers are required to implement and maintain a liquidity management strategy. The association has an established liquidity management strategy which has not been breached in the year and is in compliance with the Prudential Standards.

Based on the cash flow model for the next twelve months, the association will be able to pay its debts as and when they become due and payable. In addition, the association has access to bank facilities totalling $20,000,000 as disclosed in note 13. Accordingly, the financial report has been prepared on a going concern basis.

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and South Australian legislation the Associations Incorporation Act 1985, the Collections for Charitable Purposes Act 1939 and associated regulations, as appropriate for not-for-profit oriented entities.

1. *Material accounting policy information (continued)*

Revenue recognition
The incorporated association recognises revenue as follows:

Revenue from contracts with residents or clients
Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a resident or client. For each contract with a resident or client, the incorporated association: identifies the contract with a resident or client; identifies the performance obligations in the contract; determines the transaction price, which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the resident or client of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the resident or client such as discounts, rebates and refunds, any potential bonuses receivable from the resident or client and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the resident or client obtains control of the goods, which is generally at the time of delivery.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

Income tax
As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

1. *Material accounting policy information (continued)*

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 incorporated association'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 incorporated association'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.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the incorporated association's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduces the carrying amount of the investment.

Investment property

Investment property is initially measured at cost, including transaction costs and subsequently fair value with any change therein recognised in the statement of profit or loss. Fair value has been determined based on external valuations performed by an independent appraiser with a recognised professional qualification and recent experience in the location and category of property being valued. Fair value varies depending on location and current market conditions.

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.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

1. Material accounting policy information (continued)

Comparatives
Where necessary, comparative figures have been reclassified to conform with the changes in presentation in the current year.

Key judgements, estimates and assumptions
The preparation of the financial statements requires management to exercise judgement and make estimates and assumptions in applying the Association's accounting policies which impact amounts reported for assets, liabilities, income and expenses. Actual results may differ from these judgements, estimates and assumptions. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods. Information about significant areas of estimation uncertainty and critical assumptions are described in the following notes:

/ Investment property: assumptions underlying the assessment of fair value (note 8);
/ Property, plant, equipment: useful life and assumptions on recoverable amount assessments (note 10);
/ Provisions: assumptions underlying recognition and measurement of provisions (note 15); and
/ Revenue recognition: recognition of revenue under AASB 15 and AASB 1058 (note 2).

New standards, interpretations and amendments
A number of amendments and interpretations have been applied for the first time in this reporting period but did not have a material impact on the consolidated financial statements of the Association.

2. Revenue from services

	2024 $'000	2023 $'000
Government funded revenue - AN-ACC	117,725	87,056
Client fees	23,196	20,811
Grants	11,970	12,412
Grants - COVID-19	1,859	2,444
Residential charges/supplements	10,012	8,638
Daily accommodation payments/contributions	6,215	5,440
Non-refundable entry contributions	381	487
Home care packages surplus funds	18	34
Brokerage income	2,845	2,366
Total revenue from services	**174,221**	**139,688**

Revenue is recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. Residential aged care and home care revenue is disaggregated based on the nature of funding. Total revenue includes imputed income from the provision of accommodation, which is accounted for as an operating lease under AASB16 Leases.

2. Revenue from services (continued)

Type of Revenue	Description
Government Funded Subsidies & Supplements	The Australian Government (the "Government") determines the amount of subsidies and supplements in accordance with the provisions of the Aged Care Act 1997 (the "Act"). In accordance with the Act the level of subsidy or supplement is dependent on a range of factors, including a resident's care needs, supported resident ratios in a particular home and whether a home has been newly built or significantly refurbished on or after 20 April 2012. The subsidies and supplements are calculated as a daily rate payable for each day that a resident is in a home. The Government may require a resident to pay a proportion of that subsidy or supplement dependent on their own financial circumstances. This is referred to as a Means Tested Care Fee ("MTCF"). The MTCF reduces the amount the Government pays directly to the provider as a result. The total MTCF included within the total Government Funded Residential Care Subsidies and Supplements was $3.3m for the year ended 30 June 2024 (30 June 2023: $2.7m). On 1 October 2022, the Australian National Aged Care Classification ("AN-ACC") care funding model replaced the Aged Care Funding Instrument ("ACFI"). The transition to the new funding model did not impact the Association's accounting policy for recognising Government-funded subsidies and supplements.
Hotelling Supplement	The Association received the Hotelling supplement from the Government which was introduced with effect from 1 July 2023. The supplement was paid at an average rate of $11.03 per resident per day to help meet the hotelling costs. This includes costs such as employing staff for services such as catering, cleaning and gardening.
Resident Daily Care Fees	The Association receives Basic Daily Fees which are set by the Government in accordance with the Act and funded directly by the resident. The Basic Daily Fee is calculated as a daily rate payable for each day that a resident is in a home.
Other Resident Fees	The Association provides additional services and accommodation to residents that are funded directly by the resident, under the mutually agreed terms and conditions.
Deferred Management Fee (DMF) Revenue	*Retirement living* Revenue arises from deferred management fees, long-term leases and short-term rentals, as agreed in a single contract with the resident. Revenue from deferred management fees is recognised over the expected length of stay of a resident. The expected length of stay of a resident is estimated based on historical tenure data, including industry data. The difference between revenue recognised and contractual deferred management fees earned is recognised with the resident funded unit licenses liabilities.

2. Revenue from services (continued)

Type of Revenue	Description
Deferred Management Fee (DMF) Revenue (cont.)	Revenue from long-term leases and short-term rentals are recognised on a monthly basis as services are provided. *Governments Grants* Government grants which contain sufficiently specific performance obligations are recognised as these performance obligations are met in accordance with AASB 15 Revenue from Contracts with Customers. When government grants do not contain sufficiently specific obligations are recognised in full upon receipt of the grant funding.
Other Operating Revenue	Other operating revenue comprises rental income, donations and bequests, interest revenue, dividend revenue and other sundry revenue. Revenue is recognised over time as services are provided, at the date when the donation or invoice received and when right to receive the dividend has been established. Residents or clients are typically invoiced monthly, and revenue is usually payable within 30 days.
Imputed Interest on RAD Balances	Imputed revenue on RAD and bond balances The Association has determined that the arrangement in which residents who choose to pay a RAD or a bond for their accommodation services meet the definition of a lease under AASB 16. The Association has recognised as revenue an imputed non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement. The accounting treatment results in a non-cash increase in revenue for accommodation and a non-cash increase in finance costs on the outstanding RAD and bond balance, with no net impact on profit and loss for the year. The Association has determined the use of the Maximum Permissible Interest Rate ("MPIR") prevailing at the date of admission as the interest rate to be used in the calculation of the Imputed DAP Revenue on RAD and Bond balances. The MPIR is a rate set by the Government and is used to calculate the DAP to applicable residents.
COVID-19 Grants	COVID costs reimbursement Government grants primarily relate to claims disbursed from the Government which reimburse some of the costs incurred during COVID-19 outbreaks. The Association has recognised these grants where approval has been provided by the Department.

Key judgement, estimate and assumptions - Maximum Permissible Interest Rate ('MPIR')
The Maximum Permissible Interest Rate ('MPIR') as the interest rate to be used in the calculation of the imputed income on RADs and Bonds. The MPIR rate is set by the Australian Government and is used to calculate the daily accommodation payments applicable to residents.

Key judgement, estimate and assumptions - Revenue recognition
One of the two criteria for determining whether AASB 15 or AASB 1058 applies to the recognition of revenue and income of NFP entities is identifying whether a contract has sufficiently specific performance obligations.

2. Revenue from services (continued)

Key judgement, estimate and assumptions - Revenue recognition
This is an important and fundamental concept as the specificity of performance obligations (together with enforceability) will determine whether the transaction is accounted for under AASB 1058 (which may result in point in time upfront income recognition) or under AASB 15 (which may require overtime and/or point in time revenue recognition depending on the contract terms of the arrangement). Judgement is required to assess whether a promise is sufficiently specific. Such judgement takes into account any conditions specified in the arrangement, whether explicit or implicit, regarding the promised goods or services.

	2024 $'000	2023 $'000
COVID-19 grants		
Claims approved and recognised as income	1,859	2,444
Grant income recognised as income during the year	**1,859**	**2,444**
Claims submitted, not approved	-	751
Partially declined claims	38	152
Total claims submitted	**1,897**	**3,347**

3. Other income

	2024 $'000	2023 $'000
Net fair value gain on other financial assets	3,433	110
Sundry and other income	2,726	2,526
Refundable accommodation deposit lease income	12,727	9,570
Interest and dividends received	2,960	1,313
Retention revenue	509	174
Other income	**22,355**	**13,693**

4. Other expenses

	2024 $'000	2023 $'000
Client care expenses	12,648	9,949
Housekeeping expenses	2,235	1,970
Travel and accommodation expenses	2,022	1,541
Audit, legal and consultancy expenses	2,135	2,542
Premises expenses	2,533	3,515
Other expenses	1,666	1,663
Other expenses	**23,239**	**21,180**

5. *Cash and cash equivalents*

	2024 $'000	2023 $'000
Current assets		
Cash on hand	35	36
Cash at bank	19,696	29,121
Term deposits classified as cash	-	11,237
Cash and cash equivalents per cash flow	**19,731**	**40,394**

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6. *Trade and other receivables*

	2024 $'000	2023 $'000
Current assets		
Trade receivables	2,151	1,928
Other receivables	1,913	898
Less: Allowance for expected credit losses	(122)	(126)
	3,942	**2,700**

For trade receivables and contract assets under AASB 15 the Association applies a simplified approach of recognising lifetime expected credit losses as these items do not have a significant financing component.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the past due. The Association has established a provision policy based on historical credit loss experience, adjusted for forward looking factors, which include factors specific to the trade receivables and forecast economic conditions.

Receivables are shown inclusive of GST.

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The incorporated association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

7. Other financial assets

	2024 $'000	2023 $'000
Current assets		
Term deposits	32,523	-
Non-current assets		
Market value of investments in listed corporations at fair value through profit and loss	11,160	2,656

Financial Instruments

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification and subsequent measurement of financial assets
Except for those trade receivables that do not contain a significant financing component, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into amortised costs.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:
- The entities business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial assets.

Subsequent measurement financial assets
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit and loss):
- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flow; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest.

7. *Other financial assets (continued)*

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss:

- Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss; and
- A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Classification and measurement of financial liabilities
The Association's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Association designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

8. *Investment property – resident funded units*

	2024 $'000	2023 $'000
Non-current assets		
Investment property - resident funded units	27,455	26,765

	2024 $'000	2023 $'000
Opening balance	26,765	24,855
Additions	1,282	29
Revaluation increment	4,778	82
Whyalla acquisition	-	1,799
Disposals	(5,370)	-
Closing balance	**27,455**	**26,765**

Resident funded units (RFU's) comprise interests in land and buildings. The Association sells the right to occupy RFU's on a rolling basis and is entitled to income by way of an annual deferred management fee (DMF) for a portion of the fair value of the units.

8. Investment property – resident funded units (continued)

Initially, RFU's are measured at cost including transaction costs. Subsequent to initial recognition, the RFU's are then stated at fair value. Gains and losses arising from changes in the fair values of RFU's that are attributable to the Association are included in the Statement of Profit and Loss and Other Comprehensive Income in the period in which they arise.

At each reporting date, the fair values of the RFU's are assessed by the Association by reference to comparable sales, independent valuation or through Valuer General's valuation.

The Association owns the land on which the Resident Funded Units are located, and a license is granted to a resident on a lifetime tenancy to occupy the unit. In return for the grant of the license, the resident agrees to make an interest free loan to the Association. The interest free loan is recorded in the Statement of Financial Position as a liability.

Where applicable, for those loans repayable as a percentage of the original loan contributed, an adjustment is made to reflect the length of stay of the resident. Where the amount that may be repaid at the end of the tenancy is subject to a combination of market values and years of occupancy the fee liability is recognised at the market value of the property as at the end of the financial year. This liability is reduced for years of occupancy in accordance with individual contract obligations.

At the time a Resident Funded Unit is reoccupied, a market value is determined by a number of ways. These include using a licensed valuer, using council rates valuation, or realised sale valuation. The new value of the license is compared to the previous license value and a percentage increase is determined and applied.

Key judgement, estimate and assumptions – resident funded units
Investment property valuations are subject to key market-based assumptions including discount rates, the current market value of residential units and the growth in those values over time. Given the volatility in markets and the lack of certainty around economic recovery, it is possible there will be movements in these key inputs after 30 June 2024. Demand may also be positively or negatively impacted by potential residents' perceptions of the advantages and disadvantages of living in a retirement community at this time.

Investment property is classified as Level 3 in the fair value hierarchy.

9. Investments accounted for using the equity method

	2024 $'000	2023 $'000
Non-current assets		
Investment in Ingle Farm joint venture	**5,761**	**5,108**

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

	2024 $'000	2023 $'000
Opening carrying amount	5,108	4,108
Surplus	653	1,000
Closing carrying amount	**5,761**	**5,108**

9. *Investments accounted for using the equity method (continued)*

Joint Venture

Investment in the joint venture is initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Association's share in the associate is not recognised separately and is included in the amount recognised as investment in joint venture.

The carrying amount of the investment in the joint venture is increased or decreased to recognise the Association's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Association.

The Association has entered into a joint venture to develop and operate a community housing project that provides 20 wheelchair accessible houses. Under the terms of the agreement the Association has contributed land with a value of $1.4m to the project and contributed capital of $0.2m.

The Association is entitled to share in any profits of the Joint Venture equally and must bear its losses in the same proportion. The investment is accounted for under the equity method. The joint venture has a reporting date of 30 June 2024.

	2024 $'000	**2023 $'000**
Assets	13,342	12,175
Liabilities	(38)	(37)
Net assets	13,304	12,138
Net assets attributable to the association	**5,761**	**5,108**
Revenue	342	296
Profit/(loss)	1,307	2,001
Profit attributable to the association	**653**	**1,000**
Change in fair value	1,200	1,905
Change in fair value attributable to the association	**600**	**953**

10. Property, plant and equipment

	2024 $'000	2023 $'000
Non-current assets		
Land - at independent valuation	**92,393**	**45,962**
Building and improvements - at independent valuation	191,970	199,624
Less: Accumulated depreciation	-	(18,787)
	191,970	**180,837**
Leasehold improvements - at cost	629	619
Less: Accumulated depreciation	(622)	(617)
	7	**2**
Plant and equipment - at cost	48,344	46,407
Less: Accumulated depreciation	(38,589)	(35,917)
	9,755	**10,490**
Motor vehicles - at cost	2,074	2,107
Less: Accumulated depreciation	(1,484)	(1,169)
	590	**938**
Work in progress	**1,396**	**466**
	296,111	**238,695**

Reconciliations

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

	Land $'000	Building and improvements $'000	Leasehold improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Work in progress $'000	Total $'000
Balance at 1 July 2023	**45,962**	**180,837**	**2**	**10,490**	**938**	**466**	**238,695**
Additions	-	275	10	2,006	48	930	3,269
Disposals	(1,949)	(960)	-	(27)	(45)	-	(2,981)
Revaluation increments	48,380	16,391	-	-	-	-	64,771
Depreciation expense	-	(4,573)	(5)	(2,714)	(351)	-	(7,643)
Balance at 30 June 2024	**92,393**	**191,970**	**7**	**9,755**	**590**	**1,396**	**296,111**

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

The cost of fixed assets constructed within the entity includes costs of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads directly attributable to bring the asset to be ready for use.

10. Property, plant and equipment (continued)

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 Association 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.

Land and Buildings
Land and buildings held for use in the supply of services are stated at their re-valued amounts. Re-valued amounts are fair market values based on appraisals prepared by external professional valuers once every five years or more frequently if market factors indicate a material change in fair value.

Land and buildings were subject to an independent valuation (Knight Frank Valuations) as at 30 June 2024.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Work in Progress (WIP)
At 30 June 2024, the carrying value of capitalised projects in progress ("Work in Progress") amounted to $1.4m (30 June 2023: $0.5m). The specific criteria to be met for capitalisation of development costs in accordance with Australian Accounting Standards involves judgement, including the feasibility of the project, intention and ability to complete the construction, ability to use or sell the assets, generation of future economic benefits and the ability to measure the costs reliably.

Depreciation
The depreciable amount of all fixed assets including buildings is depreciated on a straight-line basis over the useful lives of the assets to the Association, 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.

Accounting policy for property, plant and equipment
Land and buildings are shown at fair value, based on periodic, at least every 5 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the asset revaluation reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the asset revaluation reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

10. Property, plant and equipment (continued)

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Key judgment, estimate and assumptions
Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

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

Class of fixed assets	Depreciation Rate
Buildings	40 years or 2.5%
Leasehold Improvements	10 years or 10%
Fixture and fittings	10 years or 10%
Plant and equipment	10 years or 10%
I.T Software	10 years or 10%
I.T Equipment	4 years or 25%
Motor Vehicles	4 years or 25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance 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. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

11. Trade and other payables

	2024 $'000	2023 $'000
Current liabilities		
Trade payables	7,487	7,767
Other sundry payables	1,017	933
	8,504	**8,700**

Payables are shown inclusive of GST.

11. Trade and other payables (continued)

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

12. Refundable accommodation deposits

	2024 $'000	2023 $'000
Current liabilities		
Refundable accommodation deposits:		
- estimated settlement within 12 months	66,388	54,955
- estimated settlement longer than 12 months	94,358	97,698
- entry contribution	11	22
	160,757	**152,675**

Refundable accommodation deposit ('RAD') Accounting Policy

RADs and bonds are paid at the choice of residents upon their admission to homes and are refunded after a resident departs a home in accordance with the Act. Providers must pay a government set Base Interest Rate on all refunds of RADs and bonds within legislated time frames and must pay a higher rate on refunds that are not made within legislated time frames.

RADs and bond refunds are guaranteed by the Government under the Accommodation Payment Guarantee Scheme, in the event that a provider is unable to refund the amounts. Providers are required to maintain sufficient liquidity to ensure that they can refund all amounts as they fall due. As required under legislation, the Association maintains a Liquidity Management Policy, which is monitored on regular basis and a full review is undertaken on an annual basis as a minimum, with the intention of ensuring it has sufficient liquidity, in the form of cash or undrawn lines of credit, to meet its RAD and bond refunds and other financial obligations as or when they fall due. To ensure that funds are readily available when required, the minimum level of funds chosen by the Association are met by undrawn lines of credit under its existing financing facilities.

RADs and bonds are classified as a current liability as the Association does not have an unconditional right to defer settlement for at least twelve months after the reporting date. The total RAD and bond liability represents the sum of separate payments from a significant number of individual residents in different locations with differing circumstances and frequently a departing RAD- or Bond-paying resident is replaced shortly afterwards with a new RAD-paying resident. The repayment of individual balances that make up the total current balance will be dependent upon the actual tenure of individual residents, which can be more than ten years but averages approximately 2.5 - 3 years.

13. Borrowing facilities

The following covenants and undertakings remain in place with NAB in relation to existing facilities.

- The Interest Cover Ratio for Helping Hand Aged Care Incorporated must not be less than 2.25:1;

- The Loan to Value Ratio for Helping Hand Aged Care Incorporated must not exceed 60%;

- Occupancy:
  Occupancy Rate is not to be less than 85% at all times for Helping Hand Aged Care Incorporated. Occupancy is to be measured with reference to the most recent Quarterly Occupancy Report and on an Aggregate basis taking into account all The Borrower's residential aged care facilities; and Occupancy rate means the ratio of occupied beds to total beds for all residential aged care facilities operated by the Borrower.

NAB currently hold security over the Lightsview, Mawson Lakes, Parafield Gardens and Ingle Farm properties.

Effective December 2021 the Association renewed the following finance facilities:

- Refundable accommodation deposit repayment facility $10m;
- Corporate markets loans $5m; and
- Margin loan $5m.

The expiry date of the facilities is 29 November 2024 and there is nil drawn down as at 30 June 2024 (30 June 2023: nil).

14. Employee benefits

	2024 $'000	2023 $'000
Current liabilities		
Annual leave (including on costs)	8,120	7,341
Long service leave (including on costs)	6,088	5,683
	14,208	**13,024**
Non-current liabilities		
Long service leave (including on costs)	**2,755**	**1,630**

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred. The timing of the cash outflows associated with the provisions are unknown.

14. Employee benefits (continued)

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

15. Provisions

	2024 $'000	2023 $'000
Current liabilities		
Self insurance provision	996	1,063
Other provisions	247	469
	1,243	**1,532**
Non-current liabilities		
Self insurance provision	1,817	2,006
Other provisions	96	-
	1,913	**2,006**

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2024	**Self insurance provision $'000**	**Other provisions $'000**
Carrying amount at the start of the year	3,069	469
Additional provisions recognised	4,380	-
Amounts used	(4,636)	(126)
Carrying amount at the end of the year	**2,813**	**343**

15. Provisions (continued)

Accounting policy for provisions

Provisions are recognised when the incorporated association has a present (legal or constructive) obligation as a result of a past event, it is probable the incorporated association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Key judgment, estimate and assumptions - Employee compensation – Self insurance

The Association became self-insured as at 18 January 2016. This covers all employees that are based within South Australia. The Return to Work Act 2014, effective from 1 July 2015 requires an actuarial estimate of the outstanding workers compensation liability as at 30 June 2024, (including claims relating to pre 1 July 2015). A provision is recognised for the estimated future costs of all claims incurred at 30 June 2024, including an allowance for claims incurred but not yet reported. The amount has been determined based on a valuation at 30 June 2024 by an independent actuary. The actuarial report also sets out an estimate of the financial guarantee required under the Act.

16. Contract liabilities

	2024 $'000	2023 $'000
Current liabilities		
Commonwealth subsidies and grants received in advance	7,106	10,457

17. Resident funded unit licence liabilities

	2024 $'000	2023 $'000
Current liabilities		
Resident funded unit licences liabilities	14,779	13,522

18. Reserves

	2024 $'000	2023 $'000
Asset revaluation reserve	**138,815**	**75,113**

This is the movement in the value of buildings from its original development costs. Revaluations of land and buildings are performed periodically, with the last revaluation undertaken in June 2024

19. Accumulated funds

	2024 $'000	2023 $'000
Retained surpluses at the beginning of the financial year	37,659	18,993
Surplus/(deficit) for the year	8,945	(172)
Transfer from other reserves	-	18,838
Retained surpluses at the end of the financial year	**46,604**	**37,659**

20. Key management personnel disclosures

Compensation
The aggregate compensation made to Board of Directors and other members of key management personnel of the incorporated association is set out below:

	2024 $'000	2023 $'000
Aggregate compensation	**1,845**	**1,881**

21. *Remuneration of auditors*

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

	2024 $'000	2023 $'000
Audit services - Grant Thornton Audit Pty Ltd		
Audit of the financial statements	75	72
Other services - Grant Thornton Australia Limited		
Other assurance services	7	25
Assistance with the compilation of the financial statements	9	-
	16	25
	91	**97**

22. *Related party transactions*

Parent entity
Helping Hand Aged Care Incorporated is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

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

23. *Contingent assets and contingent liabilities*

As at 30 June 2024, Return to Work South Australia Guarantees in place are $4.7m (30 June 2023: $4.7m).

As advised in the 2023/24 financial statements, the association has commenced a review of its Enterprise Bargaining Agreements (EBA). An investigative process is being undertaken to confirm accuracy and compliance, consistent with industry practice. This process is continuing, and it is not yet possible to quantify any potential outcomes.

At the date of signing these financial statements, with the exception of the above, the Directors are not aware of any other contingent liabilities.

24. *Capital commitments*

	2024 $'000	2023 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Resident Funded Unit Refurbishments	-	400
Digital systems project	550	-
Residential Care Home Refurbishments	12,770	-
	13,320	**400**

25. *Events after the reporting period*

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

Board of Directors Statement

30 June 2024

The Board of Directors has determined that Helping Hand Aged Care Inc is a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 - 25 to the accounts.

In the opinion of the Board of Helping Hand Aged Care Incorporated:

A. The financial statements and notes of the association are in accordance with the Australian charities and Not-for-profits Commission Act 2012, including:

(i) Giving a true and fair view of its financial position of Helping Hand Aged Care Incorporated as at 30 June 2024 and the performance of the association for the year ended on that date;

(ii) Complying with Australian Accounting Standards - Simplified Disclosures including the Australian Accounting Interpretations and the Australian Charities and Not-for-Profits Commission Regulation 2013; and

B. At the date of this statement, there are reasonable grounds to believe that Helping Hand Aged Care Incorporated will be able to pay its debts as and when they fall due.

In accordance with Section 35 (5) of the Associations Incorporation Act, 1985, the Board of Directors of Helping Hand Aged Care Incorporated hereby states that during the financial year ended 30 June 2024:

A.

(i) No office of the association;
(ii) No firm of which an officer is a member; and
(iii) No body corporate in which an officer has a substantial financial interest.

Has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the association except as stated in (B).

B. No office of the association has received directly or indirectly from the association any payment or other benefit of a pecuniary value except for the following:

Chief Executive Officer (Public Officer)	Salary, motor vehicle and other benefits. These are set on the basis of comparable levels paid in the Aged Care Industry.
Board of Directors	Director's fees and reimbursement of expenses

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

....

BOARD MEMBER   **BOARD MEMBER**

Dated this ......29th...... **day of** ......October...... **2024**

Helping Hand

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Auditor's Independence Declaration

To the Directors of Helping Hand Aged Care Inc

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Helping Hand Aged Care Inc for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 29 October 2024

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Independent Auditor's Report

To the Members of Helping Hand Aged Care Inc

Report on the audit of the financial report

Opinion

We have audited the financial report of Helping Hand Aged Care Inc (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Board of Directors statement.

In our opinion, the financial report of Helping Hand Aged Care Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Registered Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

b complying with Australian Accounting *Standards AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, 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 Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 29 October 2024