

IBIS No.3 Pty Limited

ABN 67 113 078 032

NAPS ID: 2793

Financial Statements

For the Year Ended 30 June 2022

IBIS No.3 Pty Limited

ABN 67 113 078 032

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For the Year Ended 30 June 2022

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IBIS No.3 Pty Limited

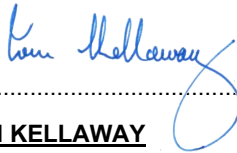
ABN 67 113 078 032

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Sole Director of IBIS No.3 Pty Limited

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

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KMB AUDITING PTY LIMITED



IAN KELLAWAY

Director

North Sydney

Dated: 21st October 2022

IBIS No.3 Pty Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue	5	6,394,216	6,203,446
Other income	5	316,298	208,824
Finance income	5	-	12
	5	<u>6,710,514</u>	<u>6,412,282</u>
Employee benefits expense		(4,823,044)	(4,571,230)
Depreciation and amortisation expense		(85,528)	(75,845)
Resident care costs		(448,510)	(434,582)
Contract & Agency staff costs		(195,818)	(206,969)
Other operating expenses		(1,067,589)	(1,184,764)
Finance expenses	6	<u>(35,988)</u>	<u>(36,398)</u>
Profit/(loss) before income tax		54,037	(97,506)
Income tax expense	8	-	-
Profit/(loss) for the year		<u>54,037</u>	<u>(97,506)</u>
Other comprehensive income, net of income tax		-	-
Total comprehensive income/(loss) for the year		<u>54,037</u>	<u>(97,506)</u>

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	2,500	365,017
Trade and other receivables	11	357,924	113,275
Inventories		10,228	3,500
Loans and Advances	12	4,256,872	3,944,037
Other assets	13	147,160	83,904
TOTAL CURRENT ASSETS		<u>4,774,684</u>	<u>4,509,733</u>
NON-CURRENT ASSETS			
Property, plant and equipment	14	1,563,695	1,584,460
Deferred tax assets	15	355,083	355,083
TOTAL NON-CURRENT ASSETS		<u>1,918,778</u>	<u>1,939,543</u>
TOTAL ASSETS		<u>6,693,462</u>	<u>6,449,276</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	864,819	475,844
Borrowings	17	266,066	254,670
Employee benefits	18	574,323	557,859
Other financial liabilities	19	4,959,225	5,100,296
TOTAL CURRENT LIABILITIES		<u>6,664,433</u>	<u>6,388,669</u>
NON-CURRENT LIABILITIES			
Borrowings	17	186,800	272,417
TOTAL NON-CURRENT LIABILITIES		<u>186,800</u>	<u>272,417</u>
TOTAL LIABILITIES		<u>6,851,233</u>	<u>6,661,086</u>
NET ASSETS		<u>(157,771)</u>	<u>(211,810)</u>
EQUITY			
Issued capital	20	4	4
Retained earnings		<u>(157,775)</u>	<u>(211,814)</u>
TOTAL EQUITY		<u>(157,771)</u>	<u>(211,810)</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2021	4	(211,814)	(211,810)
Total other comprehensive income for the year	-	54,037	54,037
Balance at 30 June 2022	4	(157,775)	(157,771)

2021

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2020	4	(114,308)	(114,304)
Total other comprehensive income for the year	-	(97,506)	(97,506)
Balance at 30 June 2021	4	(211,814)	(211,810)

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	6,505,435	6,507,219
Payments to suppliers and employees	(6,250,676)	(6,296,404)
Interest received	-	12
Finance costs	(35,988)	(36,398)
Net cash provided by/(used in) operating activities	<u>218,771</u>	<u>174,429</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(64,762)	(83,058)
Net cash provided by/(used in) investing activities	<u>(64,762)</u>	<u>(83,058)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net advance from related parties	(306,235)	(1,380,504)
Net movement in refundable accommodation deposits and bonds	(141,071)	1,798,116
Repayment of borrowings	(93,400)	(93,400)
Net cash provided by/(used in) financing activities	<u>(540,706)</u>	<u>324,212</u>
Net increase/(decrease) in cash and cash equivalents held	(386,697)	415,583
Cash and cash equivalents at beginning of year	<u>317,726</u>	<u>(97,857)</u>
Cash and cash equivalents at end of financial year	10 <u>(68,971)</u>	<u>317,726</u>

The accompanying notes form part of these financial statements.

IBIS No.3 Pty Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers IBIS No.3 Pty Limited as an individual entity. IBIS No.3 Pty Limited is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of IBIS No.3 Pty Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

2 Change in Accounting Policy

This is the first financial report of the company prepared in accordance with Australian Accounting Standards - Simplified Disclosures. The prior year financial report was a special purpose financial report that was prepared in accordance with the recognition and measurement requirements of all Australian Accounting Standards and the disclosure requirements of some, but not all, Australian Accounting Standards. The transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected the company's reported financial position, financial performance and cash flows.

3 Summary of Significant Accounting Policies

(a) Going concern

The Company is registered as an Approved Provider and must operate in accordance with the Aged Care Act 1997 (Cth) and related subordinate legislation, including the User Rights Principles 1997 (Cth).

The Company is required to maintain a Liquidity Management Strategy in relation to its ability to demonstrate that it has access to sufficient financial resources to enable it to comply with the regulations pertaining to the repayment of Resident Accommodation Bonds. The Sole Director has undertaken the necessary steps to ensure that the Company has access to sufficient available financial resources to enable the Company to comply with all requirements pertaining to the actual and anticipated repayment of Resident Accommodation Bonds as and when they may occur.

Accordingly, the financial report has been prepared on a going concern basis. The impact of COVID-19 has been taken into consideration in preparing the financial report on a going concern basis.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price

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Notes to the Financial Statements For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

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

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Department of Health Funding (Government subsidies)

The Federal Government assesses the company's entitlement to revenue in accordance with the provisions of the Aged Care Act 1997. The subsidy received is based on the Aged Care Funding Instrument ("ACFI") assessment and recognised on an ongoing daily basis. The amount of Government revenue received is determined by Federal Government regulation rather than a direct contract with the customer. The funding is determined by a range of factors, including the resident's care needs; whether the home has been significantly refurbished; levels of supported resident ratios at the home; and the financial means of the resident.

Resident basic daily fee

The basic daily fee is a daily living expense paid by all residents as a contribution towards the provision of care and accommodation in accordance with the Aged Care Act 1997. This fee is calculated daily in accordance with the rates set by Federal Government, and invoiced on a monthly basis. In addition to the basic daily fee, if the resident has been assessed by the Federal Government as having the financial means, an additional means tested care fee is payable by the resident as a contribution to their care fees. This is also calculated on a daily basis and invoiced monthly.

For each resident, a single performance obligation that reflects a series of distinct services that are substantially the same and have the same pattern of transfer has been identified, being the ongoing daily delivery of care to the resident. The Group recognises revenue on a daily basis in line with the care given to residents. Residents are invoiced on a monthly basis for services provided, with payment due upon invoicing.

Other resident fees

These include fees recognised by the company for additional services to residents, charged to residents under mutually agreed terms and conditions, depending upon the agreed room price and additional services requested.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is

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Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

- (d) **Goods and services tax (GST)**
classified as operating cash flows.

- (e) **Property, plant and equipment**

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

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Plant and Equipment	20%
Motor Vehicles	20%
Computer Equipment	20%-37.5%
Leasehold Improvements	2.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

- (f) **Impairment of non-financial assets**

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

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

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

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

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

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

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Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(g) Intangible Assets

Bed licences

Bed licences for the company's aged care homes are initially carried at cost or if acquired in a business combination, at fair value at the date of acquisition in accordance with AASB 3 Business Combinations. Following initial recognition, the licences are not amortised but are measured at cost less any accumulated impairment losses. Bed licences are tested for impairment annually as at 30 June and when circumstances indicate that the carrying value may be impaired.

Bed licences are assessed as having an indefinite useful life as they are issued for an unlimited period and therefore are not amortised. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(j) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The sole director has decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

4 Critical Accounting Estimates and Judgments

The sole director makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial

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Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Critical Accounting Estimates and Judgments

statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Loans to related parties

The loan receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. Based on directors' assessment no impairment provision is required as the entire balance is considered collectible.

Key estimates - Government grant

During the year the Company submitted claims totaling \$201,000 to the Government relating to expenses incurred in managing the impacts of COVID-19. As a result of high volumes of applications being processed across the sector the Company has not received Government approval in writing as of the date of this report. The Company believes that its unpaid claims meet substantially all the grant's eligibility criteria and expect approval from the Government in the near future. As a result the Company has recognised unpaid grant (\$201,000) as income for the year ended 30 June 2022 in accordance with the Australian Accounting Standards.

5 Revenue and Other Income

	2022	2021
	\$	\$
Revenue		
- Commonwealth subsidies - Residential Aged Care Services	4,578,258	4,373,297
- Commonwealth Subsidies - Home Care Services	248,980	189,905
- Resident fees income - Residential Aged Care Services	1,506,234	1,601,070
- Resident fees - Home Care Services	60,744	39,174
	<hr/>	<hr/>
	6,394,216	6,203,446
- ATO Cash Flow Boost	-	37,500
- Grant Income	201,000	-
- Sundry income	6,734	17,030
- Interest - bank	-	12
- Workers Compensation Insurance Income	58,924	45,814
	<hr/>	<hr/>
	6,660,874	6,303,802
	<hr/>	<hr/>

Grant income

Refer note 4 for details.

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Notes to the Financial Statements For the Year Ended 30 June 2022

6 Finance Expenses

	2022	2021
	\$	\$
Finance costs - Bank	21,566	21,182
Finance costs - RADs interest	14,422	15,216
Total finance expenses	35,988	36,398

7 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
	\$	\$
Other expenses:		
Employee benefits expense	4,823,044	4,571,230
Depreciation and amortisation expense	85,528	75,845
Covid expenses - other	66,414	-
Electricity	4,092	4,041

8 Income Tax Expense

(a) The major components of tax expense (income) comprise:

Current tax expense		
Local income tax - current period	-	-
Total income tax expense	-	-

(b) Reconciliation of income tax to accounting profit:

	2022	2021
	\$	\$
Prima facie tax payable/(benefit) on profit from ordinary activities before income tax at 25% (2021: 26%)	13,510	(25,352)
Add:		
Tax effect of:		
- Changes in temporary differences	36,740	35,102
	50,250	9,750
Less:		
Tax effect of:		
- Non-taxable income	50,250	9,750
Income tax expense	-	-

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Notes to the Financial Statements

For the Year Ended 30 June 2022

8 Income Tax Expense

2022	2021
\$	\$

9 Segment Reporting

The Company operates in the following two segments:

- a) Provision of Residential Aged Care Services; and
- b) Provision of Home Care Services

In accordance with the guidelines for 2021 Financial Reporting for Approved Providers of Residential Care, this Segment Reporting Note and the Detailed Profit and Loss statements for each segment are included in the Financial Statements for Completeness.

Business Segment

For management purposes the company is organised into two operating divisions, namely a residential aged care facility and home care.

The divisions are the basis on which the company reports its primary segment information.

Geographical segment

The company's two divisions operate in the geographical area of Tasmania.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Segment Reporting

Segment performance

	Residential Aged Care Services		Home Care Services		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
REVENUE						
Revenue from external customers	6,400,790	6,183,203	309,724	229,079	6,710,514	6,412,282
Depreciation and amortisation	82,528	72,053	3,000	3,792	85,528	75,845
Segment expenses	6,296,359	6,231,908	274,590	202,035	6,570,949	6,433,943
Segment operating profit/(loss)	21,903	(120,758)	32,134	23,252	54,037	(97,506)
Segment assets	6,693,462	6,449,276	-	-	6,693,462	6,449,276
Segment liabilities	6,851,233	6,661,086	-	-	6,851,233	6,661,086
Capital expenditure	64,762	83,058	-	-	64,762	83,058

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Notes to the Financial Statements For the Year Ended 30 June 2022

10 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	2,500	2,500
Deposits at call	-	362,517
	<u>2,500</u>	<u>365,017</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2022	2021
	\$	\$
Cash and cash equivalents	2,500	365,017
Bank overdraft	(71,471)	(47,291)
Balance as per statement of cash flows	<u>(68,971)</u>	<u>317,726</u>

11 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	83,909	86,537
Deposits	6,300	6,300
GST receivable	46,660	6,264
Government subsidy receivable	20,055	13,347
COVID-19 grant receivable	201,000	-
Other receivables	-	827
Total current trade and other receivables	<u>357,924</u>	<u>113,275</u>

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

Refer note 4 for details on COVID-19 grant receivable (\$201,000) from the Government.

12 Loans and Advances

	2022	2021
	\$	\$
Loan - New Direction Care Pty Ltd	22,000	10,000
Loan - Bexwyn Pty Ltd	685,838	199,691
Loan - Chadwick No 2 Family Trust	457,046	457,046

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Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Loans and Advances

	2022	2021
	\$	\$
Loan - Coastalbreeze Pty Ltd	998,254	998,254
Loan - NewDirection Bellmere Pty Ltd	766,521	66,961
Loan - Synovum Care Group Pty Ltd	552,162	501,466
Loan - Bexwyn Unit Trust	775,051	1,710,619
	<u>4,256,872</u>	<u>3,944,037</u>

The sole director has assessed that the loans constitute a permitted use of RAD funds under the Aged Care Act 1997. The loans are unsecured, interest-free and repayable at call.

13 Other non-financial assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	147,160	83,904
	<u>147,160</u>	<u>83,904</u>

14 Property, plant and equipment

	2022	2021
	\$	\$
Plant and equipment		
Opening balance	417,289	403,661
Accumulated depreciation	(285,585)	(253,587)
Total plant and equipment	<u>131,704</u>	<u>150,074</u>
Motor vehicles		
At cost	13,636	13,636
Opening balance	(9,451)	(8,614)
Total motor vehicles	<u>4,185</u>	<u>5,022</u>
Computer equipment		
At cost	107,131	105,934
Opening balance	(98,643)	(93,605)
Total computer equipment	<u>8,488</u>	<u>12,329</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Property, plant and equipment

	2022	2021
	\$	\$
Leasehold Improvements		
Opening balance	1,740,037	1,690,100
Opening balance	(320,719)	(273,065)
Total leasehold improvements	<u>1,419,318</u>	<u>1,417,035</u>
Total property, plant and equipment	<u>1,563,695</u>	<u>1,584,460</u>

15 Deferred Tax Assets

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
Deferred tax assets			
Provisions - employee benefits	132,523	-	132,523
Deferred tax assets attributable to tax losses	222,560	-	222,560
Balance at 30 June 2021	<u>355,083</u>	<u>-</u>	<u>355,083</u>
Provisions - employee benefits	132,523	-	132,523
Deferred tax assets attributable to tax losses	222,560	-	222,560
Balance at 30 June 2022	<u>355,083</u>	<u>-</u>	<u>355,083</u>

Deferred tax assets have not been recognised in respect of the following:

	2022	2021
	\$	\$
Tax losses	25,511	18,694
Temporary differences	11,230	16,408

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which IBIS No.3 Pty Limited can utilise the benefits therein.

16 Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Trade payables	514,536	228,828
Deposits	-	10,934
GST payable	-	300
Accrued expenses - unsecured	75,949	64,809

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Notes to the Financial Statements

For the Year Ended 30 June 2022

16 Trade and Other Payables

	2022	2021
	\$	\$
Other payables	274,334	170,977
	<u>864,819</u>	<u>475,848</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

17 Borrowings

	2022	2021
	\$	\$
CURRENT		
Unsecured liabilities:		
Loans from sole director	101,195	106,195
Loan from Department of Health	93,400	101,184
	<u>194,595</u>	<u>207,379</u>
Secured liabilities:		
Bank overdraft	71,471	47,291
	<u>71,471</u>	<u>47,291</u>
Total current borrowings	<u>266,066</u>	<u>254,670</u>
NON-CURRENT		
Unsecured liabilities:		
Loan from Department of Health	186,800	272,417
Total non-current borrowings	<u>186,800</u>	<u>272,417</u>

Loan - Department of Health

Loan from the Department of Health is unsecured and attracts interest rate of 5.1% p.a. The loan is repayable by 30 June 2025.

Bank overdraft

The bank overdraft is secured by bed licences held by the Company and a registered first mortgage over freehold properties as held by related parties' entities.

Loan from related parties

Loan from the sole director is unsecured, interest-free and repayable at call.

IBIS No.3 Pty Limited

ABN 67 113 078 032

Notes to the Financial Statements

For the Year Ended 30 June 2022

18 Employee Benefits

	2022	2021
	\$	\$
Current liabilities		
Provision for long service leave	151,171	152,136
Provision for annual leave	423,152	405,723
	<u>574,323</u>	<u>557,859</u>

19 Other Financial Liabilities

	2022	2021
	\$	\$
CURRENT		
Refundable accommodation deposits and bonds		
Other financial liabilities	4,959,225	5,100,296
Total	<u>4,959,225</u>	<u>5,100,296</u>

Terms and conditions relating to refundable accommodation deposits (RADs) and accommodation bonds (Bonds)

The RADs and Bonds are paid by residents upon their admission to homes and are refunded after a resident departs a home in accordance with the Aged Care Act 1997. Providers must pay a 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.

RAD 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 Company 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 refund and other financial obligations.

To ensure that funds are readily available when required, the minimum level of funds chosen by the Approved Provider, IBIS No.3 Pty Limited, are to be held in cash (placed on deposit but readily available) or met by undrawn lines of credit from a its bank.

RADs and Bonds are classified as a current liability as the Approved Provider, IBIS No.3 Pty Limited, 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. 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 -2.5 years.

IBIS No.3 Pty Limited

ABN 67 113 078 032

Notes to the Financial Statements

For the Year Ended 30 June 2022

20 Issued Capital

	2022	2021
	\$	\$
4 (2021: 4) Ordinary shares	4	4
Total	4	4

Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

21 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 196,363 (2021: \$ 180,000).

22 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor for: - auditing or reviewing the financial statements	30,976	31,255
Total	30,976	31,255

23 Related Parties

(a) The Company's main related parties are as follows:

The Sole Director, who is an Australian resident, has control over the Company and owns 100% of IBIS No.3 Pty Limited.

Key management personnel - refer to Note 21.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

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

The following transactions occurred with related parties:

Synovumcare Group Pty Ltd (a director-related entity) provided key management personnel services

IBIS No.3 Pty Limited

ABN 67 113 078 032

Notes to the Financial Statements

For the Year Ended 30 June 2022

(b) Transactions with related parties

(b) Transactions with related parties
(\$196,363) to the Company during the year.

During the year the Company rented aged care building facilities from Bexwyn Pty Ltd (a director-related entity) for \$294,378. There is no formal lease agreement in place.

(c) Loans to/from related parties

Loans to/(from) related parties - refer notes 12 and 17.

24 Bed Licences - Resident Places

Resident places are issued by the Federal Government to Approved Providers, and can also be purchase and transferred from third parties with the approval of the Department of Health. Resident places are stated at cost, or at fair value at acquisition, less any accumulated impairment losses.

All resident places held by the Company have been applied for through the relevant Government approval rounds, and as such there are no direct costs of acquisition applicable.

Where there is a carrying value for Resident Places, this value is not amortised as the Company's Director, based on current Government regulations, believe that they have a long indeterminate life and are not expected to diminish in value over time.

The Director has ascertained that the above bed licences would be worth not less than \$3,500,000, should they be made available for sale as stand-alone assets – as opposed to any value that may be recognised or attributable to the sale of any of the aforementioned facilities.

25 Events Occurring After the Reporting Date

The financial report was authorised for issue on October 2022 by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

26 Statutory Information

The registered office of the company is:

KMB Business Advisors Pty Limited
Level 11 80 Mount St
North Sydney NSW 2060

The principal place of business is:

IBIS No.3 Pty Ltd
Cnr Quiggin and Moore Streets
Wynyard Tasmania 7325

IBIS No.3 Pty Limited

ABN 67 113 078 032

Directors' Declaration

The Sole Director of the Company declares that:

1. The financial statements and notes, as set out on pages 2 to 21, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Sole Director of the Company.

Director *Natasha Chadwick*
Natasha Chadwick

Dated: 25th October 2022

IBIS No.3 Pty Limited

Independent Audit Report to the members of IBIS No.3 Pty Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of IBIS No.3 Pty Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the sole director of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the sole director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

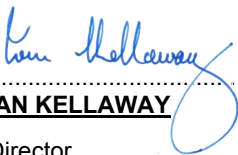
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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 the sole director 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.

KMB AUDITING PTY LIMITED



IAN KELLAWAY

Director

North Sydney

Dated: 26th October 2022