Queensland Rehabilitation Services Pty Ltd
ABN: 99 058 559 603
NAPS ID: 1746

Financial Statements

For the Year Ended 30 June 2022

Queensland Rehabilitation Services Pty Ltd
ABN: 99 058 559 603

Contents Page
For the Year Ended 30 June 2022

Director's Report
For the year ended 30 June 2022

The director presents his report, together with the financial statements, on Queensland Rehabilitation Services Pty Ltd for the financial year ended 30 June 2022.

1 GENERAL INFORMATION

Information on director
The name of the person who has been a director during the year and to the date of this report is:
Mr Mario J Casagrande

The director has been in office since the start of the financial year and up to the date of this report unless otherwise stated.

Principal activities
The principal activity of Queensland Rehabilitation Services Pty Ltd during the financial year was the provision of residential aged care services approved by the Department of Health and Aged Care.

No significant changes in the nature of the Company's activity occurred during the financial year.

2 OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Dividends paid or recommended
Dividends paid or declared during or since the end of the financial year are as follows:
No dividends were paid or declared since the start of the financial year. No reccommendation for payment has been made.

Review of operations
The loss of the Company after providing for income tax amounted to $5,885,524 (2021: $62,731).

3 OTHER ITEMS

Significant changes in state of affairs
There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date
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.

Future developments and results
Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the director believes it would be likely to result in unreasonable prejudice to the Company.

3 OTHER ITEMS (CONT.)

Environmental issues
The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers
The Company has indemnified the director and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the director and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001* . The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnification and insurance of auditors
The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company, BDO Audit Pty Ltd, or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of company
No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's independence declaration
The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* , for the year ended 30 June 2022 has been received and can be found on page 3 of the financial report.

Auditor
BDO Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001* .

Signed in accordance with a resolution of the director:

Director
Mr Mario John Casagrande

Dated: 31st October 2022
Location: Brisbane

Auditor's Independence Declaration

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY L G MYLONAS TO THE DIRECTORS OF QUEENSLAND REHABILITATOIN SERVICES PTY LTTD

As lead auditor of Queensland Rehabilitation Services Pty Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

L G Mylonas
Director

BDO Audit Pty Ltd

Brisbane, 31 October 2022

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022

	Notes	2022 $	2021 $
Revenue	2	64,858,396	55,784,153
Other income	2	3,738,599	6,527,798
Employee benefits expense	3	48,070,702	40,236,247
Occupancy expenses	3	448,121	453,210
Catering and meal costs		2,689,873	2,241,341
Cleaning and laundry costs		672,119	571,376
Medical and nursing supplies		1,608,937	1,050,322
Property repairs and maintenance		1,500,052	1,219,827
Depreciation and amortisation expense	3	12,510,367	11,196,986
Other operating expenses	3	5,448,904	3,410,213
Finance costs	3	2,259,219	1,994,399
Profit before income tax		**(6,611,299)**	**(61,970)**
Income tax expense (benefit)	4	(725,775)	761
Profit for the year		**(5,885,524)**	**(62,731)**
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		**(5,885,524)**	**(62,731)**

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

Statement of Financial Position

As At 30 June 2022

	Notes	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	37,473,501	55,180,227
Trade and other receivables	6	1,773,760	795,618
Other assets	7	398,508	203,941
TOTAL CURRENT ASSETS		**39,645,769**	**56,179,786**
NON-CURRENT ASSETS			
Trade and other receivables	6	113,202,428	79,170,834
Property, plant and equipment	8	4,433,150	4,577,705
Right of Use Asset	9	35,970,492	28,475,303
Deferred tax asset	4	786,280	539,664
Intangible assets	10	8,461,263	12,680,335
TOTAL NON-CURRENT ASSETS		**162,853,613**	**125,443,841**
TOTAL ASSETS		**202,499,382**	**181,623,627**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	18,430,752	15,938,235
Lease Liability	13	7,114,410	9,602,074
Other financial liabilities	12	152,223,566	135,966,634
TOTAL CURRENT LIABILITIES		**177,768,728**	**161,506,943**
NON-CURRENT LIABILITIES			
Trade and other payables	11	33,828	33,828
Lease Liability	13	30,783,447	20,283,953
TOTAL NON-CURRENT LIABILITIES		**30,817,275**	**20,317,781**
TOTAL LIABILITIES		**208,586,003**	**181,824,724**
NET ASSETS		**(6,086,621)**	**(201,097)**
EQUITY			
Issued capital	14	2	2
Retained earnings		(6,086,623)	(201,099)
TOTAL EQUITY		**(6,086,621)**	**(201,097)**

Queensland Rehabilitation Services Pty Ltd
ABN: 99 058 559 603

Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

	Notes	Issued Capital $	Retained Earnings $	Total $
Balance at 01 July 2021		**2**	**(201,099)**	**(201,097)**
Profit after income tax expense for the year		-	(5,885,524)	(5,885,524)
Other comprehensive income, net of income tax		-	-	-
Balance at 30 June 2022		**2**	**(6,086,623)**	**(6,086,621)**

2021

	Notes	Issued Capital $	Retained Earnings $	Total $
Balance at 01 July 2020		**2**	**(138,368)**	**(138,366)**
Profit after income tax expense for the year		-	(62,731)	(62,731)
Other comprehensive income, net of income tax		-	-	-
Balance at 30 June 2021		**2**	**(201,099)**	**(201,097)**

Statement of Cash Flows
For the Year Ended 30 June 2022

	Notes	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		63,499,671	54,906,218
Payments to suppliers and employees		(64,768,748)	(52,786,109)
GST recovered/(paid)		6,466,604	5,715,506
Interest received		3,092,186	3,407,982
Interest paid		(1,839,906)	(1,749,066)
Income taxes paid		-	-
RAD and accommodation bond inflows		46,963,373	58,081,607
RAD and accommodation bond outflows		(32,321,847)	(33,758,210)
Net cash provided by/(used in) operating activities		**21,091,333**	**33,817,928**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		3,719	7,748
Purchase of property, plant and equipment		(811,749)	(656,405)
Payment for business acquisition		(1,435,761)	-
Net cash provided by/(used in) investing activities		**(2,243,791)**	**(648,657)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loans to related parties - payments made		(29,732,198)	(1,292,451)
Proceed from / Repayment of borrowings	17	-	(1,110,367)
Repayment of lease liabilities	17	(6,822,070)	(5,868,367)
Net cash provided by/(used in) financing activities		**(36,554,268)**	**(8,271,185)**
Net increase (decrease) in cash and cash equivalents held		(17,706,726)	24,898,086
Cash and cash equivalents at beginning of year		55,180,227	30,282,141
Cash and cash equivalents at end of financial year	5	**37,473,501**	**55,180,227**

Notes to the Financial Statements

For the year ended 30 June 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial report covers Queensland Rehabilitation Services Pty Ltd as an individual entity. Queensland Rehabilitation Services Pty Ltd is a for profit Company limited by shares, incorporated and domiciled in Australia.

The financial statements are general purpose financial statements that have been prepared in accordance with *Aged Care Act 1997* , Australian Accounting Standards - Simplified Disclosures and interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* . Queensland Rehabilitation Services Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

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

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial report is presented in Australian dollars, which is the functional and presentation currency of the Company and rounded to the nearest dollar.

The financial statements were authorised for issue on 31st October 2022 by the director of the Company.

(b) COMPARATIVE AMOUNTS

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(c) GOING CONCERN

The financial report has been prepared on a going concern basis. The Company is in a negative net asset position and has a net current asset deficiency. As at the reporting date, current liabilities exceed current assets by $138,122,960 (2021: $105,327,157) and total liabilities exceed total assets by $6,088,621 (2021: $201,097).

The net current asset deficiency partially arises because of the requirement under Australian Accounting Standards to classify Accommodation Bonds and Refundable Accommodation Deposits payables totalling $152,223,566 (2021: $135,966,634) as current liabilities, whereas the assets to which they relate, Property, Plant & Equipment, Right to use assets, intangible assets and long term related party receivables are required to be classified as non-current assets.

The net asset deficiency is attributable to the accounting for leases under AASB 16, and impairment of the intangible Bed Licences. AASB 16 had a $516,640 (2021: $716,697) impact on net assets, and Bed Licences were amortised by $4,219,072 (2021: $577,955), neither accounting adjustment will impact on actual viability or operational performance of the company.

Notwithstanding this, the Director has determined the financial report should be prepared on the going concern basis for the following reasons:

- The timing of the obligation of accommodation bonds and refundable accommodation deposits will not practically all fall due within the next twelve months. Accommodation bonds become payable upon the departure of aged care residents. It is unlikely that all residents will depart in the next twelve months thereby requiring a pay out of the full amount of the liability.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) GOING CONCERN (CONT.)

- AASB 16, and amortisation of Bed Licences has had the impact of reducing the net asset position of the Company by $4,735,712 (2021: $1,294,652) which are merely accounting adjustments with no cash impact, therefore not affecting the ability of the company to continue as a going concern and pay their debts as and when they fall due; and

- The company continues to receive the support of related parties. The continued operations of the company are dependent upon receipt of ongoing operational funding from the Department of Health and Aged Care.

After considering all available current information, the directors have concluded that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and payable and preparation of the financial statements on a going concern basis is appropriate.

(d) IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

The carrying amounts of the Company’s non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset’s recoverable amount is estimated. For intangible assets such as bed licenses that have indefinite lives, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss and to reduce the carrying amount of the non-financial asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(e) NEW AND REVISED ACCOUNTING STANDARDS

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

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

Conceptual Framework for Financial Reporting (Conceptual Framework)
The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

(f) BUSINESS COMBINATIONS

On the 2nd of August 2021 the Company acquired Sylvan Woods Residential Aged Care Facility for a purchase price of $1,435,761 (after adjustments).

Details of the acquisition are as follows:

Representing	**$**
Assets	
Land & Building	3,799,642
Liabilities	
Employee Liabilities	(368,230)
Refundable Accommodation Deposits (RAD's)	(2,281,000)
Other Payables	285,349
Net Assets Acquired	**1,435,761**
Acquisition-date fair value of the total consideration transferred	**1,435,761**
Representing:	
- Deposit Paid	120,000
- Cash Paid	1,315,761
	1,435,761
Elivani Trust	
Assets	
Land & Building	3,799,642
Liabilities	
Related Party Loan Payable - WBF Investments Pty Ltd	(368,230)
Related Party Loan Payable - Queensland Rehabilitation Services Pty Ltd	(3,716,761)
Other Payables	285,349

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) BUSINESS COMBINATIONS (CONT.)

WBF Investments Pty Ltd	
Assets	
Related Party Loan Receivable - Elivani Trust	368,230
Liabilities	
Employee Liabilities (AL)	(209,663)
Employee Liabilities (LSL)	(158,567)
Queensland Rehabilitation Services Pty Ltd	
Assets	
Related Party Loan Receivable - Elivani Trust	3,716,761
Liabilities	
Refundable Accommodation Deposits (RAD's)	(2,281,000)

Accounting policy for business combinations
The acquisition method of accounting is used to account for business combinations, unless it is a combination involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired.

On the acquisition of a business, the company assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the company's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Significant estimates and judgement
Fair value of net assets acquired
Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the company taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Notes to the Financial Statements
For the year ended 30 June 2022

2 REVENUE AND OTHER INCOME

	Notes	2022 $	2021 $
Care Income			
Government grants and subsidies	(i)	48,027,445	39,959,480
Residents and clients fees and charges	(ii)	13,793,997	12,716,366
		61,821,442	**52,675,846**
Accommodation income			
Other resident revenue		2,772,318	2,931,869
Imputed revenue on RAD and Bond balances		264,636	176,438
		3,036,954	**3,108,307**
Other income			
Interest		3,350,339	3,581,402
COVID-19 rent relief		-	2,582,424
Other operating revenue		388,260	363,972
		3,738,599	**6,527,798**
Total revenue and other income		**68,596,995**	**62,311,951**

The Company has disaggregated revenue based on the source of funding and discloses accommodation income separately from other revenue.

(i) The Company derives revenue from the transfer of goods and services at a point in time in accordance with AASB15.

(ii) The Company derives revenue from the transfer of goods and services over time in accordance with AASB15.

Government grants and subsidies
The Company recognises revenue from aged care services over time as performance obligations are satisfied, which is as the services are rendered. Revenue arises from a single agreed contract with a resident. Fees received is based on the Aged Care Funding Instrument ("ACFI") assessment and recognised on a daily basis (in line with the care given to the residents). The funding received is determined by the Department of Health and Aged Care and based on a range of factors including resident's care needs; whether the facility has been significantly refurbished; levels of supported residents and financial means of the resident. Funding is received in advance from the Department of Health and Aged Care.

Residents and clients fees and charges
The Company receives daily fees for the provision of care and accommodation in accordance with the Aged Care Act which are funded by the resident as a Basic Daily Fee which is set by the Federal Government. The Basic Daily Fee is calculated as a daily rate and is payable by a resident for each day that resident resides in the facility. The fee is recognised over time as the services are provided. Residents are invoiced on a monthly basis.

Other fees and charges recognised by the Company for additional services to residents and clients under mutually agreed terms and conditions. Each services provided to the resident/client represents a separate performance obligation. These services are typically provided on a regular recurring basis, with revenue recognised over time as the service is provided. Services provided are invoiced on a monthly basis.

Other resident revenue
Other resident revenue represents other fees charged to residents in respect of accommodation charges and includes daily accommodation payments (DAP) and daily accommodation contribution (DAC) revenue. Other resident revenue is recognised over time as the resident resides in the facility. Residents are invoiced on a monthly basis.

2 REVENUE AND OTHER INCOME (CONT.)

Imputed revenue on RAD and Bond balances

Under AASB 16 Leases, total revenue includes an imputed non-cash charge for accommodation in respect of residents who have chosen to pay a RAD and the corresponding finance costs representing the amount of interest expense saved on the interest-free loan. Because the RADs are interest-free only until the resident vacates the premises, the RAD balance is required to be discounted and measured at fair value. The company has determined the use of the RBA's Overnight Cash Rate as the interest rate used in the calculation of the discounting of the RAD balance. Because the repayment of the RAD is guaranteed by the Federal Government, there is no credit risk and therefore the appropriate discount rate is the RBA's Overnight Cash Rate.

Interest revenue

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 carrying amount of the financial asset.

3 EXPENDITURE

	Notes	2022 $	2021 $
(a) Employee benefits expense			
Contract labour hire		45,916,119	38,347,156
Others		2,154,583	1,889,091
		48,070,702	**40,236,247**
(b) Occupancy expenses			
Outgoings		448,121	453,210
		448,121	**453,210**
(c) Depreciation and amortisation expense			
Property plant and equipment	8	952,585	1,071,271
Amortization of Intangibles	10	4,219,072	577,955
Right of use asset	9	7,338,710	9,547,760
		12,510,367	**11,196,986**
(d) Finance costs			
Interest expense attributable to leases accounted for under AASB16		1,755,012	1,482,746
Imputed Accommodation Bond/RAD interest expense		264,636	176,438
Accommodation Bond/RAD interest paid		9,439	4,107
Other Interest expense		230,132	331,108
		2,259,219	**1,994,399**
(e) Other operating expenses			
Accountancy and audit fees		102,366	133,591
Advertising fees		788,757	441,640
Consultancy fees		764,785	392,857
Bad debts		1,114	3,633
Insurance and legal fees		306,250	268,578
Utilities expenses		1,074,172	777,560
Other expenses		2,411,460	1,392,354
		5,448,904	**3,410,213**

Notes to the Financial Statements

For the year ended 30 June 2022

4 INCOME TAX EXPENSE

	Notes	2022 $	2021 $
(a) The major components of tax expense (income) comprise:			
Current tax		(468,203)	59,156
Deferred tax		(246,615)	(65,881)
Prior year over / under tax adjustment		(10,957)	7,486
Total income tax expense		**(725,775)**	**761**
(b) Reconciliation of income tax to accounting profit:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2021: 30%)		(1,983,390)	(18,591)
- non-deductible expenses		1,268,572	11,866
- prior year over / under tax adjustment		(10,957)	7,486
Total Income tax expense		**(725,775)**	**761**
Recognised deferred tax assets and liabilities			
Deferred tax asset		786,280	539,664
		786,280	**539,664**
(c) Deferred tax asset comprises temporary differences attributable to:			
Acquisition costs expensed and not capitalised		171,313	167,135
Prepayments expensed and not capitalised		(173)	-
Accruals		-	(87,618)
Depreciation differences		36,930	36,930
AASB 16 leases		578,210	423,217
Deferred tax asset		**786,280**	**539,664**
(e) Reconciliation of movement in deferred tax asset			
Opening balance		539,664	2,960,760
Debited / (credited) to the profit or loss		246,616	(2,421,096)
Closing balance		**786,280**	**539,664**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

4 INCOME TAX EXPENSE (CONT.)

Deferred tax is recognised for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company is a member of a tax consolidated group with Ultissimo Pty Ltd and its wholly owned controlled entities. The head entity, Ultissimo Pty Ltd, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Ultissimo Pty Ltd also recognises the current tax liabilities (or assets) and any deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

5 CASH AND CASH EQUIVALENT

	Notes	2022 $	2021 $
Cash on hand		1,409	6,701
Cash at bank		37,472,092	55,173,526
Total cash and cash equivalents		**37,473,501**	**55,180,227**

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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

6 TRADE AND OTHER RECEIVABLES

	Notes	2022 $	2021 $
Current			
Trade receivables		1,612,372	657,755
Other receivables		161,388	137,863
Total current trade and other receivables		**1,773,760**	**795,618**
Non-current			
Related party receivables		113,202,428	79,170,834
Total non-current trade and other receivables		**113,202,428**	**79,170,834**
Total trade and other receivables		**114,976,188**	**79,966,452**

A provision for impairment loss is recognised using the simplified approach of the expected credit loss model. At 30 June 2022 impaired receivables amounted to $ 1,114 (2021: (3,633)).

Notes to the Financial Statements

For the year ended 30 June 2022

6 TRADE AND OTHER RECEIVABLES (CONT.)

Trade receivables are usually settled within 30 days and are carried at amounts due. Bad debts are written off when identified. Trade receivable are recorded as current where they are expected to be collected within 12 months of the end of the reporting period. All other receivables are classified as noncurrent assets.

Trade receivables, loans and other receivables are classified as financial assets at amortised cost. Financial assets at amortised cost are measured at amortised cost using the effective interest method less impairment.

7 OTHER ASSETS

	Notes	2022 $	2021 $
Current			
Prepayments		327,682	165,519
Stock		70,826	38,422
Total current other assets		**398,508**	**203,941**

8 PROPERTY, PLANT AND EQUIPMENT

	Notes	2022 $	2021 $
Plant and equipment			
At cost		4,343,557	3,693,277
Accumulated depreciation		(2,779,682)	(2,441,628)
		1,563,875	**1,251,649**
Motor vehicles			
At cost		359,597	359,597
Accumulated depreciation		(295,275)	(273,834)
		64,322	**85,763**
Furniture, fixtures & equipment			
At cost		4,262,550	4,165,653
Accumulated depreciation		(3,177,685)	(2,763,829)
		1,084,865	**1,401,824**
Leasehold improvements			
At cost		2,406,717	2,351,649
Accumulated depreciation		(781,736)	(665,352)
		1,624,981	**1,686,297**
Low value asset pool			
At cost		2,626,494	2,626,494
Accumulated depreciation		(2,531,387)	(2,474,322)
		95,107	**152,172**
Total property, plant and equipment		**4,433,150**	**4,577,705**

8 PROPERTY, PLANT AND EQUIPMENT (CONT.)

Movements in carrying amounts
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Notes	Plant and equipment $	Motor vehicles $	Furniture, fixtures & equipment $	Leasehold improvements $	Low value asset pool $	Total $
Carrying amount at 1 July 2021		1,251,649	85,763	1,401,824	1,686,297	152,172	4,577,705
Additions		655,741	-	100,939	55,069	-	811,749
Transfers		-	-	-	-	-	
Disposals		-	-	(3,719)	-	-	(3,719)
Depreciation expense		(343,515)	(21,441)	(414,179)	(116,385)	(57,065)	(952,585)
Carrying amount at 30 June 2022		**1,563,875**	**64,322**	**1,084,865**	**1,624,981**	**95,107**	**4,433,150**

	Notes	Plant and equipment $	Motor vehicles $	Furniture, fixtures & equipment $	Leasehold improvements $	Low value asset pool $	Total $
Carrying amount at 1 July 2020		1,415,251	114,306	1,537,609	1,689,834	243,320	5,000,320
Additions		201,385	-	342,892	112,127	-	656,404
Transfers			-				-
Disposals		(7,748)		-	-	-	(7,748)
Depreciation expense		(357,239)	(28,543)	(478,677)	(115,664)	(91,148)	(1,071,271)
Carrying amount at 30 June 2021		**1,251,649**	**85,763**	**1,401,824**	**1,686,297**	**152,172**	**4,577,705**

8 PROPERTY, PLANT AND EQUIPMENT (CONT.)

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment, where applicable. Historical cost includes the purchase price and other costs directly attributable to the acquisition of the asset.

Depreciation
The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a reducing balance and straight line methods from the date that management determine that the asset is available for use. Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the asset's useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Plant and equipment	2 - 40 years
Motor vehicles	3 - 12 years
Furniture, fixtures & equipment	1.5 - 27 years
Leasehold improvements	3.5 - 80 years
Feasibility studies	10 years
Low value asset pool	5 - 11 years

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.

Estimation of useful lives of assets
The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of property, plant and equipment
The Company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

9 RIGHT OF USE ASSET

	Notes	2022 $	2021 $
At cost		62,583,898	47,749,998
Accumulated depreciation		(26,613,406)	(19,274,695)
		35,970,492	**28,475,303**
Reconciliation of movement in carrying amounts			
Balance at the beginning of the year		28,475,303	38,739,759
Additions - New Leases		4,157,160	-
Additions - Lease Modifications		10,676,739	(716,696)
Disposals		-	-
Depreciation expense		(7,338,710)	(9,547,760)
Closing balance at the end of the year		**35,970,492**	**28,475,303**

The Company leases various offices, facilities and equipment under agreements of typically 1 to 10 years. Extension and termination options are included in a number of agreements. Where the Company is reasonably certain to take these up, the option has been incorporated into the AASB 16 *Leases* assessment. Lease terms are negotiated on an individual basis and contain a range of terms and conditions

9 RIGHT OF USE ASSET (CONT.)

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities. The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

10 INTANGIBLE ASSETS

	Notes	2022 $	2021 $
Bed licences			
At cost		13,258,290	13,258,290
Less: accumulated amortisation		(4,797,027)	(577,955)
		8,461,263	**12,680,335**
Reconciliation of movement in carrying amounts			
Opening balance at the beginning of the year		12,680,335	13,258,290
Additions		-	-
Disposals		-	-
Amortisation expense		(4,219,072)	(577,955)
Closing balance at the end of the year		**8,461,263**	**12,680,335**

Bed licences
Bed licenses are carried at cost less amortisation and accumulated impairment losses. Bed licenses are initially recognised at fair value upon initial acquisition or as part of a business combination.

Prior to 11 May 2021, bed licenses were assessed as having an indefinite useful life as the licenses were able to be traded. As a result of a change in regulation of bed licenses in the residential aged care sector resulting from the Federal Government adopting the recommendation from the Aged Care Royal Commission in May 2021 to allocate residential aged care places to consumers rather than Approved Providers. Existing bed licenses are deemed to have a useful life to 30 June 2024 and are amortised over this 38 month period.

As this constitutes an impairment indicator under AASB 136 Impairment, bed licenses have been assessed for impairment by comparing their recoverable amount with the carrying amount.

Impairment of intangible assets
The Company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether bed licences have suffered any impairment, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Bed licences are allocated to each Aged Care for the purposes of impairment testing. A review of indicators for impairment relating to bed licences and other non-current assets was performed as at 30 June 2022. As a result of this review, bed licences have been assessed for impairment by comparing their recoverable amount with the carrying amount.

Notes to the Financial Statements
For the year ended 30 June 2022

11 TRADE AND OTHER PAYABLES

	Notes	2022 $	2021 $
Current			
Trade payables		15,028,164	12,471,917
Sundry creditors and accruals		3,402,588	3,466,318
Total current trade and other payables		**18,430,752**	**15,938,235**
Non-current			
Related party payables		33,828	33,828
Total non-current trade and other payables		**33,828**	**33,828**
Total trade and other payables		**18,464,580**	**15,972,063**

Liabilities for trade creditors and other payables are recognised initially at fair value and are subsequently carried at amortised cost. All amounts are non-interest bearing and have an average term of 30 days.

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

12 OTHER FINANCIAL LIABILITIES

	Notes	2022 $	2021 $
Current			
Accommodation bonds and refundable accommodation deposits		152,223,566	135,966,634
Total other financial liabilities held at amortised cost		**152,223,566**	**135,966,634**

Accommodation bonds and refundable accommodation deposits received from residents are recognised as a financial liability under AASB 9. The recorded amount represents the accommodation bonds and refundable accommodation deposits received less any retention, extra services and interest amounts due in accordance with the terms of the resident agreement in compliance with the Aged Care Act 1997 (Cth).

As there is no unconditional right to defer settlement of accommodation bonds and refundable accommodation deposits for at least twelve months after the reporting date, all accommodation bonds and refundable accommodation deposits held have been recognised as a current liability.

13 LEASE LIABILITIES

	Notes	2022 $	2021 $
Current			
Lease liability		7,114,410	9,602,074
Total current lease liability		**7,114,410**	**9,602,074**
Non-current			
Lease liability		30,783,447	20,283,953
Total non-current lease liabiliaty		**30,783,447**	**20,283,953**
Total lease held at amortised cost		**37,897,857**	**29,886,027**

The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option. When exercising lease extensions of building premises, the Company considers the following factors:
– any termination and make-good penalties;
– value of leasehold improvements;
– cost of disruption to the business to relocate; and
– availability and cost other suitable properties.

Accounting Policy
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Future lease payments as at 30 June 2022 are as follows:

	2022 $	2021 $
Within one year	8,586,947	11,420,832
One to five years	33,516,513	22,687,235
More than five years	-	-
Total future lease payments	**42,103,460**	**34,108,067**

13 LEASE LIABILITIES (CONT.)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

14 ISSUED CAPITAL

	Notes	2022 $	2021 $
2 Fully paid ordinary shares (2021: 2)		2	2
Total issued capital		**2**	**2**

The Company does not have authorised capital or par value in respect of its shares and all issued shares are fully paid. The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.

Ordinary units and shares are classified as equity. Transaction costs arising on the issue of equity instruments are recognised directly in equity (net of tax) subject to the extent of proceeds received and are otherwise expensed.

15 RELATED PARTY TRANSACTIONS

The Company's main related parties are as follows:

(a) Entities exercising control over the Company
The ultimate parent entity, which exercises control over the Company, is Ultissimo Pty Ltd.

(b) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. Due to the flat nature of the company's organisational structure the leadership team are considered key management personnel.

	Notes	2022 $	2021 $
Total key management personnel remuneration		947,101	872,784
		947,101	**872,784**

(c) Entities subject to significant influence by the Company
An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

(d) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

15 RELATED PARTY TRANSACTIONS (CONT.)

(e) Transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2022, the Group recognised a no provision for expected credit losses. The following transactions occurred with related parties:

	NOTES	2022 $	2021 $
Rent and outgoings		8,800,156	8,997,491
Purchases of goods and services		147,090	662,419
Contract labour hire		45,916,119	38,347,156
Holding costs on developments		240,000	231,594
Net amounts advance to related parties		32,209,525	3,921,837
Sale of goods and services		(1,412,140)	(1,809,174)
Interest received on loans		3,507,481	3,190,749

(f) Loans to related parties	NOTES	MATURITY	2022 $	2021 $
I/C - 10 Ultissimo	(i) (ii)	N/A	2,565,907	977,119
I/C- 30 Bella Casa Trust	N/A	N/A	-	1,150,755
I/C - 40 WBF Investments Pty Ltd	(i) (vi)	N/A	4,899,185	4,019,185
I/C - Vitalita	(i) (ii)	N/A	2,000	-
I/C - 70 MJ Casagrande Trust	(i) (iii)	21/11/2045	12,835,647	6,129,181
I/C - 74 Elivani Trust	(i) (iii)	28/01/2025	3,716,762	-
I/C- 75 Nuova Casa Trust	(i) (v)	18/11/2040	60,255,798	38,437,730
I/C - 21 Strang Park Pty	(i) (ii)	N/A	20,100,000	20,100,000
I/C - 77 Marebello Property Trust	(i) (v)	06/10/2040	3,334,847	3,439,243
I/C - 78 Carindale Property Trust	(i) (iv)	26/10/2047	823,804	100,000
I/C - 79 Kenmore Rd Holdings Trust	(i) (iv)	06/10/2040	4,361,218	4,510,360
I/C - 11 Vacenti Pty Ltd	(i) (vi)	N/A	307,260	307,260
			113,202,428	79,170,833

Loan to related parties (i)
The loans receivable are used to fund the purchase, construction, and refurbishment of new and existing residential aged care facilities, as well as well as suitable capital expenditure for residential aged care facilities managed by the Company.

Loan to related parties (ii)
The loans for these related parties are unsecured, and have no interest applicable, and no term.

Loan to related parties (iii)
The loans for these related parties are unsecured, interest is charged at 4.77%.

Loan to related parties (iv)
This loan is unsecured until 01/07/2028, then converts to fully secured. Interest is charged at 4.77%.

Loan to related parties (v)
This loan is fully secured. Interest is charged at 4.77%.

Loan to related parties (vi)
The loans for these related parties are unsecured, interest is charged at 4.07%.

16 REMUNERATION OF AUDITORS

During the financial year, the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company, its network firms and unrelated firms:

	NOTES	2022 $	2021 $
Audit Services - BDO Audit Pty Ltd:			
- audit of the financial statements		62,000	57,000
Tax & Advisory - BDO Services Pty Ltd:			
- tax preparation & advisory		102,366	133,591

Notes to the Financial Statements
For the year ended 30 June 2022

17 CASH FLOW INFORMATION

	NOTES	2022 $	2021 $
Reconciliation of cash and non-cash movements from financing activities			
Borrowings:			
Opening Balance		-	1,110,367
Cash flows		-	(1,110,367)
Closing Balance		-	-
Lease Liabilities:			
Opening Balance		29,886,028	39,053,515
Market value lease adjustments		10,676,739	(716,696)
Recognise on date of initial application		4,157,160	-
Cash flows - lease payments		(6,822,070)	(5,868,367)
Cash flows - COVID-19 rent relief		-	(2,582,424)
Closing Balance		37,897,857	29,886,028

During the year the Company entered into the following non-cash investing activities which are not reflected in the Statement of Cash Flows

- The Company paid a dividend of $nil (2021: $nil) by way of reducing the amount owing from the parent entity
- Interest expense of $154,677 (2021: $173,420) has been capitalised as part of the amount owing from related parties

18 CONTINGENCIES

In the opinion of the Director, the Company did not have any contingencies at 30 June 2022 (2021: $nil).

19 EVENTS AFTER THE BALANCE SHEET DATE

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.

20 COMPANY DETAILS

Registered office
The registered office of the Company is:
Level 10, 12 Creek Street
BRISBANE QLD 4000

Principal place of business

Esida & Esida Lodge *(formerly Carindale Court Nursing Home & Carindale Lodge)*
79 Foxglove Street
MT GRAVATT EAST QLD 4122

Lorocco *(formerly Carindale Brook Innovative Care Centre)*
40 Scrub Road
CARINDALE QLD 4152

Portofino Hamilton
101 Allen Street
HAMILTON QLD 4007

Sylvan Woods Aged Care
500 Old Cleveland Road
BIRKDALE QLD 4159

Casa D'amore
Cnr Strangman Terrace and Park Street
COORPAROO QLD 4151

Marebello
537-547 Cleveland-Redland Bay Road
VICTORIA POINT QLD 4165

Head Office
1/2000 Logan Road
UPPER MT GRAVATT QLD 4122

Directors’ Declaration

The director of the company declares that:

1. The financial statements and notes, as set out on pages 4 - 24, are in accordance with the *Corporations Act 2001* and:

   a. Giving a true and fair view of its financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

   b. Complying with Australian Accounting Standards – Simplified Disclosures (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* .

2. In the director's opinion, there are reasonable ground to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director
Mr Mario John Casagrande

Dated: 31st October 2022

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Queensland Rehabilitation Services Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Queensland Rehabilitation Services Pty Ltd (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 report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Queensland Rehabilitation Services Pty Ltd, 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 on that date; 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 *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 directors 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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, 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 on the other information obtained prior to the date of this auditor’s report, 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 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 directors are 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 directors either intend 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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor’s report.

BDO Audit Pty Ltd

BDO

L G Mylonas
Director

Brisbane, 31 October 2022