WILLSHIRE PTY LTD TRADING AS OLIVE GROVE AGED CARE

ABN: 88 073 610 509

NAPS ID: 1561

ANNUAL FINANCIAL STATEMENTS

year ended 30 June 2023

WILLSHIRE PTY LTD TRADING AS OLIVE GROVE AGED CARE

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue			
Revenue from operating activities	**2**	6,841,005	6,146,694
Total Revenue		**6,841,005**	**6,146,694**
Expenditure			
Employee Benefits Expense	**3**	5,083,971	4,818,497
Finance Charges	**3**	63,552	38,140
Resident Expenses - Food		194,713	170,562
Resident Expenses - Medical		303,477	300,358
Cleaning Expenses		35,093	31,409
Amortisation Expense - Bed Licences	**3**	819,371	819,371
Depreciation Expenses	**3**	178,103	191,143
Rental Expense		261,000	259,200
Management Fee		157,727	156,000
Insurance		34,915	29,448
Utilities		114,733	96,044
Repairs and Maintenance		92,623	81,125
Other Expenses	**3**	265,066	260,059
Total Expenditure		**7,604,344**	**7,251,356**
(Loss) for the Year before Income Tax		**(763,340)**	**(1,104,662)**
Income tax (expense)/benefit	**4**	(14,144)	80,332
(Loss) for the Year		**(777,484)**	**(1,024,330)**
(Loss) attributable to:			
Members of the entity		**(777,484)**	**(1,024,330)**
Other Comprehensive Income			
Items that will not be reclassified to profit and loss:			
Fair value gains/(losses) on financial assets		326,160	(251,157)
Income tax (expense)/benefit relating to other comprehensive income	**4**	(81,540)	62,789
Other comprehensive income/(loss) net of income tax		**244,620**	**(188,368)**
Total Comprehensive (Loss) for the year (net of tax)		**(532,864)**	**(1,212,698)**
Total Comprehensive (Loss) attributable to:			
Members of the entity		**(532,864)**	**(1,212,698)**

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

WILLSHIRE PTY LTD TRADING AS OLIVE GROVE AGED CARE

Statement of Financial Position

as at 30 June 2023

	Note	2023 $	2022 $
Current Assets			
Cash and Cash Equivalents	**5**	2,140,528	1,081,697
Trade and Other Receivables	**7**	329,611	225,791
Other Assets	**8**	19,608	18,160
Total Current Assets		**2,489,747**	**1,325,648**
Non-Current Assets			
Intangible Assets	**9**	819,370	1,638,741
Financial Assets	**6**	3,890,953	3,716,393
Right of Use Assets	**10**	10,482	14,118
Property, Plant & Equipment	**11**	2,251,873	2,412,844
Other Assets	**8**	3,363,065	3,589,198
Deferred Tax Assets	**17**	510,919	436,963
Total Non-Current Assets		**10,846,662**	**11,808,257**
TOTAL ASSETS		**13,336,409**	**13,133,905**
Current Liabilities			
Trade and Other Payables	**12**	380,141	239,350
Lease Liabilties	**13**	294	4,147
Employee Provisions	**14**	485,621	479,859
Financial Liabilities	**15**	807,615	1,299,532
Other Liabilities	**16**	2,574,000	1,582,000
Total Current Liabilities		**4,247,671**	**3,604,888**
Non Current Liabilities			
Employee Provisions	**14**	90,115	79,070
Deferred Tax Liabilities	**17**	462,629	381,089
Total Non Current Liabilities		**552,744**	**460,159**
TOTAL LIABILITIES		**4,800,415**	**4,065,047**
NET ASSETS		**8,535,994**	**9,068,858**
Equity			
Share Capital		2	2
Financial Assets Movement Reserve		807,136	562,516
Asset Revaluation Reserve		879,060	879,060
Retained Earnings		6,849,796	7,627,280
EQUITY		**8,535,994**	**9,068,858**

The Statement of Financial Position should be read in conjunction with the accompanying notes.

WILLSHIRE PTY LTD TRADING AS OLIVE GROVE AGED CARE

Statement of Changes In Equity

for the year ended 30 June 2023

	Share Capital	Financial Asset Movement Reserve	Asset Revaluation Reserve	Retained Earnings	Total
Balance at 1 July 2021	**2**	**750,884**	**879,060**	**8,651,610**	**10,281,556**
(Loss) attributable to members	-	-	-	(1,024,330)	(1,024,330)
Other Comprehensive (Loss)	-	(188,368)	-	-	(188,368)
Total Comprehensive (Loss)	**-**	**(188,368)**	**-**	**(1,024,330)**	**(1,212,698)**
Balance at 30 June 2022	**2**	**562,516**	**879,060**	**7,627,280**	**9,068,858**
Balance at 1 July 2022	**2**	**562,516**	**879,060**	**7,627,280**	**9,068,858**
(Loss) attributable to members	-	-	-	(777,484)	(777,484)
Other Comprehensive Income	-	244,620	-	-	244,620
Total Comprehensive (Loss)	**-**	**244,620**	**-**	**(777,484)**	**(532,864)**
Balance at 30 June 2023	**2**	**807,136**	**879,060**	**6,849,796**	**8,535,994**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

WILLSHIRE PTY LTD TRADING AS OLIVE GROVE AGED CARE

Statement of Cashflows

for the year ended 30 June 2023

	Note	2023 $	2022 $
Cash Flows from Operating Activities			
Receipts from residents & commonwealth		5,995,434	5,411,692
Interest received		14,526	1,861
Dividends received		213,587	236,025
Other income received		445,538	230,744
Payments to suppliers & employees		(6,400,551)	(6,259,743)
Finance costs		(63,552)	(38,140)
Income tax received		-	2,946
Net Cash Provided by / (Used in) Operating Activities		204,982	(414,615)
Cash Flows from Investing Activities			
Purchase of property, plant & equipment		(11,182)	-
Purchase of financial assets		(157,473)	(346,077)
Proceeds from sale of financial assets		301,589	138,955
Net proceeds/(repayments) from related parties		224,685	(291,308)
Net Cash Provided by / (Used in) Investing Activities		357,619	(498,430)
Cash Flows from Financing Activities			
Receipt of new refundable accommodation deposits		1,887,000	400,000
Repayment of refundable accommodation deposits		(895,000)	(550,000)
Net repayments of borrowings		(495,770)	(56,173)
Net Cash Provided by / (Used in) Financing Activities		496,230	(206,173)
Net Increase / (Decrease) in Cash Held		1,058,831	(1,119,218)
Cash at beginning of Reporting Period		1,081,697	2,200,915
Cash at end of Reporting Period	**5**	2,140,528	1,081,697

The Statement of Cashflows should be read in conjunction with the accompanying notes.

1 SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the *Aged Care Act 1997*, the *Accountability Principles 2014* and Australian Accounting Standards - Simplified Disclosures and Interpretations issued by the Australian Accounting Standards Board ("AASB") and other authoritative pronouncements of the AASB.

The financial statements cover Willshire Pty Ltd trading as Olive Grove Aged Care ("the Company") as an individual entity established and domiciled in Australia. The approved provider delivers only residential aged care services and this report therefore relates only to such operations.

The financial statements were authorised for issue by the directors of the Company on the 31st of October 2023.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets through other comprehensive income and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies

(a) Revenue

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
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:

Rendering of Services
Revenue from a contract to provide services is recognised over time as the services are rendered.

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 net carrying amount of the financial asset.

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

(b) 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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Income Tax (Continued)

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; or
- 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.

(c) Current and Non-Current Classification

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

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

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

(d) Cash and Cash Equivalents

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

(e) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

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

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Financial assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of the financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at their value the other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments where the company has irrevocably elected to classify them as a such upon initial recognition and the investments are not held for trading.

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 company'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 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 the 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 measued 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.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Property, Plant and Equipment

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

Depreciation is calculated on a straight-line basis or diminishing value to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows;

Buildings	40 years
Property improvements	40 years
Plant and equipment	3-8 years

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(h) Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment.

Bed licenses
Bed licenses are held as intangible assets and are carried at either fair value or cost less accumulated impairment loss. Bed licences had historically been measured at fair value with reference to an active market, however over the past 16 years there has not been an active market. In accordance with AASB 138 Intangible Assets, the fair value of the bed licences becomes its carrying amount at the point in time that it can no longer be measured by reference to the active market.

In the May 2021 Federal Budget, the Australian Government announced its intention to deregulate operation places (bed licences) by 1 July 2024. As a result, the Directors have determined that the bed licences no longer have an infinte useful life. Consequently, bed licences are amortised on a straight-line basis over their remaining useful life to 1 July 2024.

Bed licences are tested for impairment if events or circumstances indicate that it may be impaired, with any losses taken to profit or loss.

(i) Trade and Other Payables

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Borrowings

Loans and borrowings are initially recognised at the fair value of consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(k) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(l) Provisions

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

(m) Employee Benefits

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

Other long-term employee benefits

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

(n) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market, or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure their value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Goods and Services Tax (GST) and Other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of GST recoverable from, or payable to, the tax authority.

(p) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgement, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision of impairment of receivables
The provision of impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position

Provision of impairment of non-financial assets
The provision for impairment of non-financial assets assessment requires a degree of estimation and judgement. Impairment is assessed at each reporting date by evaluating conditions specific to the company. Where an impairment trigger exists, the recoverable amount of the asset is determined.

No impairment of non-financial assets was recognised in the current financial year (2022: Nil).

(q) Going Concern

The company has incurred a loss for the year before income tax totalling ($763,340).

The directors have presented the financial report on the basis that the company will continue as a going concern. The directors note that current liabilities exceed current assets as at balance date by $1,757,924. A positive cash flow of $1,058,831 has been recorded as at 30 June 2023. This deficit in current assets is due to refundable accommodation deposits (RADs) being recorded as a current liability as required under the accounting standards. In practice RADs that are paid out during the year are generally replaced within a short time frame by a new RAD from an incoming resident.

After due consideration the directors believe it is appropriate to adopt the going concern basis in preparing the financial report.

		2023 $	2022 $
2	**REVENUE FROM OPERATING ACTIVITIES**		
	Revenue from contracts with customers	6,079,255	5,554,318
	Other Income	761,750	592,376
		6,841,005	**6,146,694**
	Disaggregation of revenue		
	The disaggregation of revenue from contracts with customers is as follows:		
	Major sources of revenue		
	Resident Fees & Contributions	1,239,443	1,306,581
	Commonwealth Funding	4,839,812	4,247,737
		6,079,255	**5,554,318**
	Timing of revenue recognition		
	Services transferred at a point of time	-	-
	Services transferred over time	6,079,255	5,554,318
		6,079,255	**5,554,318**
	Other Income		
	Interest received	14,526	1,861
	Dividend income	301,686	333,659
	Other income	445,538	256,856
	Total Other Income	**761,750**	**592,376**
3	**EXPENSES**		
	Profit / (loss) before income tax includes the following specific expenses:		
	Employee Benefits Expense		
	Employee Benefits		
	Salary and Wages	3,938,435	3,862,810
	Superannuation	399,757	355,802
		4,338,192	**4,218,612**
	Other Employment Related Costs		
	Workcover	120,713	126,043
	Payroll Tax	211,293	205,432
	Other Employee Expenses	413,773	268,410
		745,779	**599,885**
	Total Employee Benefits Expense	**5,083,971**	**4,818,497**
	Finance Charges		
	Other Persons	**63,552**	**38,140**

		2023 $	2022 $
3	**EXPENSES (continued)**		
	Capital Losses		
	Loss on Sale of Shares	**7,486**	**-**
	Depreciation Expenses		
	Depreciation of Plant and Equipment	174,467	184,867
	Depreciation of Right of Use Assets	3,636	6,276
	Amortisation of Bed Licences	819,371	819,371
	Total Depreciation Expenses	**997,474**	**1,010,514**
	Other Expenses		
	Audit Fees	9,550	7,150
	Rates and Taxes	26,203	30,814
	Telephone and Internet	4,820	6,047
	General Supplies	23,945	20,895
	Waste Collection	14,801	19,218
	Consultants	39,133	8,064
	Other	146,613	167,871
	Total Other Expenses	**265,066**	**260,059**
4	**INCOME TAX EXPENSE/(BENEFIT)**		
a.	**The components of tax expense/(benefit) comprise:**		
	Current tax	31,994	87,690
	Deferred tax	(17,850)	(168,022)
		14,144	**(80,332)**
b.	**Aggregate tax expense/(benefit) relating to items of other comprehensive income**		
	- Financial Assets at fair value through other comprehensive income	81,540	(62,789)
		81,540	**(62,789)**
c.	**The prima facie tax on loss before income tax is reconciled to the income tax as follows:**		
	Prima facie tax (refundable) on losst before income tax at 25% (2022: 25%)	(190,835)	(276,166)
	Add tax effect of:		
	- other non-allowable items	204,954	205,777
	- change in tax rate	-	(6,998)
	- over-provision of tax in previous years	25	(2,945)
	Income Tax Expense/(Benefit)	**14,144**	**(80,332)**

		2023 $	2022 $
5	**CASH & CASH EQUIVALENTS**		
	Cash on hand and at bank	2,140,528	1,081,697
	Total Cash & Cash Equivalents	**2,140,528**	**1,081,697**

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and Cash equivalents	**2,140,528**	**1,081,697**

6	**FINANCIAL ASSETS**		
	Non-current Financial Assets - financial assets at fair value through other comprehensive income		
	There is no intention to dispose of any financial assets at fair value held at 30 June 2023.		
	Shares in Listed Corporations	3,890,953	3,716,393
	Total Non-current Financial Assets	**3,890,953**	**3,716,393**

Financial assets at fair value through other comprehensive income comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

7	**TRADE AND OTHER RECEIVABLES**		
	Trade Receivables	49,513	84,995
	Less: Allowance for expected credit losses	(20,000)	(40,000)
		29,513	44,995
	Other receivables	300,099	180,796
	Total Trade & Other Receivables	**329,611**	**225,791**

Allowance for expected credit losses

The total expected credit loss (reversals)/expenses recognised in the profit and loss for the year ended 30 June 2023 were ($20,000) (2022: $36,000).

8	**OTHER ASSETS**		
	Current		
	Prepayments	19,608	18,160
	Total Other Current Assets	**19,608**	**18,160**
	Non-Current		
	Loans to Related Parties	3,363,065	3,589,198
	Total Other Non-Current Assets	**3,363,065**	**3,589,198**

		2023 $	2022 $
9	**INTANGIBLE ASSETS**		
	Bed Licenses - at cost	2,458,112	2,458,112
	Less: accumulated amortisation	(1,638,742)	(819,371)
	Total Intangible Assets	**819,370**	**1,638,741**
	Reconciliation of Bed Licences		
	Balance at the beginning of year	1,638,741	2,458,112
	Amortisation expense	(819,371)	(819,371)
	Closing carrying value at end of the year	**819,370**	**1,638,741**

In the May 2021 Federal Budget, the Australian Government announced its intention to deregulate operation places (bed licences) by 1 July 2024, with the current system remaining in place until 30 June 2024. As a result of this decision, the Directors have reassessed the useful life of the bed licences.

Consequently, the Company commenced amortising the value of bed licences from 1 July 2022 on a straight line basis over their remaining economic life to 1 July 2024. This has resulted in a before tax amortisation expense in the profit and loss for the year ended 30 June 2023 of $819,371 with no impact to the cash flows of the Company.

The Directors will continue to reassess and adjust the carrying value of bed licences as necessary in future financial years.

10	**RIGHT OF USE ASSETS**		
	Plant & Equipment - right-of-use-assets	50,227	50,227
	Less: Accumulated Depreciation	(39,745)	(36,109)
	Total Plant & Equipment	**10,482**	**14,118**

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of right of use assets between the beginning and the end of the current financial year

	Right of Use Assets $	Total $
Balance at Beginning of Year	14,118	14,118
Depreciation Expense	(3,636)	(3,636)
Carrying Amount at the End of Year	**10,482**	**10,482**

11	**PROPERTY, PLANT & EQUIPMENT**		
	Land and Buildings - at cost	4,656,403	4,656,403
	Less: Accumulated Depreciation	(2,582,810)	(2,452,283)
	Total Land and Buildings	**2,073,593**	**2,204,120**
	Plant & Equipment - at cost	911,041	914,951
	Less: Accumulated Depreciation	(762,396)	(745,740)
	Total Plant & Equipment	**148,645**	**169,211**
	Motor Vehicles	186,636	186,636
	Less: Accumulated Depreciation	(157,001)	(147,123)
	Total Motor Vehicles	**29,635**	**39,513**
	Total Property, Plant & Equipment	**2,251,873**	**2,412,844**

Land and Buildings have been pledged in full as security of debts relating to a related party.

	2023 $	2022 $

11 PROPERTY, PLANT & EQUIPMENT (continued)

a. 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

	Land and Buildings $	Plant & Equipment $	Motor Vehicles $	Total $
Balance at Beginning of Year	2,204,120	169,211	39,513	2,412,844
Additions	-	11,182	-	11,182
Disposals - Written Down Value	-	(145)	-	(145)
Adjustments	-	2,459	-	2,459
Depreciation Expense	(130,527)	(34,062)	(9,878)	(174,467)
Carrying Amount at the End of Year	**2,073,593**	**148,645**	**29,635**	**2,251,873**

12 TRADE & OTHER PAYABLES

Trade Payables	188,254	165,606
Other Payables	93,245	8,957
Accrued Expenses	83,665	50,471
Resident Funds Held in Trust	14,977	14,316
Total Trade & Other Payables	**380,141**	**239,350**

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

13 LEASE LIABILITIES

Current		
Lease Liabilities	294	4,147
Total Current Lease Liabilities	**294**	**4,147**

		2023 $	2022 $
14	**EMPLOYEE BENEFITS**		
	Current		
	Long service leave	206,365	183,356
	Annual leave	279,256	296,503
	Total Current Employee Benefits	**485,621**	**479,859**
	Non-current		
	Long service leave	90,115	79,070
	Total Non-Current Employee Benefits	**90,115**	**79,070**

The current portion of these liabilities represents the entity's obligations to which the employee has a current legal entitlement. These liabilities arise mainly from accrued annual leave and long service leave entitlements at reporting date.

A provision has been recognised for employee entitlements relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

15	**FINANCIAL LIABILITIES**		
	Current		
	Credit Cards	12,616	(1,531)
	Interest bearing loans from related parties	795,000	1,295,000
	Hire purchase liability	-	6,063
	Total Current Financial Liabilities	**807,615**	**1,299,532**

There is no unconditional right to defer payment for 12 months for interest bearing loans from related parties and therefore are recorded as current liabilities.

16	**OTHER FINANCIAL LIABILITIES**		
	Refundable Accommodation Deposits (RADs)	2,574,000	1,582,000
	Total Other Financial Liabilities	**2,574,000**	**1,582,000**

Refundable accommodation deposits are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Due to the short term nature of refundable accommodation deposits their carrying value is assumed to approximate their fair value.

As there is no unconditional right to defer payment for 12 months, refundable accommodation deposits are recorded as current liabilities.

		2023 $	2022 $
17	**TAXATION**		

a Movement in Deferred Tax Asset

	1st July 2022	Recognised in comprehensive income	Recognised in profit and loss	30th June 2023
Deferred tax assets:	$	$	$	$
Payables	9,344	-	2,024	11,368
Provisions	134,980	-	13,954	148,934
Capital losses carried forward	-	-	1,872	1,872
Tax losses carried forward	292,639	-	56,106	348,745
	436,963	-	73,956	510,919
Recognised as: Deferred tax asset	436,963			510,919

b Movement in Deferred Tax Liability

	1st July 2022	Recognised in comprehensive income	Recognised in profit and loss	30th June 2023
Deferred tax liability:	$	$	$	$
Property, plant and equipment	2,317	-	-	2,317
Bed licences	186,250	-	-	186,250
Fair value gain adjustment	192,522	81,540	-	274,062
	381,089	81,540	-	462,629
Recognised as: Deferred tax liability	381,089			462,629

18 KEY MANAGEMENT PERSONNEL

Other than the entities directors, no other key management personnel exist.

Amounts paid to directors	157,727	156,000

19 RELATED PARTY TRANSACTIONS

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

a. Transactions with related parties

Rent is paid to S Agrawal Pty Ltd		
- Rent paid	261,000	259,200
Management Fees are paid to P K Agrawal Management Services Pty Ltd		
- Management fee	157,727	156,000

b. Outstanding related party balances

Other Assets - Related Party Loan		
Tolega Pty Ltd	3,363,065	3,589,199

The above loan has been provided to a director-related entities. It is unsecured and interest free.

Financial Liabilities - Related Party Loan		
SK & S Agrawal Trust	795,000	1,295,000

The SK & S Agrawal Trust loan has been provided by a director-related entity. Interest is charged at the CBA market interest rate.

		2023 $	2022 $
20	**CONTINGENT LIABILITIES**		
	In the opinion of the directors, there are no contingent liabilities at the end of the financial year (2022: nil).		
21	**COMMITMENTS**		
	Commitments - hire to purchase		
	Committed at the reporting date and recognised as liabilities, payable:		
	- payable no later than 12 months	294	10,766
	- payable between 12 months and five years	-	-
		294	10,766
	Less future finance charges	-	556
		294	**10,210**
	Operating expenditure - management fees		
	Committed at the reporting date but not recognised as a liability in the financial statements		
	- payable no later than 12 months	157,727	156,000
	- payable between 12 months and five years	157,727	156,000
	Total operating expenditure - management fees	**315,454**	**312,000**

Operating expenditure relates to a contractual commitment for the provision of management services for a five year period.

22 SUBSEQUENT EVENTS

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

WILLSHIRE PTY LTD TRADING AS OLIVE GROVE AGED CARE

Director's Declaration

for the year ended 30 June 2023

The Directors of the company declare that:

1 The financial statements and notes, as set out in pages 1-19, are in accordance with the *Accountability Principles 2014,* the *Aged Care Act 1997, 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 2023 and of the performance for the year ended on that date of the company.

2. In the Director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Signed on behalf of the directors

Director: P.K. Agrawal

Mr Prashant Agrawal

Date: 31 October 2023

Independent Auditor's Report to the Members of Willshire Pty Ltd

ABN: 88 073 610 509
NAPS ID: 1561

Address
8/81 Flinders Street
Adelaide SA 5000
Telephone
(08) 8273 9300
info@perks.com.au
perks.com.au

Opinion

We have audited the financial report of Willshire Pty Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cashflows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying general purpose financial report of the Company has been prepared in accordance with the *Aged Care Act 1997* and the *Accountability Principles 2014* including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures.

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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 1(q) of the financial report, which indicates that the Company's current liabilities exceed its current assets by $1,757,934 as at 30 June 2023. These conditions, along with other matters as set forth in Note 1(q), indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Chartered Accountants
Perks & Associates Pty Ltd
ACN 008 053 576 / ABN 50 507 079 554
Liability limited by a scheme approved under Professional Standards Legislation.

Audit
Perks Audit Pty Ltd
ACN 109 602 100 / ABN 20 173 474 661
Liability limited by a scheme approved under Professional Standards Legislation.

Private Wealth
Perks Private Wealth Pty Ltd
ACN 086 643 058 / ABN 88 086 643 058
Australian Financial Services Licence No. 236 551

Finance
Perks Finance Pty Ltd
ACN 101 919 537 / ABN 76 533 199 660
Australian Credit Licence No. 378241

Independent Auditor's Report to the Members of Willshire Pty Ltd

ABN: 88 073 610 509
NAPS ID: 1561

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, the *Aged Care Act 1997* and the *Accountability Principles 2014*. The directors' responsibility also includes 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 have 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Perks.

Independent Auditor's Report to the Members of Willshire Pty Ltd

ABN: 88 073 610 509
NAPS ID: 1561

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 directors 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.

Perks Audit
PERKS AUDIT PTY LTD

8/81 Flinders Street

Adelaide

South Australia 5000

PHill
PETER J HILL

Director

Registered Company Auditor 72701

Dated this 31st day of October 2023