Uniting AgeWell Limited

ABN 19 628 178 816   NAPS ID 9609

Annual Financial Report - 30 June 2022

Uniting AgeWell Limited
Contents
30 June 2022

General information

The financial statements cover Uniting AgeWell Limited (the 'Company') as a group consisting of the Company and the entities it controlled at the end of, or during, the year (collectively the 'Group'). The financial statements are presented in Australian dollars, which is Group's functional and presentation currency.

Uniting AgeWell Limited is company, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Wesley Place
130 Lonsdale Street
Melbourne VIC 3000

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

Uniting AgeWell Limited
Directors' report
30 June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Uniting AgeWell Limited (referred to hereafter as the 'Company', 'Uniting AgeWell' or the 'parent entity') and the entities it controlled at the end of, or during, the period ended 30 June 2022.

Directors
The following were directors of the Company during the whole of the financial year, unless otherwise stated:

Ms Raelene Thompson
Ms Kate Andrews
Ms Jan Begg
Mr Simon Brewin
Rev Colin Gurteen
Ms Julia Langdon
Ms Elizabeth Camilleri (appointed February 2022)
Assoc Prof Donna Markham, OAM, (appointed February 2022)
Ms Sabine Phillips, AM (resigned March 2022)
Mrs Wendy Quinn (resigned December 2021)
Ms Kathryn Campbell (resigned December 2021)
Prof Alison Hutchinson (resigned October 2021)
Mr Ian Sanders (resigned August 2021)

Principal activities
The principal activity of the Group during the financial year was the provision of senior services comprising residential care, home care, community services and retirement villages.

No significant change in the nature of these activities occurred during the year.

Entity's vision
Uniting AgeWell: The Church at Work

We are a creative leader; enabling communities to age well and individuals to live to their potential.

Entity's mission
Uniting AgeWell provides specialised services enabling older people to maximise their wellbeing and access care when required.

As part of the Uniting Church we live out the practical expression of Christian faith and values:

- Respect
- Kindness
- Integrity
- Inclusion
- Innovation

The Uniting AgeWell 2022 – 2026 Strategic Plan has five strategic priorities:

- Our customers are at the heart of everything we do.
- We are an employer of choice.
- We are proudly an expression of the Uniting Church.
- We are sustainable.
- We are a learning organisation.

Uniting AgeWell believes that older people want to live in an environment of choice, empowerment and wellness, and to easily access support and care as they choose. While care remains an important part of our service delivery, our focus now includes what people can do instead of what they cannot. It promotes a life enhancing approach to growing older including supportive care when required.

COVID-19
The COVID-19 pandemic continues to have a profound impact on the broader community, and the impacts on the aged care sector have been extreme.

As an organisation we are enormously proud of how well the challenges have been navigated throughout the pandemic. Our staff have worked tirelessly during the pandemic to support and maintain positive outcomes to our residents and clients.

Uniting AgeWell has managed through the pandemic with strong leadership, professionalism and competence. This involved implementation and regular review of comprehensive outbreak management plans; vaccinations for staff and residents; health screening, visitor management and working with health and regulative authorities. Residents have continued to be provided with care, services and support, including regular communication with residents, families and employees of impacted homes.

Uniting AgeWell has invested heavily in additional staff, infection control education, personal protective equipment, and technology to assist care services and corporate support services to continue throughout this difficult period. In addition, revenue continues to be impacted by reduced occupancy in residential care which is a major driver of financial returns. This was particularly evident at three newly commissioned aged care facilities that were adversely impacted by reduced occupancy as a result of COVID restrictions and staff shortages resulting in lower occupancy and financial losses. Community services revenue was adversely impacted by closure of day care centres and home care clients cancelling services.

Workforce shortages are currently impacting all sectors at a national level, and aged care has been particularly challenging. We continue to do what we can to cement Uniting AgeWell's reputation as an employer of choice, however there is little doubt the challenges will be with us for some time. Sick leave, overtime, casual penalties, upward wage pressure and additional agency costs have all contributed to a significant increase in our cost base throughout the 2021/22 financial year.

Uniting AgeWell incurred COVID-19 outbreak costs of $15m including lower occupancy and incremental staff expenses, personal protective equipment, infection prevention and control, and employee welfare.

Quality and Safety
Uniting AgeWell's has continued to invest in quality and safety and always seeks to ensure all services remain fully accredited against the Quality and Safety Standards. As at the time of writing this report, all 20 Uniting AgeWell residential care facilities are fully accredited.

Growth
Uniting AgeWell has continued to grow services throughout 2021/22, particularly in the area of Home Care services, with Home Care Packages under management increasing by 47.9% over the 12 months to June 30, 2022. We now manage more than 3200 Home Care Packages, which has grown from approximately 500 in 2016. We continue to work with a number of local councils, with regard to transitioning their aged care services to Uniting AgeWell.

Financial performance
The net deficit increase from $0.7m to $26.3m is due to lower residential occupancy, low Government funding indexation relative to wage increases, increased investment in quality and safety, higher clinical staffing levels, unrealised investment losses and impairment of bed licences.

A net movement in cash holdings of $5.6m was recognised after capital expenditure of $8.8m, accommodation bond inflows of $13.2m and operating cash outflows of $21.7m. Uniting AgeWell's liquidity position is strong with cash and investments totalling $188.1m.

Information on directors

Name:	Ms Raelene Thompson
Title:	Board Director and Chair
Qualifications:	Master of Business Administration, Graduate Diploma of Management, Graduate Certificate of Business, MAICD
Experience and expertise:	Governance Committee member
Name:	Ms Kate Andrews
Title:	Board Director
Qualifications:	Bachelor of Commerce / Bachelor of Arts, Graduate Diploma of Marketing (Major: Marketing Strategy), Diploma of Financial Services (Superannuation), GAICD
Experience and expertise:	Clinical Governance Committee member Governance Committee member Digital Governance Advisory Committee member

Name:	Ms Jan Begg
Title:	Board Director
Qualifications:	MBA, B.Sc. (Hons), Fellow AICD
Experience and expertise:	Finance Committee Chair Governance Committee member Digital Governance Advisory Committee Chair

Name:	Mr Simon Brewin
Title:	Board Director and Deputy Chair
Qualifications:	MBL, GradDip Health Service Management, BBus, Post Grad Cert Health Economics GAICD
Experience and expertise:	Finance Committee member Governance Committee Chair Audit & Risk Committee member

Name:	Rev Colin Gurteen
Title:	Board Director
Qualifications:	Bachelor of Theology, Diploma of Education, Associate of Library Association of Australia, GAICD
Experience and expertise:	Mission Committee member

Name:	Ms Julia Langdon
Title:	Board Director
Qualifications:	Bachelor of Science, Bachelor of Commerce, Fellow - Chartered Accountants Australia and New Zealand
Experience and expertise:	Audit & Risk Committee Chair Clinical Governance Committee member

Name:	Ms Elizabeth Camilleri
Title:	Board Director (appointed February 2022)
Qualifications:	Bachelor of Business (Accountancy), Fellow CPA, GAICD
Experience and expertise:	Finance Committee member

Name:	Assoc Prof Donna Markham, OAM
Title:	Board Director (appointed February 2022)
Qualifications:	Bachelor of Occupational Therapy, Certificate IV in Training and Assessment, Executive LINK Leadership Program – DHHS, Graduate Williamson Community Leadership Program – Leadership Victoria, GAICD
Experience and expertise:	Clinical Governance Committee Chair

Name:	Ms Sabine Phillips, AM
Title:	Board Director (resigned March 2022)
Qualifications:	Master of Laws, Master of Business, Bachelor of Applied Science, Registered Nurse (non-practising), Certificate in Medication and Conciliation, Fellow AICD
Experience and expertise:	Audit & Risk Committee member Clinical Governance Committee member

Name:	Mrs Wendy Quinn
Title:	Board Director (resigned December 2021)
Qualifications:	Master of Health Science, Developmental Disabilities, Post Graduate Certificate, Australian Competent Manager Program, Bachelor of Applied Science OT (degree completion), Diploma of Occupational Therapy, Fellow Australasian College of Health Service Management, Chartered Manager and Fellow of the Institute of Managers and Leaders, Fellow AICD
Experience and expertise:	Mission Committee Chair Governance Committee member

Name:	Ms Kathryn Campbell
Title:	Board Director (resigned December 2021)
Qualifications:	Bachelor of Economics, Fellow CPA Australia, FAICD, Fellow CAANZ, Fellow AIDH
Experience and expertise:	Mission Committee member Audit & Risk Committee member Digital Governance Advisory Committee member

Name:	Prof Alison Hutchinson
Title:	Board Director (resigned October 2021)
Qualifications:	RN, Certificate of Midwifery, Bachelor Applied Science (Advanced Nursing), Masters of Bioethics, PhD, MAICD Experience
Experience and expertise:	Clinical Governance Committee Chair

Name:	Mr Ian Sanders
Title:	Board Director (resigned August 2021)
Qualifications:	Bachelor of Science (London), Master of Business Administration, Graduate AICD
Experience and expertise:	Finance Committee Chair Audit & Risk Committee member

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this report.

Signed in accordance with a resolution of directors.

On behalf of the directors

Ms Raelene Thompson
Chair

Ms Jan Begg
Board Director

27 September 2022

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of Uniting AgeWell Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Uniting AgeWell Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Darren Scammell

D M Scammell
Partner - Audit & Assurance

Melbourne, 27 September 2022

Uniting AgeWell Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 $	Restated 2021 $
Revenue	5	287,647,358	246,548,228
Net fair value gain on financial assets held at fair value through profit or loss	6	12,378,119	17,574,307
Expenses			
Care expenses		(177,663,840)	(152,785,562)
Hotel expenses		(34,533,296)	(31,940,562)
Administrative expenses		(70,414,122)	(64,494,069)
Impairment and amortisation of bed licences	14	(18,562,500)	-
Other expenses		(16,012,366)	(7,195,021)
Finance costs	7	(9,182,040)	(8,442,669)
Total expenses		(326,368,164)	(264,857,883)
Deficit before income tax expense		(26,342,687)	(735,348)
Income tax expense		-	-
Deficit after income tax expense for the year		(26,342,687)	(735,348)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(26,342,687)	(735,348)

Refer to note 3 for detailed information on Restatement of comparatives.

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

Uniting AgeWell Limited
Statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 $	Restated 2021 $
Assets			
Current assets			
Cash and cash equivalents	8	6,075,120	11,630,125
Trade and other receivables	9	3,175,087	3,976,559
Other financial assets	10	188,097,938	213,454,980
Other assets	11	2,326,279	4,715,689
Total current assets		199,674,424	233,777,353
Non-current assets			
Investment properties	13	203,944,091	177,785,891
Property, plant and equipment	12	366,385,315	367,129,635
Intangibles	14	38,118,308	57,135,480
Other assets	11	6,150,834	4,420,819
Total non-current assets		614,598,548	606,471,825
Total assets		814,272,972	840,249,178
Liabilities			
Current liabilities			
Trade and other payables	15	15,860,740	15,156,033
Contract liabilities	16	11,661,976	19,827,660
Employee benefits and provisions	17	31,292,532	31,062,801
Resident ingoings	18	336,686,338	327,985,385
Lease liabilities	19	940,807	866,441
Total current liabilities		396,442,393	394,898,320
Non-current liabilities			
Contract liabilities	16	20,170,234	38,646,979
Lease liabilities	19	23,552,377	5,668,893
Employee benefits and provisions	17	5,791,305	6,375,636
Total non-current liabilities		49,513,916	50,691,508
Total liabilities		445,956,309	445,589,828
Net assets		368,316,663	394,659,350
Equity			
Other contributed equity		397,756,296	397,756,296
Reserves		18,569,837	18,569,837
Retained deficit		(48,009,470)	(21,666,783)
Total equity		368,316,663	394,659,350

Refer to note 3 for detailed information on Restatement of comparatives.

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

Uniting AgeWell Limited
Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Other contributed equity $	Acquisition reserve $	Retained deficit $	Total equity $
Balance at 1 July 2020	253,063,591	-	(20,589,800)	232,473,791
Restatement of comparatives (note 3)	144,692,705	-	(341,635)	144,351,070
Balance at 1 July 2020 - restated	397,756,296	-	(20,931,435)	376,824,861
Deficit after income tax expense for the year	-	-	(735,348)	(735,348)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(735,348)	(735,348)
Acquisition of Andrew Kerr Care (refer to note 4)	-	18,569,837	-	18,569,837
Balance at 30 June 2021	397,756,296	18,569,837	(21,666,783)	394,659,350

Consolidated	Other contributed equity $	Acquisition reserve $	Retained deficit $	Total equity $
Balance at 1 July 2021	397,756,296	18,569,837	(21,666,783)	394,659,350
Deficit after income tax expense for the year	-	-	(26,342,687)	(26,342,687)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(26,342,687)	(26,342,687)
Balance at 30 June 2022	397,756,296	18,569,837	(48,009,470)	368,316,663

Refer to note 3 for detailed information on Restatement of comparatives.

Uniting AgeWell Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated Restated 2021 $
Cash flows from operating activities			
Receipts from residents/clients		65,775,660	60,688,083
Receipts from government funding		205,972,447	179,815,166
Receipts from donors and fundraising		1,145,658	61,967
Receipts from other sources		1,733,476	2,041,635
Payments to suppliers and employees		(301,149,653)	(259,475,018)
Interest and dividends received		5,074,103	2,656,993
Interest and other finance costs paid		(251,258)	(563,428)
Net cash used in operating activities		(21,699,567)	(14,774,602)
Cash flows from investing activities			
Receipts from financial assets with U Ethical Funds Management		13,177,705	9,064,386
Payments for property, plant and equipment		(8,430,645)	(12,257,011)
Payments for intangibles	14	(411,956)	(721,068)
Payments for acquisition of subsidiary, net of cash and cash equivalents acquired	4	-	1,592,442
Proceeds from disposal of property, plant and equipment		-	32,835
Net cash from/(used in) investing activities		4,335,104	(2,288,416)
Cash flows from financing activities			
Accommodation bonds/refundable deposits/entry contributions received		81,088,261	69,872,623
Accommodation bonds/refundable deposits/entry contributions refunded		(67,905,589)	(61,205,751)
Repayment of lease liabilities		(1,373,214)	(1,781,581)
Net cash from financing activities		11,809,458	6,885,291
Net movement in cash and cash equivalents		(5,555,005)	(10,177,727)
Cash and cash equivalents at the beginning of the financial year		11,630,125	21,807,852
Cash and cash equivalents at the end of the financial year	8	6,075,120	11,630,125

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

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted
The Group 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.

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

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

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The Group 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.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The Group 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 Group's financial statements.

Going concern
The financial report has been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has a net working capital deficiency, being current assets less current liabilities, as at 30 June 2022 of $196,767,969 (2021: $161,120,967). In addition, for the year ended 30 June 2022 the Group recognised a deficit after income tax of $32,750,973 (2021: $735,348) and net cash used in operating activities of $21,699,567 (2021: $14,774,602).

The net working capital deficiency is significantly impacted by resident ingoing liabilities totalling $336,686,338 (2021: $327,985,385), which are classified as current liabilities on the basis that they are repayable to residents when they leave the facility or unit, which can be at any time. The directors do not expect the resident ingoing liabilities to reduce significantly on an annual basis as the liabilities relating to residents who depart the facility or unit are generally replaced by resident ingoing liabilities received from new residents. The resident ingoing liabilities are therefore considered to form a part of the long term funding of the facility.

In addition the directors note the following in their going concern assessment:
- the entity maintains a net asset position as at 30 June 2022 of $361,908,377 (2021: $394,659,350);
- the deficit for the year ended 30 June 2022 includes non-cash expenses related to the impairment and amortisation of bed licences totalling $18,562,500 (2021: $nil); and
- the deficit for the year ended 30 June 2022 does not include $5,694,500 (2021: $nil) of claims submitted to the Federal Government related to expenses incurred in managing COVID-19 outbreaks during the year, as disclosed in note 21.

The directors have considered the position and performance of the Group and, based on the above, consider the going concern basis to be appropriate for preparation of the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be incurred should the Group not continue as a going concern.

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

Note 1. Significant accounting policies (continued)

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 Group'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 in note 2.

Parent entity information
These financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company and the results of all subsidiaries for the period during the financial year that Company had control of the respective subsidiary.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power to direct the activities of the subsidiary. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances between the Company and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the Company.

Where the Company loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition
Aged care and home care
The Group recognises revenue from aged care and home care services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services, as agreed in a single contract with the resident. Fees received in advance of aged care and home care services performed are recognised as contract liabilities.

Retirement living
The Group recognises revenue from retirement living services over time as performance obligations are satisfied, which is as the services are rendered. Revenue arises from deferred management fees and short-term rentals, as agreed in a single contract with the resident. Revenue from deferred management fees is recognised over the expected length of stay of a resident. The expected length of stay of a resident is estimated based on historical tenure data, including industry data. The difference between revenue recognised and contractual deferred management fees earned is recognised as a contract liability. Revenue from short-term rentals is recognised on a daily basis as services are provided.

Note 1. Significant accounting policies (continued)

Nature of aged care, home care and retirement living revenue and cash flows

Type of revenue	Description
Government contributions - aged cared and home care	Government revenue reflects the Group's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents. Government revenue comprises of basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument ('ACFI'), accommodation supplements, funding for short-term 'respite' residents, HCP subsidies and other Government incomes. Revenue is recognised over time as services are provided and performance obligations fulfilled. Funding claims are submitted/updated daily and Government revenue is usually payable within approximately one month of services having been performed.
Resident and client fees - aged care	Residents are charged a basic daily fee as a contribution to the provision of care and accommodation. The quantum of resident/client basic daily fees is regulated by the Government and typically increases in March and September each year. Resident/client basic daily fee revenue is recognised over time as services are provided and performance obligations fulfilled. Residents/clients are invoiced on a monthly basis and revenue is usually payable within 30 days. Other resident/client revenue represents other fees charged to residents/clients in respect of care and accommodation services provided by the Group and includes means tested care fees, Daily Accommodation Payment (DAP)/Daily Accommodation Contribution (DAC) revenue, additional services revenue and other income. Other resident/client revenue is recognised over time as services are provided and performance obligations fulfilled. Residents/clients are invoiced on a monthly basis and revenue is usually payable within 30 days.
Deferred management fees ('DMF') - retirement living	DMF revenue represents a fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from an independent living unit. DMF revenue is recognised over the expected length of stay of a resident.
Other operating revenue - aged care, home care and retirement living	Other operating revenue comprises rental income and other sundry revenue. Revenue is recognised over time as services are provided and performance obligations fulfilled. Residents/clients are typically invoiced on a monthly basis and revenue is usually payable within 30 days. For residential aged care accommodation arrangements where the resident has elected to pay a Refundable Accommodation Deposit ('RAD') or Accommodation Bonds (prior to July 2014), the Group receives a financing benefit, being non-cash consideration, in the form of an interest free loan. The fair value of this non-cash consideration is required, under AASB 16 and AASB 9 to be recognised as rental income (to reflect the resident's occupancy of the room) and corresponding interest expense (to record the financial liability associated with RADs and bonds at fair value) with no net impact on profit or loss. Where residents have elected to pay a DAP, the DAP is recognised as resident/client fees as disclosed above. This is calculated based on average RAD / accommodation bond balances, excluding any RADs/accommodation bonds awaiting refund/probate divided by the Maximum Permissible Interest Rate (MPIR), which is a Commonwealth Government set interest rate used to calculate the Daily Accommodation Payment (DAP) to applicable residents. This resulted in the Group recognising additional rental income and interest expense of $8,009,365 (2021: $7,607,669).

Note 1. Significant accounting policies (continued)

Donations, bequests and fundraising revenue
Donations, bequests and fundraising revenue are recognised only when the Group gains control of the funds and when the funds do not give rise to a performance obligation which would require the need for a contract liability to be recognised.

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 performance obligations are fulfilled or when it is received or when the right to receive payment if performance obligations do not exist.

The Group, as private sector not-for-profit entities, has elected not to recognise the financial impact of any volunteer services provided.

Income tax
The Company is a charitable institutions in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, and is exempt from paying income tax.

The subsidiary of the Company became a charitable institution from 29 September 2019 and is also exempt from paying income tax, prior to that date it was not exempt from paying income tax.

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

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

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

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

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

The Group 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.

Contract assets
Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Note 1. Significant accounting policies (continued)

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. Such 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 Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The Group 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 Group'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 mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Investment properties

Investment property, principally comprised of independent living units, is held to generate deferred management fees from tenants/residents. Investment properties are initially measured at cost and subsequently measured at fair value.

Independent living units' resident ingoings are recognised as a liability once received. The agreements with residents provide for Uniting AgeWell to retain retentions on a deferred basis, and the proportion of ingoings retainable is brought to account as income at the time that it becomes non-refundable to the resident. Some of the ingoings provide for Uniting AgeWell to owe a share of capital gain which is recognised as an expense progressively based upon the market value of the independent living unit as at reporting date.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

The Group assesses the fair value of investment properties annually and obtains independent valuations for its investment properties periodically. The best evidence of fair value is current prices in an active market for similar properties.

Judgements and estimates have been made in determining fair value of investment properties as disclosed in note 2.

Note 1. Significant accounting policies (continued)

Property, plant and equipment
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.

A right-of-use asset is recognised for land, buildings and building improvements of residential aged care facilities, Community Services sites and other sites which are subject to a lease, at the commencement date of the respective 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 paid for directly by the Group, and 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 Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is recognised over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group 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.

Capital works in progress are carried at cost and represent assets which are not yet available for use and are yet to commence depreciation.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leased land (right-of-use assets)	Unexpired lease period
Owned and leased buildings and building improvements (including right-of-use assets)	Shorter of unexpired lease period and 40 years
Plant and equipment	10 to 20 years
Furniture, fixtures and fittings	4 to 15 years
Motor vehicles	5 to 7 years
Computer equipment	2 to 4 years

Owned land is held at historical cost less impairment. Owned land is not depreciated.

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Control of property, plant and equipment and investment properties
The Group has assumed responsibility and recorded in the statement of financial position certain land and buildings, including those disclosed as property, plant & equipment and investment properties, of which The Uniting Church in Australia Property Trust (Vic) and the Uniting Church in Australia Property Trust (Tas.) hold legal ownership.

The directors are of the opinion that the criteria for the recognition of those assets as set out in the Conceptual Framework for Financial Reporting is satisfied. That is, although the Uniting Church in Australia Property Trust (Vic) and the Uniting Church in Australia Property Trust (Tas) hold legal ownership over the relevant assets registered in its name, those assets are controlled by the Group and the future economic benefits of their use and management will flow to the Group, including any sale proceeds.

Note 1. Significant accounting policies (continued)

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. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Intangibles in progress are carried at cost and represent assets which are not yet available for use and are yet to commence amortisation.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Bed licences
Bed licences have been initially recognised at fair value upon issue from the Federal Government which is deemed to represent cost under AASB 138 Intangible Assets.

The Group has previously considered the bed licences to have an indefinite life and as such does not amortise them. The bed licences were previously reviewed annually to assess whether there has been any impairment in their value. Where the carrying amount exceeds the value of the expected future benefits, the difference is charged to profit and loss. Impairment losses can be reversed in subsequent periods to the extent previously recognised.

The Government has stated its intention to abolish bed licence restrictions and the Aged Care Approval Rounds ("ACAR") from 1 July 2024. Following the release of the discussion paper *Improving Choice in Residential Aged Care – ACAR Discontinuation* during the 2022 financial year bed licences are now considered to have a finite life from 26 September 2021 to 30 June 2024. Consequently, bed licences are now measured at cost less accumulated amortisation charges and any accumulated impairment losses.

The change from an indefinite life to a finite life is an impairment indicator which triggered an impairment assessment during the year.

The recoverable amount of bed licences represents the higher of the asset's fair value less costs to sell and its value in use. Judgements and estimates have been made in determining fair value and value in use of bed licences as disclosed in note 2.2

Software
Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and install the specific software. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulate impairment losses.

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 to 5 years.

Software-as-a-Service (SaaS) arrangements
SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Note 1. Significant accounting policies (continued)

Recognise as an operating expense over the term of the service contract	• Fee for use of application software
Recognise as an operating expense as the service is received	• Configuration costs • Data migration costs • Training costs

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

Contract liabilities
Contract liabilities include the value of sufficiently specific performance obligations required under certain lease agreements which the Group is party to as a lessee. These contract liabilities are reduced and recognised as revenue over the lease period on a straight-line basis as the performance obligations are satisfied. The carrying amount is remeasured if there is a change in the lease arrangement consistent with that described in the below accounting policy for leases in which the Group is a lessee.

Contract liabilities also represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Leases in which the Group is a lessee
The Group leases various offices, residential aged care facilities and independent living units. Rental contracts can vary from 1 year to 99 years and can include extension options.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease.

If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Note 1. Significant accounting policies (continued)

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.

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

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

Included in short-term employee benefits for the year ended 30 June 2022 and 30 June 2021 are amounts relating to underpayments of employee entitlements. The provision represents an estimation of historical payment shortfalls and the Group's present obligation based on all available information, including pay rates, hours worked, allowances, together with an assessment of the employees, both current and former, to whom respective errors relate to. Judgement has been applied in calculating and providing for these underpayments.

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

Superannuation expense
Contributions to superannuation plans are expensed in the period in which they are incurred.

Resident ingoings
The operation of residential facilities are governed by the Aged Care Act 1997. The operations of the independent living units are governed by the Victorian Retirement Villages Act 1986 and the Retirement Villages Act 2004 (Tasmanian).

Pursuant to the Aged Care Act residents may be required to lodge a refundable accommodation deposit (RAD's). The value of these RAD's are reported as a resident ingoing liability. The Aged Care Act allows a provider to retain the interest earned from these bonds/RAD's.

Resident ingoing amounts and related retentions and deferred management fees are received from residents of independent living units.

The current cash holdings of entry contributions and RAD's have been invested with the U Ethical Funds Management. Uniting AgeWell has established an investment structure to enable refunds of RAD's and other resident ingoing amounts to be met as required.

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.

Note 1. Significant accounting policies (continued)

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 are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 components 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 the amount of GST recoverable from, or payable to, the tax authority.

Other contributed equity
On 1 July 2019, The Uniting Church in Australia Property Trust (Victoria) and The Uniting Church in Australia Property Trust (Tas.) transferred the operations, assets and liabilities of Uniting AgeWell Victoria and Uniting AgeWell Tasmania to the Company for $nil consideration.

The transfer did not meet the definition of a business combination under AASB 3 'Business Combinations', because ultimately there was no change in control over the net assets. Consequently, no acquisition accounting in the form of a purchase price allocation has been undertaken and therefore the assets and liabilities transferred have not been remeasured to fair value nor has any goodwill arisen on transfer.

Other contributed equity represents the value of net assets transferred on 1 July 2019 for $nil consideration.

Acquisition reserve
On 1 June 2020, the Group acquired the business assets of Andrew Kerr Care Limited. The transaction is a business combination in accordance with AASB 3 'Business Combinations' as the Group obtained control of the processes and operations of the Andrew Kerr Care business.

The Group has been deemed to have gained control of the Andrew Kerr Care business for no consideration. Consequently, in accordance with AASB 3 'Business Combinations', the acquisition-date fair value of the business acquired has been recognised directly in to equity through the acquisition reserve.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, 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.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment, right of use assets and finite life intangible assets. 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.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on fair value less costs to sell and 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 and application of recent sales history for similar assets where an active market exists.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group 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.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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 Group 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.

Employee benefits provision and other provisions
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Included in provisions for the year ended 30 June 2022 and 30 June 2021 are amounts relating to underpayments of employee entitlements. The provision represents an estimation of historical payment shortfalls and the Group's present obligation based on all available information, including pay rates, hours worked, allowances, together with an assessment of the employees, both current and former, to whom respective errors relate to. Judgement has been applied in calculating and providing for these underpayments.

Note 3. Restatement of comparatives

On 1 July 2019, The Uniting Church in Australia Property Trust (Victoria) and The Uniting Church in Australia Property Trust (Tas.) transferred the operations, assets and liabilities of Uniting AgeWell Victoria and Uniting AgeWell Tasmania to the Company for $nil consideration.

The transaction did not meet the definition of a business combination under AASB 3 'Business Combinations', because ultimately there was no change in control over the net assets. Consequently, no acquisition accounting in the form of a purchase price allocation was undertaken and therefore the assets and liabilities have not been remeasured to fair value nor has any goodwill arisen on transfer.

Other contributed equity recognised at 1 July 2019 represented the value of net assets transferred on 1 July 2019 for $nil consideration.

Note 3. Restatement of comparatives (continued)

At the time of the transfer the Company entered in to a lease with The Uniting Church in Australia Property Trust (Vic) and the Uniting Church in Australia Property Trust (Tas) for certain properties (referred to as the "ground lease" hereafter). The ground lease contained sufficiently specific performance obligations necessitating the requirement to recognise a contract liability under AASB 15 '*Revenue from contracts with customers*'. Consequently, right-of-use assets, lease liabilities and contract liabilities as a lessee were recognised on the transfer of operations to the Company.

The contract liabilities are reduced and recognised as revenue over the lease period on a straight-line basis as the performance obligations are satisfied. The carrying amount is remeasured if there is a change in the lease arrangement consistent with that described in the below accounting policy for leases in which the Group is a lessee.

During the year, the Group has identified that certain properties, which were previously subject to the ground lease, are actually controlled by the Group and are not subject to the ground lease.

The directors are of the opinion that the criteria for the recognition of those assets as set out in the Conceptual Framework for Financial Reporting is satisfied. That is, although the Uniting Church in Australia Property Trust (Vic) and the Uniting Church in Australia Property Trust (Tas.) hold legal ownership over the relevant assets registered in its name, those assets are controlled by the Group and the future economic benefits of their use and management will flow to the Group, including any sale proceeds.

Prior periods have been restated to account for the impact of the above as follows:

Consolidated statement of financial position & impact on retained deficit	Previously reported $	Adjustments $	Restated $
30 June 2020			
Investment properties	160,450,515	17,335,376	177,785,891
Property, plant and equipment	382,225,197	(15,095,562)	367,129,635
Total non-current assets	604,232,011	2,239,814	606,471,825
Total assets	**838,009,364**	**2,239,814**	**840,249,178**
Contract liabilities	21,289,202	(1,461,542)	19,827,660
Total current liabilities	396,359,862	(1,461,542)	394,898,320
Contract liabilities	178,955,056	(140,308,077)	38,646,979
Total non-current liabilities	190,999,585	(140,308,077)	50,691,508
Total liabilities	**587,359,447**	**(141,769,619)**	**445,589,828**
Net assets	**250,649,917**	**144,009,433**	**394,659,350**
Other contributed equity	253,063,591	144,692,705	397,756,296
Retained deficit	(20,983,511)	(683,272)	(21,666,783)
Total equity	**250,649,917**	**144,009,433**	**394,659,350**
Retained deficit - opening balance 1 July 2020	(20,589,800)	(341,635)	(20,931,435)
Deficit after income tax expense for the year	(393,711)	(341,637)	(735,348)
Retained deficit - closing balance 30 June 2021	**(20,983,511)**	**(683,272)**	**(21,666,783)**

Consolidated statement of profit or loss and other comprehensive income	Previously reported $	Adjustments $	Restated $
30 June 2020			
Revenue*	248,009,770	(1,461,542)	246,548,228
Other expenses^	(8,314,926)	1,119,905	(7,195,021)
Deficit before income tax expense	**(393,711)**	**(341,637)**	**(735,348)**
Deficit after income tax expense for the period	**(393,711)**	**(341,637)**	**(735,348)**
Total comprehensive income for the period	**(393,711)**	**(341,637)**	**(735,348)**

*Impact relates to reduction in revenue recognised from achievement of performance obligations as a lessee
^Impact relates to reduction in depreciation on leased property, plant and equipment

Note 4. Business combinations

On 1 June 2021, Uniting AgeWell Limited completed the acquisition of the business assets of Andrew Kerr Care Limited for $2 cash consideration. The transaction is a business combination in accordance with AASB 3 'Business Combinations' as the Group obtained control of the processes and operations of the Andrew Kerr Care business.

Andrew Kerr Care provides aged care services including residential and home care, to the Mornington Peninsula community.

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	1,592,944
Trade and other receivables	4,023,480
Other financial assets	3,122,210
Other current assets	36,634
Land and buildings	27,005,000
Property, plant and equipment	412,657
Intangibles	3,802,500
Trade and other payables	(1,007,751)
Provisions	(1,591,558)
Refundable accommodation deposits	(24,018,777)
Net assets acquired	13,377,339
Goodwill	5,192,500
Acquisition-date fair value of the total consideration transferred	18,569,839
Representing:	
Cash paid or payable to vendor	2
Acquisition reserve	18,569,837
	18,569,839

Note 5. Revenue

	Consolidated 2022 $	Consolidated Restated 2021 $
Residential care, home care, community services and retirement living revenue		
Government contributions	213,181,026	181,225,774
Resident/client fees	48,840,485	43,071,017
Other operating revenue	15,377,138	14,088,877
Deferred management fees	3,301,319	3,096,061
	280,699,968	241,481,729
Other revenue		
Donations, bequests and fundraising	924,346	181,027
Dividends	5,072,883	3,460,071
Interest revenue	143,861	155,793
Revenue from achievement of performance obligations as a lessee	212,318	402,573
Other revenue	593,982	867,035
	6,947,390	5,066,499
Revenue	287,647,358	246,548,228

Note 5. Revenue (continued)

Disaggregation of revenue

	Consolidated 2022 $	Restated 2021 $
Segments		
Residential care	166,665,865	151,272,048
Home care and community services	104,090,948	80,352,439
Retirement living and housing	6,718,876	6,554,996
Other	3,224,279	3,302,246
	280,699,968	241,481,729
Geographical regions		
Australia	280,699,968	241,481,729
Timing of revenue recognition		
Services transferred over time	280,699,968	241,481,729

Note 6. Net fair value gain/loss on financial assets held at fair value through profit or loss

	Consolidated 2022 $	Restated 2021 $
Net fair value (loss)/gain on other financial assets	(13,030,167)	17,574,307
Net fair value gain on investment properties (refer note 13)	25,408,286	-
	12,378,119	17,574,307

Note 7. Expenses

	Consolidated 2022 $	Restated 2021 $
Deficit before income tax includes the following specific expenses:		
Impairment		
Bed licences	8,640,000	-
Finance costs		
Interest on accommodation bonds/refundable accommodation deposits	8,672,969	8,252,100
Interest on lease liabilities	509,071	190,569
Finance costs expensed	9,182,040	8,442,669
Superannuation expense		
Superannuation expense	15,794,338	13,576,090
Depreciation and amortisation expense		
Property, plant and equipment	12,612,680	13,275,776
Intangibles	10,789,128	1,169,248
	23,401,808	14,445,024

Note 8. Cash and cash equivalents

	Consolidated 2022 $	Restated 2021 $
Current assets		
Cash on hand	15,180	15,026
Cash at bank	6,059,940	11,615,099
	6,075,120	11,630,125

Note 9. Trade and other receivables

	Consolidated 2022 $	Restated 2021 $
Current assets		
Trade receivables	1,802,842	2,763,766
Less: Allowance for expected credit losses	(537,243)	(641,521)
	1,265,599	2,122,245
Other receivables	1,909,488	1,854,314
	3,175,087	3,976,559

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Note 10. Other financial assets

	Consolidated 2022 $	Restated 2021 $
Current assets		
Deposits with U Ethical Funds Management (Cash Portfolio) - amortised cost	66,697,811	93,353,718
Investments with U Ethical Funds Management (Growth Portfolio) - fair value through profit or loss	121,400,127	120,101,262
	188,097,938	213,454,980

Where applicable, investments have been valued based on quoted market prices in active markets.

Note 11. Other assets

	Consolidated 2022 $	Restated 2021 $
Current assets		
Contract assets	600,754	2,159,901
Prepayments	1,193,023	1,973,342
Inventory	423,284	144,262
Other current assets	109,218	438,184
	2,326,279	4,715,689
Non-current assets		
Contract assets	6,005,061	4,275,046
Other non-current assets	145,773	145,773
	6,150,834	4,420,819
	8,477,113	9,136,508

Note 12. Property, plant and equipment

	Consolidated 2022 $	Consolidated Restated 2021 $
Non-current assets		
Controlled land - at cost	110,883,866	110,883,866
Leased land (right-of-use assets) - at cost	23,229,696	23,229,696
Less: Accumulated depreciation	(703,930)	(469,288)
	22,525,766	22,760,408
Controlled and leased buildings and building improvements (including right-of-use assets) - at cost	224,125,919	209,051,713
Less: Accumulated depreciation	(18,874,651)	(10,478,111)
	205,251,268	198,573,602
Plant and equipment - at cost	11,956,166	11,076,156
Less: Accumulated depreciation	(3,564,619)	(2,593,516)
	8,391,547	8,482,640
Furniture, fixtures and fittings - at cost	14,375,079	14,081,882
Less: Accumulated depreciation	(3,449,189)	(2,984,319)
	10,925,890	11,097,563
Motor vehicles - at cost	571,912	545,489
Less: Accumulated depreciation	(181,418)	(55,778)
	390,494	489,711
Computer equipment - at cost	982,803	982,803
Less: Accumulated depreciation	(696,282)	(442,289)
	286,521	540,514
Capital works in progress - at cost	7,729,963	14,301,331
	366,385,315	367,129,635

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

Consolidated	Land (controlled and leased) $	Buildings & building improv. $	Plant & equipment $	Furniture, fixtures & fittings $	Motor vehicles $	Computer equipment $	Capital WIP $	Total $
Balance at 1 July 2021	133,644,274	198,573,602	8,482,640	11,097,563	489,711	540,514	14,301,331	367,129,635
Additions (net of transfers)	-	15,260,010	1,468,504	1,679,254	31,960	-	(6,571,368)	11,868,360
Depreciation expense	(234,642)	(8,582,344)	(1,559,597)	(1,850,927)	(131,177)	(253,993)	-	(12,612,680)
Balance at 30 June 2022	133,409,632	205,251,268	8,391,547	10,925,890	390,494	286,521	7,729,963	366,385,315

Note 12. Property, plant and equipment (continued)

	Consolidated 2022 $	Consolidated Restated 2021 $
Included in the above buildings & building improvements line item:		
Right-of-use (carrying value)	8,353,417	6,327,184

Note 13. Investment properties

	Consolidated 2022 $	Consolidated Restated 2021 $
Non-current assets		
Controlled land, buildings and building improvements - at valuation	171,387,362	151,181,507
Leased land, buildings and building improvements (including right-of-use assets) - at valuation	32,556,729	26,604,384
	203,944,091	177,785,891

Valuations of investment properties
The basis of the valuation of investment properties is fair value. The investment properties were revalued during the year based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

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

Consolidated	Controlled land, buildings & building improv. $	Leased land, buildings & building improv. $	Total $
Balance at 1 July 2021	151,181,507	26,604,384	177,785,891
Fair value movement	19,579,827	5,828,459	25,408,286
Additions	626,028	123,886	749,914
Balance at 30 June 2022	171,387,362	32,556,729	203,944,091

Note 14. Intangibles

	Consolidated 2022 $	Consolidated Restated 2021 $
Non-current assets		
Goodwill - at cost	9,751,163	9,751,163
Bed licences - at deemed cost	45,282,500	45,282,500
Less: Accumulated amortisation	(9,922,500)	-
Less: Impairment	(8,640,000)	-
	26,720,000	45,282,500
Software - at cost	4,588,354	4,588,354
Less: Accumulated amortisation	(3,353,165)	(2,486,537)
	1,235,189	2,101,817
Intangibles in progress - at cost	411,956	-
	38,118,308	57,135,480

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

Consolidated	Goodwill $	Bed licences $	Software $	In progress $	Total $
Balance at 1 July 2021	9,751,163	45,282,500	2,101,817	-	57,135,480
Additions (net of transfers)	-	-	-	411,956	411,956
Impairment (offline bed licences)	-	(8,640,000)	-	-	(8,640,000)
Amortisation expense	-	(9,922,500)	(866,628)	-	(10,789,128)
Balance at 30 June 2022	9,751,163	26,720,000	1,235,189	411,956	38,118,308

Goodwill
Goodwill arose through business combination(s). On an annual basis the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the carrying amount to determine whether there is any impairment. No impairment loss has been recognised in the current year.

Bed licences
The Government has stated its intention to abolish bed licence restrictions and the Aged Care Approval Rounds ("ACAR") from 1 July 2024. At 30 June 2021, the Group recognised bed licences as having an indefinite life and as such no amortisation was previously recognised. Following the release of the discussion paper *Improving Choice in Residential Aged Care – ACAR Discontinuation* during the 2022 financial year bed licences are now considered to have a finite life from 29 September 2021 to 30 June 2024. Consequently, amortisation of $9,922,500 has been recognised during the year ended 30 June 2022.

The change from an indefinite life to a finite life is an impairment indicator which triggered an impairment assessment being performed during the year consistent with the Group's accounting policies (refer to note 1 for further details). As a result of the impairment assessment, an impairment of $8,640,000 has been recognised during the year ended 30 June 2022 for offline bed licences held by the Group. Offline bed licences are bed licences which had previously been activated but which are not currently in use. The Group has assessed that the offline bed licences have no value in use and no fair value.

Note 15. Trade and other payables

	Consolidated 2022 $	Consolidated Restated 2021 $
Current liabilities		
Trade payables	3,761,141	8,234,265
Sundry payables and accrued expenses	12,099,599	6,921,768
	15,860,740	15,156,033

Trade payables, sundry payables and accrued expenses are non-interest bearing liabilities. Trade payable payments are processed once they have reached 30 days from the date of invoice for electronic funds transfer payments or cheque payment or 30 days from the end of the month of invoice for other payments. No interest is charged on trade payables.

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

Note 16. Contract liabilities

	Consolidated 2022 $	Consolidated Restated 2021 $
Current liabilities		
Contract liabilities as a lessee	212,318	402,573
Contract liabilities as a provider of services	11,449,658	19,425,087
	11,661,976	19,827,660
Non-current liabilities		
Contract liabilities as a lessee	20,170,234	38,646,979
	31,832,210	58,474,639

Note 17. Employee benefits and provisions

	Consolidated 2022 $	Consolidated Restated 2021 $
Current liabilities		
Employee benefits	30,621,328	29,120,597
Resident capital gain	671,204	1,942,204
	31,292,532	31,062,801
Non-current liabilities		
Employee benefits	5,791,305	6,375,636
	37,083,837	37,438,437

Note 18. Resident ingoings

	Consolidated 2022 $	Consolidated Restated 2021 $
Current liabilities		
Resident ingoings	336,686,338	327,985,385

Note 19. Lease liabilities

	Consolidated 2022 $	Consolidated Restated 2021 $
Current liabilities		
Lease liabilities - external parties	907,787	866,440
Lease liabilities - related parties	33,020	1
	940,807	866,441
Non-current liabilities		
Lease liabilities - external parties	5,152,744	5,668,797
Lease liabilities - related parties	18,399,633	96
	23,552,377	5,668,893
	24,493,184	6,535,334
Future lease payments		
Future lease payments are due as follows:		
Within one year	2,001,998	1,091,848
One to five years	5,618,078	3,511,682
More than five years	56,146,662	3,341,846
	63,766,738	7,945,376

The above future lease payments as at 30 June 2022 includes amounts that will be paid to The Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas.) totalling $56,913,210 (2021: $97) in relation to a 99 year ground lease for certain leased land and buildings of the Group, including certain residential aged care facilities and independent living units.

The total cash outflow for all leases during the period totalled $1,091,848 (2021: $1,162,292).

Note 20. Key management personnel disclosures

Compensation
The aggregate compensation made to the key management personnel of the Group is set out below:

	Consolidated 2022 $	Consolidated Restated 2021 $
Total compensation	3,093,190	3,147,045

Note 21. Contingencies

As at 30 June 2022 the Group had submitted claims totalling $5,694,500 to the Federal Government relating to expenses incurred in managing COVID-19 outbreaks during the financial year ended 30 June 2022.

The Group believes that its grant applications meet all the eligibility criteria based on the funding agreement requirements, and previous experience in submitting claims. However, the approval of claims is at the discretion of the Department of Health and the Group therefore does not have an unconditional right to the grant until it is approved formally by the Department of Health. As a result, income and a receivable for the submitted grants has not been recognised as at 30 June 2022, irrespective of the expenses related to the COVID-19 outbreaks being recognised by the Group in the financial year ended 30 June 2022.

The Group had no other contingent assets or liabilities as at 30 June 2022.

Note 22. Related party transactions

Parent entity
Uniting AgeWell Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 24.

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

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2022	**Restated 2021**
	$	**$**
Revenue:		
Interest and dividend income from U Ethical Funds Management	5,955,875	3,460,071
Payment for other expenses:		
Other expenses with entities of which Board Members are employees/Directors/associates	127,386	220,041
Expenses with other related parties, including IT, insurance, rent, institution and legal fees	7,912,926	6,480,155

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2022	**Restated 2021**
	$	**$**
Lease liabilities to The Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tas.)	18,432,653	97

Note 22. Related party transactions (continued)

Financial assets receivable from related parties
The following balances are receivable at the reporting date in relation to financial assets held by related parties:

	Consolidated	
	2022	Restated 2021
	$	$
Current receivables:		
Deposits with U Ethical Funds Management (Cash Portfolio)	66,697,811	93,353,718
Investments with U Ethical Funds Management (Growth Portfolio)	121,400,127	120,101,262

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 23. Commitments

	Consolidated	
	2022	Restated 2021
	$	$
Capital expenditure commitments at the reporting date:		
Within one year	25,790,654	2,093,619
One to five years	11,109,346	-
	36,900,000	2,093,619

The capital expenditure commitments as at 30 June 2022 relate to the redevelopment of the Lillian Martin (Tasmania) and Strathaven (Victoria - Bendigo) facilities.

Note 24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary of the Company in accordance with the accounting policy described in Note 2:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2022 %	Restated 2021 %
Guardian Network Pty Ltd	Australia	100.00%	100.00%

Significant restrictions
There are no significant restrictions between the parent entity and its subsidiaries.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022 $	Restated 2021 $
Deficit after income tax	(23,526,411)	(2,318,274)
Total comprehensive loss	(23,526,411)	(2,318,274)

Statement of financial position

	Parent	
	2022 $	Restated 2021 $
Total current assets	196,741,190	231,333,626
Total assets	811,838,104	838,264,946
Total current liabilities	393,892,880	395,215,696
Total liabilities	443,033,398	445,573,530
Net assets	368,804,706	392,691,416
Equity		
Other contributed equity	397,756,296	397,756,296
Acquisition reserve	18,569,837	18,569,837
Accumulated deficits	(47,521,427)	(23,634,717)
Total equity	368,804,706	392,691,416

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 (30 June 2021: $nil).

Contingencies
As at 30 June 2022 the Company had submitted claims totalling $5,694,500 to the Federal Government relating to expenses incurred in managing COVID-19 outbreaks during the financial year ended 30 June 2022.

The Company believes that its grant applications meet all the eligibility criteria based on the funding agreement requirements, and previous experience in submitting claims, however, the approval of claims is at the discretion of the Department of Health and the Company therefore does not have an unconditional right to the grant until it is approved formally by the Department of Health. As a result, income and a receivable for the submitted grants has not been recognised as at 30 June 2022, irrespective of the expenses related to the COVID-19 outbreaks being recognised by the Company in the financial year ended 30 June 2022.

The Company had no other contingent assets or liabilities as at 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had capital commitments for property, plant and equipment and investment properties of $36,900,000 as at 30 June 2022 (30 June 2021: $2,093,619).

Note 25. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity; and
- Dividends received from subsidiaries are recognised as other income by the parent entity.

Note 26. Remuneration of auditors

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

	Consolidated	
	2022 $	Restated 2021 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit of the financial statements	118,000	116,250
Other services - Grant Thornton Audit Pty Ltd		
Other services	7,000	7,000
	125,000	123,250

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Uniting AgeWell Limited
Directors' declaration
30 June 2022

The directors of the Company declare that the consolidated financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and:

- Comply with Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-Profits Commission Regulation 2013; and

- Give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

R. Thompson

Ms Raelene Thompson
Chair

J L Begg

Ms Jan Begg
Board Director

27 September 2022

Grant Thornton

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

Independent Auditor's Report

To the Members of Uniting AgeWell Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Uniting AgeWell Limited (the 'Company') and its subsidiaries (collectively the 'Group'), which comprises the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of Uniting AgeWell Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

b complying with Australian Accounting Standards AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

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

Information other than the financial report and auditor's report

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Darren Scammell

D M Scammell
Partner – Audit & Assurance

Registration No. 195547

Melbourne, 27 September 2022