

Residency by Dillons Mt Lawley (RACS 7812)

ABN 38 839 507 713

Financial Statements

For the Year ended 30 June 2024

Residency by Dillons Mt Lawley (RACS 7812)

Annual Report for the Year Ended 30 June 2024

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Residency by Dillons Mt Lawley (RACS 7812)

ABN 38 839 507 713

Income Statement

For the Year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	3	6,509,198	4,706,314
Expenses excluding Finance Costs	4	5,737,428	4,785,487
Finance Costs	5	434,124	305,083
Profit Attributable to Partners of the Partnership		<u>337,646</u>	<u>(384,256)</u>
Distribution to Partners			
J E DILLON FAMILY TRUST		168,823	(192,128)
SECOND AVENUE TRUST		168,823	(192,128)
		<u>337,646</u>	<u>(384,256)</u>

The accompanying notes form part of these financial statements.

Residency by Dillons Mt Lawley (RACS 7812)

ABN 38 839 507 713

Balance Sheet

As at 30 June 2024

	Note	2024 \$	2023 \$
Current Assets			
Cash and Cash Equivalents	7	70,200	227,337
Trade and Other Receivables	9	609,592	736,083
Other	11	137,203	123,745
Total Current Assets		<u>816,995</u>	<u>1,087,165</u>
Non-Current Assets			
Trade and Other Receivables	9	978,644	1,095,446
Property, Plant and Equipment	12	511,374	552,618
Intangible Assets	13	70,446	70,446
Right-of-Use-Assets	10	3,311,904	3,532,698
Total Non-Current Assets		<u>4,872,368</u>	<u>5,251,208</u>
Total Assets		<u>5,689,363</u>	<u>6,338,373</u>
Current Liabilities			
Trade and Other Payables	14	4,256,695	3,832,388
Financial Liabilities	15	477,790	1,556,545
Provisions	16	410,528	311,632
Lease Liabilities	17	167,212	157,937
Total Current Liabilities		<u>5,312,225</u>	<u>5,858,502</u>
Non-Current Liabilities			
Financial Liabilities	15	413,434	22,370
Provisions	16	150,370	130,837
Lease Liabilities	17	3,544,850	3,712,062
Total Non-Current Liabilities		<u>4,108,654</u>	<u>3,865,269</u>
Total Liabilities		<u>9,420,879</u>	<u>9,723,771</u>
Net Assets		<u>(3,731,516)</u>	<u>(3,385,398)</u>
Partnership Funds			
Partners Capital Account			
J E DILLON FAMILY TRUST	18	(1,865,758)	(1,692,699)
SECOND AVENUE TRUST	18	(1,865,758)	(1,692,699)
Total Partnership Funds		<u>(3,731,516)</u>	<u>(3,385,398)</u>

The accompanying notes form part of these financial statements.

Residency by Dillons Mt Lawley (RACS 7812)

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**Statement of Changes in Equity
For the Year ended 30 June 2024**

	2024	2023
	\$	\$
Opening Balance	(3,385,398)	(2,495,424)
Operating Loss after Income Tax	-	(384,256)
Operating Profit after Income Tax	337,646	-
Payments to Partners	(683,764)	(505,718)
Closing Balance	<u>(3,731,516)</u>	<u>(3,385,398)</u>

Reconciliation of Partnership Funds**J E DILLON FAMILY TRUST**

Balance at Beginning of Year	(1,692,699)	(1,247,712)
Share of Profit	168,823	(192,128)
Drawings	(341,882)	(252,859)
Closing Balance	<u>(1,865,758)</u>	<u>(1,692,699)</u>

SECOND AVENUE TRUST

Balance at Beginning of Year	(1,692,699)	(1,247,712)
Share of Profit	168,823	(192,128)
Drawings	(341,882)	(252,859)
Closing Balance	<u>(1,865,758)</u>	<u>(1,692,699)</u>
Total Equity	<u>(3,731,516)</u>	<u>(3,385,398)</u>

The accompanying notes form part of these financial statements.

Residency by Dillons Mt Lawley (RACS 7812)

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Statement of Cash Flows

For the Year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash Flows from Operating Activities			
Receipts from Customers		1,102,317	875,716
Government Grants & Subsidies		4,806,796	3,159,153
Other Revenue		482,946	445,475
Payments to Suppliers and Employees		(4,812,653)	(5,194,811)
Interest Received		104,431	110,883
Finance Costs		(434,124)	(305,083)
Net Cash Inflow from Operating Activities	8	1,249,713	(908,667)
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		-	(61,983)
Loans to Related Parties			
- proceeds from repayments		116,802	107,838
Net Cash Inflow from Investing Activities		116,802	45,855
Cash Flows from Financing Activities			
Proceeds from borrowings		4,603	1,015,854
Repayment of borrowings		(549,514)	(1,803)
Repayments of Lease Liability		(157,937)	(274,748)
Payments to Partners		(683,764)	(505,718)
Net Cash Outflow from Financing Activities		(1,386,612)	233,585
Net Decrease in Cash Held		(20,098)	(629,226)
Cash and Cash Equivalents as at 1 July 2023		6,924	636,150
Cash and Cash Equivalents as at 30 June 2024		<u>(13,174)</u>	<u>6,924</u>

The accompanying notes form part of these financial statements.

Residency by Dillons Mt Lawley (RACS 7812)
Partnership Distribution Statement
For the Year ended 30 June 2024

	2024	2023
	\$	\$
Profit Available for Distribution	337,646	(384,256)
Distribution to Partners		
J E DILLON FAMILY TRUST	168,823	(192,128)
SECOND AVENUE TRUST	168,823	(192,128)
	<u>337,646</u>	<u>(384,256)</u>

The accompanying notes form part of these financial statements.

Residency by Dillons Mt Lawley (RACS 7812)
Notes to the Financial Statements
For the Year ended 30 June 2024

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Residency by Dillons Mt Lawley (RACS 7812) as an individual entity. Residency by Dillons Mt Lawley (RACS 7812) is a partnership, established and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Standards of the Australian Accounting Standards Board, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

2. Summary of Significant Accounting Policies

(a) Partner's Guarantee of Financial Support

Notwithstanding the deficiency of net assets in the business, the financial report of the partnership has been prepared on a going concern basis. This basis has been applied as the partners have provided a guarantee of continuing financial support and it is the partners' belief that such financial support will continue to be made available.

The business also has a \$800,000 drawdown loan facility with National Australia Bank. \$215,781 of this facility has been utilised.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(c) Provisions

Provisions are recognised when the partnership has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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Notes to the Financial Statements
For the Year ended 30 June 2024

(d) **Employee Benefits**

Provision is made for the partnership's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows or an appropriate equivalent method.

(e) **Property, Plant and Equipment**

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

Leasehold Property Improvements

Freehold land and buildings are measured on a cost basis less amortisation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis or diminishing value method over their useful lives to the partnership commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation and amortisation rates used for each class of depreciable asset are:

Leasehold Property Improvements	6.6%
Plant and Equipment	6.6 - 50 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) **Income Tax**

Under current legislation, the partnership is not liable for income tax as its taxable income is recognised in the income tax returns of the individual partners.

Residency by Dillons Mt Lawley (RACS 7812)
Notes to the Financial Statements
For the Year ended 30 June 2024

(g) **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(h) **Intangibles**

Goodwill

Goodwill is calculated as the excess of the sum of:

- i) the consideration transferred;
- ii) any non-controlling interest; and
- iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The value of goodwill recognised on acquisition of each subsidiary in which the partnership holds a less than 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The partnership can elect to measure the non-controlling interest in the acquire either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). The partnership determines which method to adopt for each acquisition.

Under the "full goodwill method", the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of the market information where available.

Fair Value / Equity Accounting

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where the investment has been equity accounted, any credit reserve balances are recycled to the statement of comprehensive income.

Net Identifiable Assets Acquired

In determining the net identifiable assets acquired, contingent liabilities of the acquiree are included to the extent to which they represent a present obligation and can be measured reliably.

Acquisitions of Subsidiaries

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates.

Testing for Impairment

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Accounting for Changes in Ownership Interest in Subsidiary

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

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Notes to the Financial Statements
For the Year ended 30 June 2024

Amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

(j) Leases

The Partnership adopted AASB 16 Leases (AASB 16) using the modified retrospective approach from 1 July 2019. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 Leases is recognised in retained earnings. The impact that this initial application of AASB 16 has on the consolidated financial statements, is described below.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. AASB 16 replaces existing leases guidance, including AASB 117 Leases.

Leases in which the Partnership is a lessee

The Partnership will recognise assets and liabilities for its operating leases of its leased property. The nature of expenses related to those leases will now change because the Partnership will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Leases in which the Partnership is a lessor

Contracts with customers contain provisions for accommodation, use of common areas/facilities for provision of care and other services. The Partnership has concluded that its contractual arrangements relating to the provision of residential aged care is an operating lease pursuant to AASB 16, being the exclusive right to the use of a room by a resident.

For residential aged care accommodation arrangements where the resident has elected to pay a RAD or Bond, the Partnership receives a financing benefit, being non-cash consideration, in the form of an interest free loan. On adoption of AASB 16, the fair value of this non-cash consideration is required to be recognised as income (to reflect the interest free loan financing benefit received on RADs and Bonds) and, correspondingly, interest expense (to record the financial liability associated with RADs and Bonds at fair value) with no net impact on profit or loss.

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For the Year ended 30 June 2024

The application of AASB 16 for the year ended 30 June 2024 has been calculated based on:

- i) RAD / Bond balances as at 30 June 2024; and
- ii) interest rate equal to the Maximum Permissible Interest Rate ("MPIR") of 8.34% between April 2024 to June 2024, which is a Government set interest rate used to calculate the Daily Accommodation Payment to applicable residents.

The Partnership's Income statements presents Income of \$311,916 and an additional Finance cost (i.e. interest expense) of \$311,916, with a nil impact to net profit for the period.

The accounting treatment for residential aged care accommodation arrangements where residents have elected to pay a DAP has not changed upon adopting AASB 16.

(k) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that partnership becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The partnership's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they

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Notes to the Financial Statements
For the Year ended 30 June 2024

are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the partnership renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the partnership does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial Assets at Fair Value through Profit and Loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Financial Liabilities

Financial liabilities are recognised when the company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are recognised when the partnership becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The partnership's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of each reporting period the partnership assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial Assets at Amortised Cost

If there is objective evidence that an impairment loss on financial assets carried at amortised

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Notes to the Financial Statements
For the Year ended 30 June 2024

cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-Sale Financial Assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(l) **Financial Guarantees**

Where material, financial guarantees issued that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

(m) **Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Sale of Goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest Revenue

Interest is recognised using the effective interest method.

Rendering of Services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Other Revenue

Other revenue is recognised when the entity is entitled to the funds.

(n) **Trade and Other Payables**

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the partnership that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on

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Notes to the Financial Statements
For the Year ended 30 June 2024

the basis of normal credit terms.

(o) **Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of GST.

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

(p) **Critical Accounting Estimates and Judgments**

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

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key Judgments - Provision for Impairment of Receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Key Judgments - Provision for Inventories

At the year end management do not believe there is any need for an obsolescence provision for inventory.

The inventory held is reviewed on a monthly basis to determine whether there is any old, damaged or obsolete stock or any other stock items which need to be written down to NRV.

(q) **New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The partners have decided not to early adopt any of the new and amended pronouncements and that it is impracticable at this stage to provide a reasonable estimate of the impact on the partnership's financial statement.

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Notes to the Financial Statements
For the Year ended 30 June 2024

	2024	2023
	\$	\$
3. Revenue		
Revenue from Contracts with Customers		
Rendering Services	1,102,317	980,910
	<u>1,102,317</u>	<u>980,910</u>
Other Income		
Interest Received	104,431	110,883
Recoveries	61,605	7,506
Income on RADs and Bonds	311,916	248,418
Other Revenue	109,424	189,550
Government Subsidies	4,819,505	3,169,047
	<u>5,406,881</u>	<u>3,725,404</u>
	<u><u>6,509,198</u></u>	<u><u>4,706,314</u></u>
4. Expenses		
Employee Benefits Expense	3,423,926	2,648,165
Depreciation and Amortisation Expenses	262,038	388,063
Advertising	8,980	8,960
Bank Charges	3,278	3,722
Insurance	118,578	116,096
Interest on Lease Liabilities	119,628	124,718
Postage, Printing & Stationery	11,439	9,973
Rates & Taxes	67,797	65,947
Rent Adjustment	9,426	-
Motor Vehicle Expenses	21,793	10,413
Repairs & Maintenance	134,541	139,054
Telephone & Internet	33,046	26,249
Other Expenses	1,522,958	1,244,127
	<u>5,737,428</u>	<u>4,785,487</u>
5. Finance Income and Expenses		
Finance Income		
- ATO	1,554	802
- J E D Business UT (RBD Narrogin)	8,781	9,587
- J E D Property UT	91,333	99,490
- NAB (39-281-1709)	2,421	938
- NAB (76-521-5943)	342	66
	<u>104,431</u>	<u>110,883</u>

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Notes to the Financial Statements
For the Year ended 30 June 2024

	2024	2023
	\$	\$
Finance Expenses		
Borrowing Costs	129	125
Interest Paid		
- RBD Tin Can Bay	54,778	-
- NAB (39-248-6176)	43,794	30,274
- NAB (39-291-5276)	8,848	-
- NAB (39-281-1557)	5,040	9,946
- RADs and Bonds	311,916	248,418
- Australian Taxation Office	1,687	802
- Bond Register	1,510	10,162
- AON Insurance	6,422	5,356
	<u>434,124</u>	<u>305,083</u>
 6. Profit		
Profit from ordinary activities before income tax expense has been determined after accounting for;		
Charging as Expense		
Finance Costs	434,124	305,083
Finance Lease Charges	2,307	866
 Movements in Provisions		
Depreciation		
- Leased Building	220,794	220,794
 Amortisation		
- Leasehold Property Improvements	41,244	40,137
	<u>41,244</u>	<u>40,137</u>
 Other Provisions:-		
- Leave Provisions	121,385	(13,308)
 Net Expenses Resulting from Movement in Provisions	<u>383,423</u>	<u>247,623</u>
 Remuneration of the Auditor:-		
- Audit & review of financial reports	14,350	13,148
	<u>14,350</u>	<u>13,148</u>
 Crediting as Income:		
Interest from :		
- ATO	1,554	802
- J E D Business UT (RBD Narrogin)	8,781	9,587
- J E D Property UT	91,333	99,490
- NAB (39-281-1709)	2,421	938
- NAB (76-521-5943)	342	66
Total Interest Revenue	<u>104,431</u>	<u>110,883</u>

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Notes to the Financial Statements
For the Year ended 30 June 2024

	2024	2023
	\$	\$
7. Cash and Cash Equivalents		
Petty Cash	654	-
Cash at NAB (392811709)	16,863	217,502
Cash at NAB (765215943)	52,683	9,835
	<u>70,200</u>	<u>227,337</u>
8. Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after Income Tax	337,646	(384,256)
Adjustments for Non-Cash Components in Profit:		
Depreciation	220,794	347,926
Amortisation	41,373	40,262
Changes in Assets and Liabilities		
Decrease in Trade and Other Receivables	94,931	(115,377)
Increase in Trade and Other Payables	14,306	79,480
Increase in Provisions	540,660	(876,700)
Net Cash Increase in Cash Held	<u>1,249,710</u>	<u>(908,665)</u>
9. Trade and Other Receivables		
Current		
Trade Debtors	64,632	64,148
Sundry Debtors	5,380	107,371
Amounts Receivable	-	12,709
Loan to JED Business UT (RBD Narrogin)	18,600	18,600
Loan to JED Property UT	151,263	151,263
Loan to JED Property UT (RBD Fremantle)	47,053	47,053
Loans - Unsecured - Jacqueline Banks Holdings Pty	289,127	289,127
Provision for GST	33,537	45,812
	<u>609,592</u>	<u>736,083</u>
Non-Current		
Loan to JED Property UT	635,257	715,110
Loan to JED Business UT (RBD Narrogin)	78,113	87,932
Loan to JED Property UT (RBD Fremantle)	265,274	292,404

Residency by Dillons Mt Lawley (RACS 7812)
Notes to the Financial Statements
For the Year ended 30 June 2024

	2024	2023
	\$	\$
	978,644	1,095,446
Total Trade and Other Receivables	<u>1,588,236</u>	<u>1,831,529</u>

10. Right-of-Use Assets

Leased Building	4,415,874	4,415,874
Accumulated Depreciation	<u>(1,103,970)</u>	<u>(883,176)</u>
	<u>3,311,904</u>	<u>3,532,698</u>

Movement in Carrying Amounts

Net Opening Balance	3,532,698	3,753,492
Additions	-	-
Depreciation Expense	<u>(220,794)</u>	<u>(220,794)</u>
Carrying Amount at 30 June	<u>3,311,904</u>	<u>3,532,698</u>

AASB 16 Related Amounts Recognised in the Income Statement

Depreciation charged related to Right-of-Use-Assets	220,794	220,794
Interest expense on lease liabilities	119,628	124,718

Impact for the period

In relation to leases under AASB 16 Leases for 2024, the partnership has recognised depreciation and interest cost, totalling \$220,794 and \$119,628 respectively instead of \$277,565 of operating lease expense.

The partnership had total cash outflow in relation to leases of \$286,991 in 2024 (2023: \$274,748).

11. Other Assets

Current

Prepaid Insurance	136,842	123,255
Prepaid Borrowing Expenses	<u>361</u>	<u>490</u>
	361	490
	<u>137,203</u>	<u>123,745</u>

12. Property, Plant & Equipment

Leasehold Property Improvements

Property Improvements	1,439,937	1,439,937
Less Accumulated Depreciation & Impairment	<u>928,563</u>	<u>887,319</u>
	<u>511,374</u>	<u>552,618</u>

Residency by Dillons Mt Lawley (RACS 7812)
Notes to the Financial Statements
For the Year ended 30 June 2024

	2024	2023
	\$	\$
Movements in Carrying Amounts		
Leasehold Property Improvements		
Net Opening Balance	552,618	530,773
Additions	-	61,983
Disposals	-	-
Amortisation	(41,244)	(40,137)
Net Closing Balance	<u>511,374</u>	<u>552,618</u>
13. Intangible Assets		
Non-Current		
Goodwill	166,229	166,229
Less Accumulated Impairment Losses	<u>95,783</u>	<u>95,783</u>
	<u>70,446</u>	<u>70,446</u>
Total Intangible Assets	<u><u>70,446</u></u>	<u><u>70,446</u></u>
14. Trade and Other Payables		
Current		
Bills Payable	138,259	96,980
Accrued Wages	65,588	24,182
Trade Creditors	170,910	253,189
Ingoing Contributions	3,740,000	3,330,000
Insurance Funding	<u>141,938</u>	<u>128,037</u>
Total Trade and Other Payables	<u><u>4,256,695</u></u>	<u><u>3,832,388</u></u>
15. Financial Liabilities		
Current		
NAB Overdraft (3928111557)	83,372	220,412
NAB Credit Card	5,616	1,849
Hire Purchase		
Hire Purchase Liability	7,212	7,212
Less Unexpired Hire Purchase Liability	<u>1,836</u>	<u>2,307</u>
	5,376	4,905
Loan from RBD Tin Can Bay	167,645	676,951
Bond Liquidity Line (392486176)	<u>215,781</u>	<u>652,428</u>
	<u><u>477,790</u></u>	<u><u>1,556,545</u></u>

Residency by Dillons Mt Lawley (RACS 7812)
Notes to the Financial Statements
For the Year ended 30 June 2024

	2024	2023
	\$	\$
Non-Current		
Hire Purchase		
Hire Purchase Liability	19,231	26,442
Less Unexpired Hire Purchase Liability Equipment	<u>2,236</u>	<u>4,072</u>
	16,995	22,370
 Loan from RBD Tin Can Bay	 <u>396,439</u>	 <u>-</u>
	<u>413,434</u>	<u>22,370</u>

The business loan and commercial advances are secured by registered mortgage from Atlanta Investment Pty Ltd over property situated at 362 Marmion Street, Cottesloe; a registered mortgage from Jacqueline Elizabeth Dillon over property situated at 36 Bourke Street, Leederville; a registered Fixed & Floating Charge over the assets and undertakings of Atlanta Investments Pty Ltd as trustee for the J.E.D Family Trust; a registered Fixed & Floating Charge over the assets and undertakings of Kamina Investments Pty Ltd as trustee for the Second Avenue Trust; a registered Fixed & Floating Charge over the assets and undertakings of Jacqueline Banks Holdings Pty Ltd as trustee for the J.E.D Family Trust; a mortgage over lease at 51/53 Second Avenue, Mount Lawley; a mortgage over business of Second Avenue Nursing Home; and a Joint & Several Guarantee and Indemnity from Jacqueline Banks Holdings Pty Ltd and Jacqueline Elizabeth Dillon.

16. Provisions

Current

Payroll Tax Payable	15,739	18,695
Provision for Holiday Pay	349,435	227,945
Provision for Long Service Leave	<u>45,354</u>	<u>64,992</u>
	<u>410,528</u>	<u>311,632</u>

Non-Current

Provision for Long Service Leave	150,370	130,837
	<u>560,898</u>	<u>442,469</u>

Total Provisions

17. Lease Liabilities

As at 1 July	3,869,999	4,019,014
Payments	(277,565)	(273,733)
Accretion of Interest at 30 June	<u>119,628</u>	<u>124,718</u>
	<u>3,712,062</u>	<u>3,869,999</u>
 Current Lease liabilities	 167,212	 157,937
Non current lease liabilities	<u>3,544,850</u>	<u>3,712,062</u>
Total Lease Liabilities	<u>3,712,062</u>	<u>3,869,999</u>

Residency by Dillons Mt Lawley (RACS 7812)
Notes to the Financial Statements
For the Year ended 30 June 2024

	2024	2023
	\$	\$
18. Partners Funds		
Partners Capital Accounts		
J E DILLON FAMILY TRUST		
Balance at Beginning of Year	(1,692,699)	(1,247,712)
Share of Profit	168,823	(192,128)
Drawings	<u>(341,882)</u>	<u>(252,859)</u>
	(1,865,758)	(1,692,699)
SECOND AVENUE TRUST		
Balance at Beginning of Year	(1,692,699)	(1,247,712)
Share of Profit	168,823	(192,128)
Drawings	<u>(341,882)</u>	<u>(252,859)</u>
	(1,865,758)	(1,692,699)
Total Partners Funds	<u><u>(3,731,516)</u></u>	<u><u>(3,385,398)</u></u>

The property lease is a non-cancellable lease term which expires in 2039, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI per annum. One 10 year options exist to renew the lease at the end of the each lease term of which the partnership is yet to exercise.

19. Related Party Transactions

The partnership entered into loan agreements by way of funding Jacqueline Elizabeth Dillon Property Pty Ltd and Jacqueline Elizabeth Dillon Business Pty Ltd to purchase an aged care facility known as Residency By Dillons Narrogin. The loan agreements each have a term of 15 years.

	\$
Jacqueline Elizabeth Dillon Property Pty Ltd	786,519
Jacqueline Elizabeth Dillon Business Pty Ltd	96,713

Additionally the partnership entered into a loan agreement in 2019/2020 by way of funding Jacqueline Elizabeth Dillon Property Pty Ltd to provide cashflow funding to purchase an aged care facility known as Residency By Dillons Fremantle. This loan agreement has a term of 15 years.

	\$
Jacqueline Elizabeth Dillon Property Pty Ltd	312,328

Additionally the partnership entered into a loan agreement in 2022/2023 with Jacqueline Elizabeth Dillon Business Pty Ltd to receive cashflow funding to assist with the repayment of Resident Accommodation Deposits. This loan agreement has a term of 5 years.

	\$
Jacqueline Elizabeth Dillon Business Pty Ltd	564,084

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

20. Segment Reporting

The Approved Provider (NAPS ID 4836) delivers only residential aged care services and this GPFR for Residency by Dillons Mt Lawley (RACS ID 7812) therefore relates only to such operations.

Residency by Dillons Mt Lawley (RACS 7812)
Notes to the Financial Statements
For the Year ended 30 June 2024

2024	2023
\$	\$

21. Financial Instruments

Financial Risk Management

The partnership's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans, bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The partnership does not have derivative instruments as at 30 June 2024.

Financial Risks

The main risks the partnership is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(i) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating debt. At 30 June 2024 approximately 0% of partnership debt is fixed. It is the policy of the partnership to keep between 0% and 5% of debt on fixed interest rates. At 30 June 2024 the National Australia Bank Overdraft interest rate is 9.20%

It is noted the unsecured loan to Jacqueline Banks Holdings Pty Ltd is non interest bearing.

(ii) Foreign currency risk

The partnership is not exposed to fluctuations in foreign currencies.

(iii) Liquidity risk

The partnership manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

(iv) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial reports.

The partnership does not have any material credit risk exposure to any single receivable or group or receivables under financial instruments entered into by the partnership.

(v) Price risk

The partnership is not exposed to any material commodity price risk.

Residency by Dillons Mt Lawley (RACS 7812)
Notes to the Financial Statements
For the Year ended 30 June 2024

	2024	2023
	\$	\$

22. Auditors Remuneration

Shreeve & Carslake Chartered Accountants were the auditors of Residency by Dillons Mt Lawley (RACS 7812)

- Audit & review of financial reports	14,350	13,148
	<u>14,350</u>	<u>13,148</u>

23. Statutory Information

The principal place of business is:
Residency by Dillons Mt Lawley (RACS 7812)
51 - 53 Second Avenue, Mt Lawley WA 6050

As at the 30 June 2024, the company had 54 employees.

The principal activities of the business include:
Residential Aged Care Services

24. Residential Aged Care Operations

Type A - The approved provider delivers only residential aged care services and this GPFR therefore relates only to such operations.

Residency by Dillons Mt Lawley (RACS 7812)
Fixed Asset and Depreciation Schedule
For the Year Ended 30 June 2024

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/07/2023	Additions Disposals	Gain/Loss on Disposal	Capital Gains	----- Depreciation ----- Rate \$	Accum Deprec 30/06/2024	Closing W.D.V 30/06/2024
PROPERTY IMPROVEMENTS										
Pergola		623		240				15Yr SL	0	240
Driveway		1,794		675				15Yr SL	0	675
Architects Fee re Extension		1,795		638				15Yr SL	0	638
Telephone Cabline to 14 Rooms		1,301		362				15Yr SL	0	362
In House Laundries		10,200		2,655				15Yr SL	0	2,655
Firefinder Fire Detection System		31,200		5,329				15Yr SL	0	5,329
Fence & Gate		1,265		181				15Yr SL	0	181
Curtains		1,364		192				15Yr SL	0	192
Shade Sail		2,700		374				15Yr SL	0	374
Flotex Carpet		1,318		140				15Yr SL	0	140
Curtains		1,709		588				15Yr SL	0	588
Curtains		2,460		654				15Yr SL	0	654
Upgrade Costs 1995/96		61,820		17,100				15Yr SL	0	17,100
Upgrade Costs		7,943		2,072				15Yr SL	0	2,072
Upgrade Costs		6,806		1,705				15Yr SL	0	1,705
Hospital Upgrades		122,345		12,500				15Yr SL	0	12,500
Hospital Upgrades		36,656		2,829				15Yr SL	0	2,829
Hospital Upgrades		390,893		39,850				15Yr SL	0	39,850
Architects Fees - Extensions		12,000		1,100				15Yr SL	0	1,100
Extensions		23,129		2,027				15Yr SL	0	2,027
Hostel Upgrade - Payment 5		80,607		2,350				15Yr SL	0	2,350
Valley Building		22,727						15Yr SL	0	
Blinds & Curtains		18,507		8,683				15Yr SL	1,237	7,446
Refurbishments - Upper Wing		98,498		64,766				15Yr SL	6,580	58,186
Refurbishments - Left Wing		83,000		54,749				15Yr SL	5,545	49,204
Refurbishments - Right Wing		135,136		90,077				15Yr SL	9,028	81,049
Refurbishments Silly Oak Bedroom 7 & 8		46,483		32,397				15Yr SL	3,106	29,291
Refurbishments (SO9/SO10 & Milan Room)		82,169		68,309				15Yr SL	5,490	62,819
Flooring		24,650		20,500				15Yr SL	1,647	18,853
Flooring		10,254		8,754				15Yr SL	685	8,069
RN Office & Room Partition		14,390		12,931				15Yr SL	962	11,969
Refurbishments Silky Oak Room 12		20,105		18,695				15Yr SL	1,344	17,351
Panasonic Ducted AC Unit		22,108		20,352				15Yr SL	1,477	3,233
Renovations - Silky Oak Room 1		20,661		19,537				15Yr SL	1,381	18,156
Renovations - Silky Oak Room 2		20,661		19,537				15Yr SL	1,381	18,156
Renovations - Silky Oak Room 5		20,661		19,771				15Yr SL	1,381	18,390
Sub-total		1,439,938		552,619					41,244	511,375

Low Value Pool

37.5% DV

0

Note: This Statement is to be read in conjunction with the accompanying Notes

Residency by Dillons Mt Lawley (RACS 7812)
Fixed Asset and Depreciation Schedule
For the Year Ended 30 June 2024

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/07/2023	Additions Disposals	Gain/Loss on Disposal	Capital Gains	---- Depreciation ---- Rate \$	Accum Deprec 30/06/2024	Closing W.D.V 30/06/2024
Miscellaneous		7,113						Write-Off	7,113	0
Miscellaneous		4,980						Write-Off	4,980	0
Sub-total		12,093							12,093	0
GENERAL POOL										
Telstra Health Medication Software		48,683						Write-Off	48,683	0
3 x 2m Shed		450						Write-Off	450	0
Wardrobes for residents rooms		1,000						Write-Off	1,000	0
Wardrobes for resident rooms		1,600						Write-Off	1,600	0
River Abilities		485						Write-Off	485	0
K Care - Shower Commadore		2,608						Write-Off	2,608	0
Photoshop, Mouse & Speakers		590						Write-Off	590	0
Notebook Computer		3,413						Write-Off	3,413	0
Mobile Phones		2,302						Write-Off	2,302	0
Computer Monitor		1,482						Write-Off	1,482	0
Canon ES Camera & Equipment		17,511						Write-Off	17,511	0
Desk for Computer		2,317						Write-Off	2,317	0
Air Conditioning Unit		2,880						Write-Off	2,880	0
Air Conditioner		1,719						Write-Off	1,719	0
Computer Equipment		5,747						Write-Off	5,747	0
Computer Equipment		2,460						Write-Off	2,460	0
Computer Equipment		1,363						Write-Off	1,363	0
TV		1,635						Write-Off	1,635	0
Bed tables & Linen Bags		925						Write-Off	925	0
Shade Sail		942						Write-Off	942	0
Air Conditioning Unit		2,212						Write-Off	2,212	0
Laptop		2,074						Write-Off	2,074	0
2 x Toshiba Laptops		4,359						Write-Off	4,359	0
Air Conditioning Unit		1,417						Write-Off	1,417	0
Airmattress		2,296						Write-Off	2,296	0
Hot water system		1,450						Write-Off	1,450	0
Hot water system		1,450						Write-Off	1,450	0
Laptop		4,040						Write-Off	4,040	0
Laptop		2,020						Write-Off	2,020	0
Matresses		927						Write-Off	927	0
Matresses		590						Write-Off	590	0
Air Conditioning		17,418						Write-Off	17,418	0
Duplex 420 floor scrubber		5,200						Write-Off	5,200	0
Medical beds		590						Write-Off	590	0
Medical beds		536						Write-Off	536	0
Medical beds		988						Write-Off	988	0
Air conditioning		1,250						Write-Off	1,250	0

Note: This Statement is to be read in conjunction with the accompanying Notes

Residency by Dillons Mt Lawley (RACS 7812)
Fixed Asset and Depreciation Schedule
For the Year Ended 30 June 2024

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/07/2023	Additions Disposals	Gain/Loss on Disposal	Capital Gains	---- Depreciation ---- Rate \$	Accum Deprec 30/06/2024	Closing W.D.V 30/06/2024
Medical Beds		545						Write-Off	0	0
Toilet Support		860						Write-Off	0	0
Medical Bed		395						Write-Off	0	0
Freezer		4,307						Write-Off	0	0
Washing Machine		20,099						Write-Off	0	0
Air Conditioning		20,861						Write-Off	0	0
Furniture		24,840						Write-Off	0	0
Air Conditioning		20,039						Write-Off	0	0
Pan Sanitizer		7,731						Write-Off	0	0
Computers		17,344						Write-Off	0	0
Floorwise		14,545						Write-Off	0	0
Nurse Call Bell System		51,272						Write-Off	0	0
Toshiba laptop		1,422						Write-Off	0	0
Dishwasher		6,415						Write-Off	0	0
Hoists		7,654						Write-Off	0	0
6 Burner Gas Range / Stove		6,224						Write-Off	0	0
TV's x 2		1,582						Write-Off	0	0
Furniture		1,290						Write-Off	0	0
Furniture, Wheelchairs etc		24,050						Write-Off	0	0
Medicine Trolley		1,818						Write-Off	0	0
Air Conditioning		81,471						Write-Off	0	0
Air Conditioning		129,780						Write-Off	0	0
Toshiba Notebook		3,315						Write-Off	0	0
HP Server		8,315						Write-Off	0	0
HP Notebook		2,095						Write-Off	0	0
HP Notebook x 5		7,503						Write-Off	0	0
Ford Ranger		61,753	52,242					Write-Off	0	0
VRF Air Conditioning Unit (Progress Claim 1)		94,345						Write-Off	0	0
VRF Air Conditioning Unit (Final Claim)		4,965						Write-Off	0	0
Beds (Floorline Single)		17,922						Write-Off	0	0
Compact Plus Macerator		9,900						Write-Off	0	0
General Pool								30.0% DV		
Sub-total		803,586							803,586	0
Total		2,255,617		552,619				41,244	1,744,242	511,375

Note: This Statement is to be read in conjunction with the accompanying Notes

Residency by Dillons Mt Lawley (RACS 7812)
Statement by the Partners
for the Year Ended 30 June 2024

The directors of the trustee companies representing the partnership of discretionary trusts declare that:

1. the financial statements and notes, as set out in the financial report present fairly the partnerships's financial position as at 30 June 2024 and its performance for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements; and
2. in the partners' opinion there are reasonable grounds to believe that the partnership will be able to pay its debts as and when they become due and payable.



Jacqueline E Dillon
Atlanta Investments Pty Ltd
Director



Jacqueline E Dillon
Kamina Investments Pty Ltd
Director

Dated this 02 day of October 2024

SHREEVE & CARSLAKE

CHARTERED ACCOUNTANTS

467 Scarborough Beach Road, Osborne Park, WA 6017
PO Box 221, Mt. Hawthorn W.A. 6915
Telephone: (08) 9244 2900 Fax: (08) 9446 2164
E-mail: admin@scpl.com.au



RESIDENCY BY DILLONS MT LAWLEY (RACS ID 7812)

ABN 38 839 507 713

INDEPENDENT AUDIT REPORT

To the Partners of:

Residency by Dillons Mt Lawley (RACS ID 7812)

Opinion

We have audited the financial report of Residency by Dillons Mt Lawley (RACS ID 7812) (the entity), which comprises the balance sheet as at 30 June 2024, the income statement, statement of changes in equity, statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the partner's declaration.

In our opinion, the accompanying financial report of the entity has been prepared in accordance with the partnership agreement, including:

- i. giving a true and fair view of the entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii. complies with Australian Accounting Standards – Simplified Disclosures.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity 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 Thereon

Management and the partners are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Responsibility of Management and the Partners for the Financial Report

Management and the partners are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the entity's partnership agreement, and Australian Accounting Standards – Simplified Disclosures, and for such internal control as management and the partners determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management and the partners are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management and the partners either intend to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Management and the partners are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Shreeve & Carslake

Shreeve & Carslake
Chartered Accountants

[Signature]

Phillip Shreeve
Partner

Dated this *7th* day of *October* 2024

467 Scarborough Beach Road, Osborne Park, WA