

# **Princes Court Ltd**

**ABN 74 028 270 048**

## **Financial Statements**

**For the Year Ended 30 June 2023**

# Princes Court Ltd

ABN 74 028 270 048

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For the Year Ended 30 June 2023

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## Princes Court Ltd

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# Directors' Report

## For the Year Ended 30 June 2023

The directors present their report, together with the financial statements, on Princes Court Ltd ("the Company") for the financial year ended 30 June 2023.

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Steven Fumberger

Qualifications

Diploma in Management and Project Management; Graduate Diploma in Emergency Health (Mica Paramedic) Cert Business Studies – Accounting, Registered Tax Agent.

Experience and expertise

Steven's professional career includes working with Ambulance Victorian commencing in 1981 where he progressed clinically to the standard of MICA Paramedic. For the last 14 years of his service prior to retirement, Steve was the Area Manager for the Northern Mallee District. Steve brings a range of business and clinical experience and has worked closely with regional hospitals and health services throughout his Ambulance career. Steven has been actively involved with community sports and is a life member of the South Mildura Football and Netball Club and served as the President of the Mildura Golf Club for the past 6 years. Steven joined the Board as a Director on 25 October 2021.

Special responsibilities

Member of Building & Planning Committee

Peter Hartmann

Qualifications

Bachelor of Business; Fellow Certified Practising Accountant; Diploma in Financial Planning

Experience and expertise

Peter grew up in Mildura and after completing his university studies, worked for a chartered accounting firm in Melbourne before returning to Mildura in 1995. Peter has been a partner of a local taxation and advisory service to small and medium sized business since 2005. Peter is an active community member, involved in several sporting clubs and committees. Peter joined the Board as a Director on 28 November 2017.

Special responsibilities

Board Deputy Chair; Chair of Remuneration Committee; Chair of Building & Planning Committee; Member of Finance & Audit Committee

Lynette Heaysman

Qualifications

Member of Australian Institute of Company Directors; Member of Association of Financial Advisers; Masters in Applied Finance

Experience and expertise

Lyn's commitment to her community is reflected over 30 years of experience, in holding several not for profit Director positions during that time. Lyn is an experienced Financial Adviser with over 25 years in the business. Lyn has furthered her education by completing her masters in applied Finance as well as attending leadership courses in Cambridge, England and Philadelphia USA. Lyn joined the Board as a Director on 1 October 2013.

Special responsibilities

Board Chair; Member of Finance & Audit Committee; Member of Clinical Governance Committee; Member of Building & Planning Committee; Member of Remuneration Committee

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# Directors' Report For the Year Ended 30 June 2023

### Information on directors (continued)

Anthony Hickey

Qualifications	Bachelor of Agricultural Science (Economics); Member of Institute of Management Consultants (MIMC)
Experience and expertise	Tony has over 30 years' experience in the public practice and agribusiness industry. Tony's passion is helping clients to achieve their business, financial and personal goals. Tony joined the Board as a Director and Treasurer on 28 June 2006.
Special responsibilities	Chair of Finance & Audit Committee; Member of Building & Planning Committee

Kevin O'Neill

Qualifications	Member of Australian College of Health Services Management; Member of the Association of Project Management (UK); Graduate Diploma Nursing; Bachelor of Nursing
Experience and expertise	Kevin currently works as a Health Service Manager at NSW Health (Far West LHD). Kevin's strong clinical and health background provides a significant contribution to the Board. Kevin joined the Board as a Director on 25 October 2021.
Special responsibilities	Member of Clinical Governance Committee

Steven Morris

Qualifications	Bachelor of Laws and Legal Practice; Bachelor of Commerce (Finance); Certificate III Hospitality (Commercial Cookery)
Experience and expertise	Steven has three years' experience as a Lawyer at Holcroft Lawyers in Mildura assisting clients with estate planning & administration and commercial law matters, previously working as a lawyer in estate planning & administration, commercial and family law at Boylan Lawyers in South Australia. Prior to transitioning to law Steven worked as a qualified chef and restaurateur through Australia for over 15 years. Steven joined the Board as a Director on 27 October 2020.
Special responsibilities	Member of Building & Planning Committee

Sarah Gladman

Qualifications	(Appointed 26 October 2022) Bachelor of Medical Science
Experience and expertise	Sarah's experience includes business development and product management in the Life Sciences, key account management with some of the country's largest public hospitals, CEO in an interim capacity at an aged care group and also business development across ANZ in the exciting niche of artificial intelligence to measure pain. Sarah's parents are Mildura residents and have recently moved into on the Village homes at Princes Court. Sarah joined the Board as a Director on 26 October 2022.
Special responsibilities	Member of Clinical Governance Committee

Sue Watson

Qualifications	(Appointed 26 October 2022) Masters in Social Work; Bachelor of Social Work
Experience and expertise	Sue currently works as a Mental Health social worker and oncology social work in both private and public practices, working in the communities of Robinvale, Ouyen, Dareton and Mildura in various roles over many years. Sue joined the Board as Director on 26 October 2022.
Special responsibilities	Member of Clinical Governance Committee

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# Directors' Report For the Year Ended 30 June 2023

### Information on directors (continued)

Anthony Couroupis	(Appointed 14 November 2022)
Qualifications	Member of Australian Institute of Company Directors; Fellow of Governance Institute of Australia; Bachelor of Economics (Honours); Graduate Diploma CSP:Graduate Member of the Company Directors Course (GAICD)
Experience and expertise	Anthony is an experienced executive, comprising both CEO and company secretary roles who brings 25 years' experience working in the strategic management of various organisations, involving community, commercial and government roles. Anthony joined the Board as a Director on 14 November 2022.
Special responsibilities	Member of Finance & Audit Committee; Member of Building & Planning Committee
Paula Bruce	(Resigned 1 February 2023)
Qualifications	Bachelor and Masters of Social Work; Bachelor of Arts
Experience and expertise	Paula has had a long and varied career in the fields of health, mental health and education, including working for the Mildura Base Hospital, La Trobe Uni Mildura Campus, various government departments, as well as her own private practice. Paula joined the Board as a Director on 28 November 2017 and resigned her role on 1 February 2023.
Special responsibilities	Member of Clinical Governance Committee
Christine Forbes	(Resigned 26 October 2022)
Qualifications	Bachelor and Masters in Social Work
Experience and expertise	Christine has been working within the Non-Government/Government sector for over 30 years including direct practice, community development, management, clinical supervision, research and training. Chris is currently the Executive General Manager at the Education, Training and Research Unit of Mallee Family Care and has been a lecturer for Latrobe University Mildura in social work for the past 13 years. Chris joined the Board as a Director on 28 August 2018 and resigned her role on 26 October 2022.
Special responsibilities	Chair of Clinical Governance Committee; Member of Remuneration Committee and Building & Planning Committee
Maria Elizabeth Carrazza	(Resigned 26 October 2022)
Qualifications	Travel and Hospitality Business Diploma
Experience and expertise	Maria is a business owner with over 25 years' experience, who understands the operations of a competitive, dynamic, and highly regulated business. Maria also serves on several other local boards and committees. Maria joined the Board as a Director on 24 October 2019 and resigned her role on 26 October 2022.
Special responsibilities	Member of Building & Planning Committee

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Princes Court Ltd

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# Directors' Report

## For the Year Ended 30 June 2023

### Company secretary

Jenny Garonne has held the role of Company Secretary since February 2018 stepping down from the role in November 2022. Jenny has extensive leadership experience gained through high level roles in government, economics and business for more than 30 years, including Regional Manager, Regional Development Victoria Mildura for 17 years. Jenny's formal qualifications include an Executive Masters in Public Administration and Bachelor of Commerce (Accounting), a Fellow Certified Practising Accountant and an Australian Institute of Company Directors graduate member.

Carrie Chappell has held the role of Company Secretary since November 2022. Carrie has over 25 years' experience in business services and finance providing support to various not-for-profit organisation for the past 10 years in a range of leadership roles. Carrie's formal qualifications includes a Bachelor in Business Management/Accounting, a member of the Chartered Accountants Australia and New Zealand and the Governance Institute of Australia.

### Principal activities

Some of the key activities and achievements in the 2022-23 financial year include:

- Reaccreditation for Princes Court Homes for a further three years, meeting 100% of requirements with no recommendations for improvement.
- Successful renegotiation a variation to the Rural, Regional, and Other Special Needs Building Fund, resulting in a total \$11m to be spent over multiple financial years to construct, fit out and furnish a 50 bed, two storey residential care service and alternative car parking. At least \$22.3m must be spent by the Company to receive the full government grant.
- Successful launch of the Mallee Living Histories book four in December 2022.
- Continued growth of Home Care services servicing 111 older people and 3,350 direct hours of services by year end.
- The completion of a full Wi-Fi upgrade across the Princes Court Homes site, providing high quality Wi-Fi access to staff, residents, and visitors and providing a solid foundation for further digital improvements in future years.
- Participation in innovate care including the hosting of Doctors through a partnership with Monash Rural Health, launch of VR googles and participation in multiple studies.
- Commencement of an Australia-first program in Loddon-Mallee region offering nature based respite to people living with dementia and their carers in collaboration with partner organisation in Heathcote and La Trobe University.
- The completion of ten full refurbishment of residential units and five retirement units.
- The completion of the Board's skills evaluation and skills matrix which identified any gaps and focus areas for professional development for the Board.

### Objective

The objective of the Company is to provide choice of high quality, secure aged and residential care and independent living at all stages of ageing within the Sunraysia region.

## **Directors' Report**

### **For the Year Ended 30 June 2023**

#### **Strategy for achieving the objectives**

The 2020-2024 strategic plan includes five focus areas:

1. Quality care and services:
  - Develop the Company as a leader in person centred care principles and practice.
  - Offer quality lifestyles through caring, compassionate staff, diverse activities, quality food services and accessible allied health services.
  - Ensure compliance with Aged Care Quality Standards and a culture of continuous improvement is reflected in practice.
  - Establish the Company as a high standard of dementia care.
  - Maintain a COVID safe setting and ensure a high level of preparedness to potential outbreaks.
  - Establish a Home Care service.
2. Skilled and committed workforce:
  - Be an employer of choice through leading edge human resource practices.
  - Be a leading organisation for staff through organisational culture, professional development and engagement.
  - Model optimal staffing levels and skill mixes.
  - PCH staff are informed and connected to a network of individuals, organisations and providers where information and referrals occur.
3. Capital, infrastructure and systems:
  - Be seen as a technology savvy organisation, implementing digital solutions which reduce costs and improve efficiencies and the environment.
  - Reinvigorate facilities and grounds to offer safe, quality lifestyle for residents, quality workplace environment for staff and efficient use of land.
  - Expedite the building redevelopment program.
4. Governance:
  - Maintain compliance with all regulatory requirements.
  - Promote quality risk management framework.
  - Optimise board performance through diverse and skilled members with succession planning in place.
  - Organisational and management structures are fit for purpose.

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# Directors' Report For the Year Ended 30 June 2023

### Strategy for achieving the objectives (continued)

- Be seen as a leader of best practice environmental management.
  - The Strategic Plan and progress in implementation are reviewed after 12 months.
5. Business performance, development and marketing:
- Establish new pathways for existing and future service delivery through operational diversity and growth.
  - Meet or exceed budget and financial performance benchmarks.
  - Actively pursue access to capital and alternative sources of revenue.
  - Be the regional leader in information, connections and advocacy for the aged care sector.
  - Maintain a proactive approach to marketing.

### Members' guarantee

Princes Court Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$50 all members, subject to the provisions of the Company's constitution.

At 30 June 2023 the collective liability of members was \$450 (2022: \$450).

### Review of operations

The Company's result for the year was an operating surplus of \$1,670,433 (2022: deficit of \$2,034,278). The year's result was better than expected primarily due to:

- Capital grant of \$1,500,000 from the Department of Health and Aged Care for the purpose of building a new 50 bed, two storey aged care facility;
- Higher than expected investment income due to increases in interest rates and the improvement in the share market; and
- One off donations and bequests of \$207,963.

### Significant changes in state of affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

In November 2022, the Company's Chief Executive Officer, Jenny Garonne, stepped down, serving with distinction since February 2018, proceeding her role as a Director since November 2017.

The Board appointed Carrie Chappell as the interim Chief Executive Officer, while the Board considers a suitable permanent appointment. Carrie is a member of the Chartered Accountants Australia and New Zealand and the Governance Institute of Australia and has over 25 years' experience in business services and finance of which half of this time has been supporting various not-for-profit organisations in leadership roles.



## Princes Court Ltd

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# Directors' Report

## For the Year Ended 30 June 2023

### Meetings of directors

During the financial year, 12 meetings of the Company's Board of Directors ("the Board") were held. Attendances by each director during the year were as follows:

	Board Meetings	
	Number eligible to attend	Number attended
Steven Fumberger	12	9
Peter Hartmann	12	11
Lynette Heaysman	12	10
Anthony Hickey	12	11
Kevin O'Neill	12	11
Steven Morris	12	6
Sarah Gladman (appointed 26 October 2022)	9	8
Sue Watson (appointed 26 October 2022)	9	9
Anthony Couroupis (appointed 14 November 2022)	8	8
Paula Bruce (resigned 1 February 2023)	6	3
Christine Forbes (resigned 26 October 2022)	3	3
Maria Elizabeth Carrazza (resigned 26 October 2022)	3	3

### *Finance & Audit Committee (formerly Finance, Audit & Risk Committee)*

The Board is responsible for the finance, audit and risk of the Company. The Board has a Finance & Audit Committee which advises the Board on a range of matters including but not limited to overseeing the financial reporting process; reviewing budgets and evaluating the actual results against approved budgets; and the review of internal controls, audit process.

During the year, the Board agreed to transfer all risk related responsibilities of the committee to the Board, renaming the committee to The Finance & Audit Committee. The Finance & Audit Committee met five times during the financial year.

### *Other Committees*

Other standing committees of the Board are the:

- Clinical Governance Committee
- Building & Planning Committee; and
- Remuneration and Board Skills Development Committee

The Clinical Governance Committee provides advice, assistance and assurance to the Board through the monitoring of risks to resident and compliance with relevant clinical care related legislation and standards; assess and monitor assurance activities, performance and risk metrics in respect of clinical care including adverse clinical outcome trends and incidents including the recommendation to changes to systems and practices to support improvement.

The Building & Planning Committee provides advice and recommendations to the Board on matters relating to the maintenance and extension of the Company facilities and provides direction on business plans associated the Company's various land holdings.

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**Directors' Report  
For the Year Ended 30 June 2023**

**Meetings of directors (continued)**

The Remuneration and Board Skills Development Committee provides recommendations to the Board on matters relating to the remuneration of the Chief Executive Officer, Board Members and Board skills and professional development to enhance the capacity of the governing body.

**Indemnification and insurance of officers**

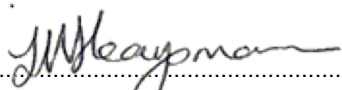
During or since the end of the financial year, the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

1. The Company has paid premiums to insure each of the directors against liabilities for costs; and
2. Expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

**Auditor's independence declaration**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found on page 9 of the financial report.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*:

Director: .....  .....  
Lynette Heaysman MAppFin

Dated this 27 October 2023

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## AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Princes Court Ltd. for the year ended 30 June 2023.

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 the financial report of Princes Court Ltd. ("the Company") for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



**HLB Mann Judd**  
**Chartered Accountants**



**Nick Walker**  
**Partner**

Melbourne  
27 October 2023

## Princes Court Ltd

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### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Operating revenue and income	4	13,193,772	10,212,749
Finance income	5(a)	1,710,977	1,018,457
Other income	4	460,946	121,209
Employee benefits expense		(9,262,325)	(8,638,471)
Depreciation and amortisation expense		(766,002)	(787,367)
Catering expense		(486,434)	(373,031)
Care expense		(671,605)	(707,033)
Domestic services and laundry expense		(44,817)	(48,484)
Administration and other expenses		(729,970)	(590,172)
Repairs and maintenance expense		(268,862)	(197,166)
Occupancy expense		(427,325)	(400,256)
Information technology and communication expense		(169,867)	(128,130)
Finance expenses	5(b)	(1,211,454)	(761,979)
Net loss realised on financial assets at fair value through the surplus or deficit		(43,430)	(46,846)
Operating surplus/(deficit) for the year		1,283,604	(1,326,520)
Fair value adjustments to financial assets at fair value through the surplus or deficit		386,829	(707,758)
<b>Surplus/(deficit) for the year</b>		<b>1,670,433</b>	<b>(2,034,278)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>1,670,433</b>	<b>(2,034,278)</b>

The accompanying notes form part of these financial statements.

# Princes Court Ltd

ABN 74 028 270 048

## Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	10,314,689	8,507,929
Trade and other receivables	7	916,846	540,910
Other financial assets	8	10,168,561	9,502,792
Other assets	11	93,400	137,079
<b>TOTAL CURRENT ASSETS</b>		<b>21,493,496</b>	<b>18,688,710</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	23,411,802	23,459,365
Intangible assets	10	42,660	70,588
<b>TOTAL NON-CURRENT ASSETS</b>		<b>23,454,462</b>	<b>23,529,953</b>
<b>TOTAL ASSETS</b>		<b>44,947,958</b>	<b>42,218,663</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	899,030	757,040
Contract liabilities	13	258,406	457,726
Employee benefits	14	987,285	1,141,910
Resident loans	15	29,331,004	28,129,203
<b>TOTAL CURRENT LIABILITIES</b>		<b>31,475,725</b>	<b>30,485,879</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	14	171,948	102,932
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>171,948</b>	<b>102,932</b>
<b>TOTAL LIABILITIES</b>		<b>31,647,673</b>	<b>30,588,811</b>
<b>NET ASSETS</b>		<b>13,300,285</b>	<b>11,629,852</b>
<b>EQUITY</b>			
Reserves		288,571	288,571
Accumulated surplus		13,011,714	11,341,281
<b>TOTAL EQUITY</b>		<b>13,300,285</b>	<b>11,629,852</b>

The accompanying notes form part of these financial statements.

## Princes Court Ltd

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### Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Accumulated Surplus	Asset Revaluation Reserve*	Total
	\$	\$	\$
Balance at 1 July 2022	11,341,281	288,571	11,629,852
Surplus for the year	1,670,433	-	1,670,433
<b>Balance at 30 June 2023</b>	<b>13,011,714</b>	<b>288,571</b>	<b>13,300,285</b>

2022

	Accumulated Surplus	Asset Revaluation Reserve *	Total
	\$	\$	\$
Balance at 1 July 2021	13,375,559	288,571	13,664,130
Deficit for the year	(2,034,278)	-	(2,034,278)
<b>Balance at 30 June 2022</b>	<b>11,341,281</b>	<b>288,571</b>	<b>11,629,852</b>

\* The asset revaluation reserve records net increments in fair value on land buildings.

## Princes Court Ltd

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### Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from residents and external parties	3,389,409	2,704,109
Payments to suppliers and employees	(12,296,645)	(10,771,449)
Interest received	124,180	30,533
Receipt from grants and subsidies	9,218,995	7,062,410
Other receipts	560,999	169,172
<b>Net cash provided by/(used in) operating activities</b>	<b>996,938</b>	<b>(805,225)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(759,562)	(1,206,912)
Purchase of intangible assets	-	(21,450)
Purchase of investments	-	(1,100,000)
<b>Net cash provided by/(used in) investing activities</b>	<b>(759,562)</b>	<b>(2,328,362)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from/(payment to) funds held in trust	(7,182)	5,047
Proceeds from RADs and entry contributions	7,483,000	6,200,278
Repayments of RADs, bonds and entry contributions	(5,906,434)	(5,365,703)
<b>Net cash provided by/(used in) financing activities</b>	<b>1,569,384</b>	<b>839,622</b>
Net increase/(decrease) in cash and cash equivalents held	1,806,760	(2,293,965)
Cash and cash equivalents at beginning of year	8,507,929	10,801,894
<b>Cash and cash equivalents at end of financial year</b>	<b>10,314,689</b>	<b>8,507,929</b>
6(a)		

The accompanying notes form part of these financial statements.

## Princes Court Ltd

ABN 74 028 270 048

# Notes to the Financial Statements

## For the Year Ended 30 June 2023

The financial report covers Princes Court Ltd ("the Company") as an individual entity. The Company is a not-for-profit Company limited by guarantee, registered and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2023 were a provider of in home care services, and residential and retirement accommodation.

The functional and presentation currency of Company is Australian dollars. All comparatives are consistent with prior years, unless otherwise stated.

The financial report was authorised for issue by the Board of Directors on 27 October 2023.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

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

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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

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



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (a) Revenue and other income (continued)

###### Specific revenue streams

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

###### Rendering of services

###### *Resident daily care fees*

The Company receives Daily Care Fees, which are set by the Australian Government, in accordance with the *Aged Care Act 1997* which are funded directly by the resident. The Daily Care Fee is calculated as a daily rate and is payable by a resident for each day that a resident is in a home.

###### *Accommodation services*

The Company provides accommodation services to residents that are directly funded by the resident, under mutually agreed terms and conditions. The services provided are determined on a standalone price, typically as a daily rate and the resident simultaneously receives and consumes the benefits provided by the Company.

The transaction price for the rendering of services is allocated to performance obligations on the basis of their relative standalone selling prices and recognised as revenue accordingly as those performance obligations are satisfied over time each day as the customer simultaneously receives and consumes the benefits provided by the Company.

All performance obligations are considered to be met on a daily basis and therefore the Company does not have any outstanding performance obligations that have not been met at the reporting date.

###### Statement of financial position balances relating to revenue recognition

###### Contract assets and liabilities

Where the amounts billed to residents and other customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customers before the customer pays consideration or before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

###### Rental income

There are a number of operating lease contracts in place from which is derived rental income from the leasing of property located at Argyle Street and Thirteenth Street in Mildura Victoria. Rental income is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment. The lessees do not have an option to purchase the properties at the expiry of the lease period. The risks associated with rights that the Company retains in underlying assets are not considered to be significant.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(a) Revenue and other income (continued)**

###### **Grant revenue**

Grant revenue is recognised in surplus or deficit when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Non-capital grants that are received that do not have sufficiently specific performance obligations within the funding agreement, income is recognised in full on receipt. Capital grants of this nature are recognised through the surplus or deficit as the application expenditure is incurred.

###### **Interest revenue**

Interest is recognised using the effective interest method.

###### **Imputed revenue on Refundable Accommodation Deposit ("RAD") and bond balances**

In accordance with AASB 16, the Company recognises as other income an imputed non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement. The accounting treatment required a non-cash increase in revenue for accommodation and a non-cash increase in finance costs on the outstanding RAD and bond balances, with no net impact on the result for the reporting period.

###### **Other income**

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

##### **(b) Income Tax**

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

##### **(c) Goods and services tax (GST)**

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

Receivables and payables are stated inclusive of GST.

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

##### **(d) Volunteer services**

No amounts are included in the financial statements for services donated by volunteers.

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies (continued)

#### (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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

#### Land and buildings

Land and buildings are measured using the revaluation model.

Paving and fencing is measured using the cost model.

#### Plant and equipment

Plant and equipment, which includes plant and equipment, general purpose equipment, furniture and fittings and motor vehicles, is measured using the cost model.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	1.5% - 2.5%
Plant and equipment	15.0% - 33.3%
General purpose equipment, furniture and fittings	5.0% - 33.3%
Motor vehicles	22.5%
Computer equipment	33.3%
Paving and fencing	2.5%

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

#### (f) Financial instruments

Financial instruments are recognised initially on the date that the Company 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).

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies (continued)

#### (f) Financial instruments (continued)

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost; and
- fair value through profit or loss - FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies (continued)

#### (f) Financial instruments (continued)

##### Financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade and resident receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

(f) **Financial instruments (continued)**

**Financial liabilities (continued)**

The financial liabilities of the Company comprise trade payables.

(g) **Intangibles**

**Software licences**

Software licences have a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(h) **Cash and cash equivalents**

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

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

(i) **Employee benefits**

**Accrued leave**

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

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

**Defined contribution schemes**

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

(j) **Refundable accommodation deposits ("RADs") and accommodation bonds**

The liability for accommodation bonds or refundable accommodation deposits is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less any allowable retentions and other deductions pursuant to the *Aged Care Act 1997*. These liabilities are considered to be current as the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting period date. The obligation to settle could occur anytime. The Board of Directors does not expect that 100% of the liability will need to be settled within the next 12 months

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

##### (k) Adoption of new and revised accounting standards

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

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

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

The Company has adopted AASB 1060 from 1 July 2022. 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.

##### (l) 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 directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

#### 3 Critical Accounting Estimates and Judgements

The directors 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 estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 4 Revenue and Other Income

	2023	2022
	\$	\$
<b>Revenue from contracts with customers</b>		
- resident fees and charges recognised at a point over time	2,972,127	3,049,579
- retentions from entry contributions recognised at a point over time	336,166	316,583
- home care management fees recognised at a point over time	410,482	26,571
<b>Total revenue from contracts with customers</b>	<b>3,718,775</b>	<b>3,392,733</b>
<b>Government grants and subsidies</b>		
- operating government grants	289,602	115,860
- capital government grants	1,561,813	118,286
- resident subsidies	6,669,813	5,485,934
- resident accommodation supplement	719,203	645,284
- COVID-19 related subsidies *	206,597	432,720
- employee subsidies	27,969	21,932
<b>Total government grants and subsidies</b>	<b>9,474,997</b>	<b>6,820,016</b>
<b>Total operating revenue and income</b>	<b>13,193,772</b>	<b>10,212,749</b>

\* These are government subsidies provided under arrangements which do not include sufficiently specific performance obligations.

The company disaggregates its revenue by timing of recognition (ie, over time or at a point in time). All revenue earned by the company is recognised over time.

<b>Other income</b>	-	-
- rental income	90,702	39,839
- insurance recoveries	-	1,332
- workcover reimbursement	7,274	16,323
- fundraising income	815	-
- other income	131,417	37,789
- donations	230,738	25,926
<b>Total other income</b>	<b>460,946</b>	<b>121,209</b>



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 5 Finance Income and Expenses

##### (a) Finance income

	2023	2022
	\$	\$
Interest income from:		
- bank interest	194,207	30,533
- accommodation bond interest	-	942
- imputed interest earned on RADs and bonds	1,100,449	674,073
- relating to investments held at fair value through surplus or deficit	416,321	312,909
<b>Total finance income</b>	<b>1,710,977</b>	<b>1,018,457</b>

##### (b) Finance expenses

Investment management fee	59,767	40,269
Bank interest charged	5,731	5,519
Interest paid on RAD and bond refunds	45,507	42,118
Imputed interest charged on RADs and bonds	1,100,449	674,073
<b>Total finance expenses</b>	<b>1,211,454</b>	<b>761,979</b>

#### 6 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and on hand	3,720,269	1,842,945
Term deposits	6,575,860	6,644,121
Cash held in trust	18,560	20,863
<b>Total cash and cash equivalents</b>	<b>10,314,689</b>	<b>8,507,929</b>

##### (a) Reconciliation of cash

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

Cash and cash equivalents	6	10,314,689	8,507,929
<b>Balance as per statement of cash flows</b>		<b>10,314,689</b>	<b>8,507,929</b>

## Princes Court Ltd

ABN 74 028 270 048

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 7 Trade and other receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	300	2,532
GST receivable	29,916	9,148
Government subsidies receivable	139,509	57,815
Resident debtors	75,163	59,406
Accrued revenue	671,958	412,009
<b>Total current trade and other receivables</b>	<b>916,846</b>	<b>540,910</b>

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 8 Other Financial Assets

	2023	2022
	\$	\$
CURRENT		
<i>Investments at fair value through surplus or deficit:</i>		
- Managed funds	10,168,561	9,502,792
<b>Total current other financial assets</b>	<b>10,168,561</b>	<b>9,502,792</b>

## Princes Court Ltd

ABN 74 028 270 048

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 9 Property, plant and equipment

	2023	2022
	\$	\$
<b>Land</b>		
At fair value	<u>4,243,194</u>	4,243,194
<b>Buildings</b>		
At cost	23,537,875	23,357,443
Accumulated depreciation	<u>(6,109,112)</u>	(5,730,265)
<b>Total buildings</b>	<u>17,428,763</u>	17,627,178
<b>Capital works in progress</b>		
At cost	<u>340,773</u>	312,208
<b>Plant and equipment</b>		
At cost	1,070,918	1,627,328
Accumulated depreciation	<u>(452,767)</u>	(992,987)
<b>Total plant and equipment</b>	<u>618,151</u>	634,341
<b>General purpose equipment, furniture and fittings</b>		
At cost	604,517	1,119,184
Accumulated depreciation	<u>(307,898)</u>	(787,957)
<b>Total furniture, fixtures and fittings</b>	<u>296,619</u>	331,227
<b>Computer equipment</b>		
At cost	309,742	201,972
Accumulated depreciation	<u>(75,549)</u>	(148,743)
<b>Total computer equipment</b>	<u>234,193</u>	53,229
<b>Paving and Fencing</b>		
At cost	333,971	333,971
Accumulated depreciation	<u>(83,862)</u>	(75,983)
<b>Total fences, gates and grids</b>	<u>250,109</u>	257,988
<b>Total property, plant and equipment</b>	<u>23,411,802</u>	23,459,365

## Princes Court Ltd

ABN 74 028 270 048

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 9 Property, plant and equipment (continued)

##### (a) Movements in Carrying Amounts

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

	Capital Works in Progress	Land	Buildings	Plant and Equipment	General Purpose Equipment, Furniture and Fittings	Computer Equipment	Paving and Fencing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2023</b>								
Balance at the beginning of year	312,208	4,243,194	17,627,178	634,341	331,227	53,229	257,988	23,459,365
Additions	103,425	-	230,199	105,299	61,685	183,103	-	683,711
Transfers	(74,860)	-	1,944	1,284	-	71,632	-	-
Depreciation expense	-	-	(430,558)	(122,773)	(96,293)	(73,771)	(7,879)	(731,274)
<b>Balance at the end of the year</b>	<b>340,773</b>	<b>4,243,194</b>	<b>17,428,763</b>	<b>618,151</b>	<b>296,619</b>	<b>234,193</b>	<b>250,109</b>	<b>23,411,802</b>

## Princes Court Ltd

ABN 74 028 270 048

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 10 Intangible Assets

	2023	2022
	\$	\$
<b>Computer software</b>		
Cost	144,018	137,218
Accumulated amortisation	(101,358)	(66,630)
<b>Net carrying value</b>	<u>42,660</u>	<u>70,588</u>
<b>Total intangible assets</b>	<u>42,660</u>	<u>70,588</u>

#### (a) Movements in carrying amounts of intangible assets

	Computer software	Total
	\$	\$
<b>Year ended 30 June 2023</b>		
Balance at the beginning of the year	70,588	70,588
Additions	6,800	6,800
Amortisation expense	(34,728)	(34,728)
<b>Closing value at 30 June 2023</b>	<u>42,660</u>	<u>42,660</u>

#### 11 Other Assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	93,400	137,079
<b>Total current other assets</b>	<u>93,400</u>	<u>137,079</u>

#### 12 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	235,777	285,551
Employee benefits payable	475,511	445,247
Sundry payables and accrued expenses	187,742	26,242
<b>Total current trade and other payables</b>	<u>899,030</u>	<u>757,040</u>

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

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 13 Contract Liabilities

The Company has recognised the following contract liabilities from contracts with customers:

	2023	2022
	\$	\$
CURRENT		
Resident fees and charges	83,381	95,114
Unspent government grants	175,025	362,612
<b>Total current contract liabilities</b>	<b>258,406</b>	<b>457,726</b>

Contract liabilities with respect to resident fees and charges represent payments received from residents in excess of services rendered.

#### 14 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Long service leave	137,206	269,990
Provision for employee benefits	850,079	871,920
<b>Total current employee benefits</b>	<b>987,285</b>	<b>1,141,910</b>
NON-CURRENT		
Long service leave	171,948	102,932
<b>Total non-current employee benefits</b>	<b>171,948</b>	<b>102,932</b>

#### 15 Resident Loans

	2023	2022
	\$	\$
CURRENT		
Funds held in trust on behalf of residents	49,911	57,093
Refundable accommodation deposits	17,264,109	15,663,404
Refundable accommodation contributions	415,272	388,537
Refundable entry contributions	11,601,712	12,020,169
<b>Total current resident loans</b>	<b>29,331,004</b>	<b>28,129,203</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 16 Financial Risk Management

The Company's principal financial instruments comprise of loans and receivables, term deposits, trade payables, borrowings and cash at bank.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 \$	2022 \$
<b>Financial assets</b>			
Held at amortised cost:			
Cash and cash equivalents	6	10,314,689	8,507,929
Trade and other receivables	7	916,846	540,910
<i>Held at fair value through profit or loss:</i>			
Managed funds	8	10,168,561	9,502,792
<b>Total financial assets</b>		<u>21,400,096</u>	<u>18,551,631</u>
<b>Financial liabilities</b>			
<i>Measured at amortised cost:</i>			
Trade and other payables	12	899,030	757,040
Resident loans	15	29,331,004	28,129,203
<b>Total financial liabilities</b>		<u>30,230,034</u>	<u>28,886,243</u>

#### 17 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 9 (2022: 9).

#### 18 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$535,339 (2022: \$508,406).

#### 19 Auditor's Remuneration

	2023 \$	2022 \$
Remuneration of the auditor HLB Mann Judd, for:		
- auditing the financial statements	16,000	14,500
- additional audit services	2,200	2,000
- assistance with compilation of financial report	3,300	3,000
- other services	2,200	2,000
<b>Total auditor's remuneration</b>	<u>23,700</u>	<u>21,500</u>

## **Notes to the Financial Statements For the Year Ended 30 June 2023**

### **20 Fair Value Measurement**

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
  - Land

### **21 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

### **22 Events after the end of the Reporting Period**

The financial report was authorised for issue on 27 October 2023 by the Board of Directors.

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

### **23 Economic Dependency**

The Company considers that it is economically dependent on revenue received from the Commonwealth Government with respect to its residential aged care facility. The responsible persons believe that this revenue will continue to be made available to the Company for the foreseeable future. The total amount of recurrent government funding received during the financial year was \$7,389,016 (2022: \$6,131,218) and this represents 48.1% of total revenue (2022: 54.0%).

### **24 Statutory Information**

The registered office and principal place of business of the Company is:

Princes Court Ltd  
27-29 Princes St  
Mildura Victoria 3500



## Princes Court Ltd

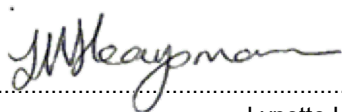
ABN 74 028 270 048

### Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 30, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
  - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director .....  .....

Lynette Heaysman MAppFin

Dated this 27 October 2023

## **Independent Auditor's Report to the Members of Princes Court Ltd.**

### **REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

#### **Opinion**

We have audited the financial report of Princes Court Ltd. ("the Company"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of 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 accompanying financial report of the Company 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 Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2012*.

#### **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 and the Company in accordance with the auditor independence 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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to those charged with governance, would be in the same terms if given as at the time of this auditor's report.

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

#### **Responsibilities of Directors for the Financial Report**

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosure and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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**HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

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Liability limited by a scheme approved under Professional Standards Legislation.

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

The Directors' are responsible for overseeing the Company'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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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



We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
27 October 2023

A handwritten signature in black ink, appearing to read 'Nick Walker'.

**Nick Walker**  
**Partner**