



**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY
ABN 11 109 853 278**

FINANCIAL REPORT - 30 JUNE 2022

CONTENTS

Directors' Report	1
Auditor's Independence Declaration	5
Statement of Financial Position	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Changes in Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	27
Independent Auditor's Report	28

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY
ABN 11 109 853 278

FINANCIAL REPORT - 30 JUNE 2022

DIRECTORS' REPORT

The parent entity, Carrington Centennial Care Limited is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The Directors present the financial report on the parent entity and its controlled entity, Carrington Centennial Trust, which are together referred to in this report as the group, for the year ended 30 June 2022 and report as follows:

DIRECTORS

The names of and other information on the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE AND OTHER INFORMATION
Alek Jankowski	Chairman
Appointed:	July 2005
Qualifications and experience:	Bachelor of Engineering, Master of Engineering Science, Graduate Diploma in Management, Member of the Australian Institute of Company Directors
Special Responsibilities:	Chairman of the Board, Member of the Finance Resources and Infrastructure Committee, Member of the Audit and Risk Committee, Member of the Clinical Governance Committee
Bruce Hanrahan, AM	Deputy Chairman
Appointed:	July 2005
Qualifications and experience	Solicitor
Special Responsibilities:	Deputy Chairman of the Board, Chairman of the Audit and Risk Committee, Member of the Finance Resources and Infrastructure Committee, Member of the Clinical Governance Committee
Graham Pascoe	Director
Appointed:	July 2005
Qualifications and experience	B Ec (Hons), M. Litt (Human and Env. Studies), Grad Dip Urban & Reg Plan, Grad Dip Local Gov. Mgt, Grad Dip Ed. Studies, Assoc. Dip Bus (Val), Registered Planner
Special Responsibilities:	Member of the Finance Resources and Infrastructure Committee, Member of the Audit and Risk Committee
Deborah Parker	Director
Appointed:	November 2015
Qualifications and experience	Professor of Nursing Aged Care and Dementia, School of Nursing and Midwifery University of Technology Sydney (RN, BA, MSocSc, PhD)
Special Responsibilities:	Chair of the Clinical Governance Committee
Karen Kavanagh	Director
Appointed:	July 2016
Qualifications and experience	Graduate Diploma Financial Planning, Certified Financial Planner (CFP)
Special Responsibilities:	Chair of the Finance Resources and Infrastructure Committee, Member of the Audit and Risk Committee

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY
ABN 11 109 853 278

FINANCIAL REPORT - 30 JUNE 2022

DIRECTORS' REPORT

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE AND OTHER INFORMATION
Stephen Carter	Director
Appointed:	November 2020
Qualifications and experience:	Dispensing Optician, Grad Cert in Technology (Optician)
Special Responsibilities:	Member of the Finance Resources and Infrastructure Committee, Member of the Audit and Risk Committee, Member of the Clinical Governance Committee

COMPANY SECRETARY

Raad Richards was appointed to the position of company secretary in July 2005. He holds qualifications in Business Administration (BBus), Industrial Relations and Human Resources (Grad Diploma) and Master of Health Planning (MHP) and is currently Chief Executive for the group.

PRINCIPAL ACTIVITIES

The principal activities of the group during the course of the financial year were the provision of aged care services through the operation of four aged care facilities (387 beds), 283 Independent Living Units, 41 Assisted Living Apartments, and In Home Support Services including Carer Respite, Levels 1, 2, 3 & 4 Community Care Packages and Commonwealth Home Support Program (CHSP) for personal care and domestic assistance, as well as private services.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes to the state of affairs of the group during the financial year.

OPERATING RESULT

The net result of the group for the financial year before providing for interest, depreciation, amortisation and income tax was a surplus of \$6,219,674 (2021: surplus \$7,558,390). The net result of the group for the financial year after providing for income tax was a surplus of \$126,178 (2021: surplus \$506,252). The parent entity and controlled entity are not-for-profit entities and are exempt from the payment of income tax.

OBJECTIVES OF THE GROUP

The group's objectives and strategies over the next three years is to build a stronger aged care service by:

- Delivering care and services with dignity and choice
- Promoting a culture of knowledge, respect and care
- Connecting and engaging with our consumers, our people and our community
- Utilising technology to drive business efficiencies and enhance consumer experience
- Having an effective organisation wide governance framework
- Continuing to be the provider of choice building on our growth and viability

Performance of the group is measured through reporting of financial and non-financial information to the Board and sub committees against operating budgets and industry key performance indicators.

AFTER BALANCE DATE EVENTS

Other than the possible effects of the matter referred to in Note 22 of the financial statements, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the group in future financial years.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY
ABN 11 109 853 278

FINANCIAL REPORT - 30 JUNE 2022

DIRECTORS' REPORT

FUTURE DEVELOPMENTS

The group will continue to provide 'excellence in care', aged care and retirement living to the people of the Macarthur region.

The group has continued to expand in recent years as it has sought to provide for the increasing demands of the ageing population of the Macarthur region. This expansion has occurred at a time when the aged care industry in general has expanded and diversified considerably. The Board has made a conscientious decision to grow as an independent entity to be a long-term provider of quality aged care services.

Over the past twelve months the Board and Management continued to pursue its growth strategy with the following:

- Developing the Riverview Assisted Living Apartments (41 Apartments). The new service concept of the Riverview Assisted Living Apartments was completed in October 2021, and new residents moved in since November 2021.
- The construction of Kent Terraces (20 ILUs), a premium Retirement Living will commence construction during 2023 financial year.
- The Master Planning for Smalls Road Greenfield site has been completed after 13 months of planning & design. The Master Plan of the site is now awaiting council approvals.
- A major refurbishment program of Mary MacKillop facility was completed during the financial year.
- Continuing with our major review of processes across the consolidated entity's business to build on the Digital Transformation through the implementation of systems that will assist in the transformation of Carrington's services and business into a Five Star Aged Care and Retirement Living in New South Wales. The planning process for implementing changes to Carrington's staff rostering system and payroll system has commenced with UKG (Kronos) during 2021/2022. In addition, a new Human Resources Information System will also be implemented.
- Planning for a new Woodland Assisted Living Apartments (42 Apartments) was completed in June 2022. The project is now progressing to development application (DA) stage.

ENVIRONMENTAL REGULATION

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

INDEMNIFICATION OFF OFFICERS AND AUDITORS

The group has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the group or of any related body corporate against a liability incurred as such an officer or auditor.

INSURANCE PREMIUMS

Since the end of the previous financial year, the group has paid insurance premiums of \$10,907 (2021: \$8,389) in respect of Directors' and Officers' liability and legal expenses insurance contract, for current officers, including Senior Executives of the consolidated entity and Directors, against liabilities for the cost and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of officer of the consolidated entity, other than conduct involving a willful breach of duty in relation to the consolidated entity. The insurance premiums cover matters that arise within the twelve months of cover even if the matter is a consequence of an incident in a prior period.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY
ABN 11 109 853 278

FINANCIAL REPORT - 30 JUNE 2022

DIRECTORS' REPORT

DIRECTOR BENEFITS

The Directors of the group have not, since the end of the financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by the Director as shown in the financial statements) by reason of a contract made by the group or related body corporate where the Director is a member or with an entity in which the Director has substantial financial interest.

MEETINGS OF DIRECTORS

The number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

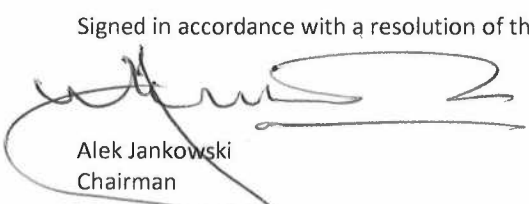
BOARD MEETINGS			FINANCE, RESOURCES & INFRASTRUCTURE MEETINGS		
Directors	Eligible	Attended	Committee Members	Eligible	Attended
Alek Jankowski	11	11	Alek Jankowski	10	10
Bruce Hanrahan	11	10	Bruce Hanrahan	10	9
Graham Pascoe	11	10	Graham Pascoe	10	9
Deborah Parker	11	10	Karen Kavanagh	10	10
Karen Kavanagh	11	10	Stephen Carter	10	6
Stephen Carter	11	11			

CLINICAL GOVERNANCE MEETINGS			AUDIT & RISK MEETINGS		
Committee Members	Eligible	Attended	Committee Members	Eligible	Attended
Alek Jankowski	11	11	Alek Jankowski	4	4
Bruce Hanrahan	11	8	Bruce Hanrahan	4	4
Deborah Parker	11	11	Graham Pascoe	4	4
Stephen Carter	11	11	Karen Kavanagh	4	4

AUDITOR'S INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 30 June 2022 has been received and can be found on the following page.

Signed in accordance with a resolution of the Board of Directors:


Alek Jankowski
Chairman


Bruce Hanrahan AM
Deputy Chairman

Camden, 20 October 2022

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY
ABN 11 109 853 278

FINANCIAL REPORT - 30 JUNE 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40
OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- (a) no contraventions of 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) no contraventions of any applicable code of professional conduct in relation to the audit.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

20 October 2022

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY
ABN 11 109 853 278

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Consolidated Group	
		2022	2021
		\$	\$
ASSETS			
Cash and cash equivalents	6	43,654,898	41,425,154
Trade and other receivables	7	1,400,661	1,321,892
Inventories	8	66,488	69,980
Financial assets	9	2,432,505	2,620,280
Investment property	10	65,923,069	45,355,937
Capital work in progress	11	1,854,955	17,634,922
Property, plant and equipment	12	81,010,679	83,470,838
Right-of-use assets	13	25,652	47,633
Intangible assets	14	2,505,097	2,955,991
TOTAL ASSETS		198,874,004	194,902,627
LIABILITIES			
Trade and other payables	15	4,885,488	5,984,659
Refundable loans expected to be paid within 12 months	16	21,586,141	23,111,555
Borrowings expected to be paid within 12 months	17	6,458,510	-
Provisions expected to be paid within 12 months	18	4,975,505	4,444,755
Lease liabilities expected to be paid within 12 months	19	29,665	21,631
Refundable loans expected to be paid after 12 months	16	143,251,349	129,080,735
Borrowings expected to be paid after 12 months	17	-	14,654,952
Provisions expected to be paid after 12 months	18	416,467	431,775
Lease liabilities expected to be paid after 12 months	19	-	27,864
TOTAL LIABILITIES		181,603,125	177,757,926
NET ASSETS		17,270,879	17,144,701
FUNDS			
Accumulated funds		17,250,879	17,124,701
Trust capital		20,000	20,000
TOTAL FUNDS		17,270,879	17,144,701

The accompanying notes form part of these financial statements

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Consolidated Group	
		2022 \$	2021 \$
Revenue	4	47,526,351	45,769,993
Other income	4	375,906	716,185
		<u>47,902,257</u>	<u>46,486,178</u>
Expenses			
Administration and other expenses		(2,504,104)	(2,199,173)
Community care expenses		(660,925)	(767,610)
Depreciation and amortisation	5	(5,993,631)	(6,942,345)
Fair value loss on financial assets	5	(291,606)	-
Finance costs	5	(99,865)	(109,793)
Food supplies		(1,599,454)	(1,540,437)
Loss on disposal of assets	5	(1,509)	(67,503)
Laundry and cleaning costs		(180,950)	(171,013)
Maintenance costs		(1,244,621)	(1,082,788)
Resident and client expenses		(1,117,620)	(1,101,935)
Salaries and employee benefits		(32,961,026)	(30,687,200)
Utilities		(1,120,768)	(1,310,129)
		<u>(47,776,079)</u>	<u>(45,979,926)</u>
Surplus before income tax		126,178	506,252
Income tax expense		-	-
Surplus for the year		126,178	506,252
Other comprehensive income		-	-
Total comprehensive income for the year		<u>126,178</u>	<u>506,252</u>

The accompanying notes form part of these financial statements

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY**

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2022**

	Trust Capital \$	Accumulated Funds \$	Total \$
Consolidated Group			
Balance at 1 July 2020	20,000	16,618,449	16,638,449
Comprehensive income			
Surplus for the year	-	506,252	506,252
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>506,252</u>	<u>506,252</u>
Balance at 30 June 2021	<u>20,000</u>	<u>17,124,701</u>	<u>17,144,701</u>
Balance at 1 July 2021	20,000	17,124,701	17,144,701
Comprehensive income			
Surplus for the year	-	126,178	126,178
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>126,178</u>	<u>126,178</u>
Balance at 30 June 2022	<u>20,000</u>	<u>17,250,879</u>	<u>17,270,879</u>

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Consolidated Group	
		2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers and government		44,839,089	43,924,031
Payments to suppliers and employees		(42,704,387)	(41,218,048)
Investment income received		375,906	419,797
Interest paid - other		(94,766)	(105,476)
Interest paid - leases		(5,099)	(4,317)
<i>Net cash flows from operating activities</i>		<u>2,410,743</u>	<u>3,015,987</u>
Cash flows from investing activities			
Purchase of financial assets		(103,831)	(82,299)
Purchase of investment property		-	(340,059)
Purchase of property, plant and equipment - residential		(926,037)	(841,211)
Purchase of property, plant and equipment - other		-	(490,923)
Purchase of capital work in progress - residential		-	(312,969)
Purchase of capital work in progress - other		(6,869,977)	(15,654,602)
Purchase of intangible assets		(53,257)	(47,962)
<i>Net cash flows from investing activities</i>		<u>(7,953,102)</u>	<u>(17,770,025)</u>
Cash flows from financing activities			
Proceeds from refundable accommodation deposits		20,107,346	27,576,455
Proceeds from refundable entry contributions		21,492,044	9,084,792
Proceeds from borrowings		5,303,558	14,654,952
Repayment of refundable accommodation deposits		(21,615,795)	(24,290,423)
Repayment of refundable entry contributions		(3,995,220)	(4,651,076)
Repayment of borrowings		(13,500,000)	-
Repayment of lease liabilities		(19,830)	(16,456)
<i>Net cash flows from financing activities</i>		<u>7,772,103</u>	<u>22,358,244</u>
Net increase in cash and cash equivalents		2,229,744	7,604,206
Cash and cash equivalents at the beginning of the financial year		<u>41,425,154</u>	<u>33,820,948</u>
Cash and cash equivalents at the end of the financial year	6	<u>43,654,898</u>	<u>41,425,154</u>

The accompanying notes form part of these financial statements

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 1 - Corporate information

The financial report includes the financial statements and notes of Carrington Centennial Care Limited. Carrington Centennial Care Limited is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The group provides aged care services for - Residential Care, Retirement Living, Assisted Living and In Home Support including Carer Respite, Community Care Packages and Commonwealth Home Support Program for personal care and domestic assistance, as well as private services, in the Camden/Wollondilly local government areas.

The registered address and principal place of business of the group is:

90 Werombi Road
Camden NSW 2570

The financial statements were approved by the Board of Directors on 20 October 2022.

Note 2 - Basis of preparation

Statement of compliance

These general purpose financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures*. The group is a not-for-profit entity for the purposes of preparing these financial statements.

Other than the change in disclosure requirements, the adoption of *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* has had no significant impact on the financial statements because the group's previous financial statements complied with *Australian Accounting Standards - Reduced Disclosure Requirements*.

Basis of measurement

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.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the group.

Key estimates

Impairment - general

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 2 - Basis of preparation (continued)

Critical accounting estimates and judgements (continued)

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Refundable entry contributions

The amounts repayable to residents upon their exit from the group's retirement villages changes with time and movements in the value of the underlying property. The amounts that will be deducted from the original amount deposited by the resident are a function of time. The amount that may be added to the original amount deposited by the resident is a function of the movement in the underlying property value. For the purposes of these financial statements, these refundable entry contributions have been designated as current liabilities. As a result of this classification the calculation of the amount payable is based on the variables as they stand at balance date.

New and revised standards that are effective for these financial statements

Several amendments to Australian Accounting Standards and interpretations are mandatory for the 30 June 2022 reporting period. These include:

- *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (effective for the year ending 30 June 2022)
- *AASB 2020-2: Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities* (effective for the year ended 30 June 2022)

AASB 1060 and AASB 2020-2 act to mandate that the group prepare a general purpose financial report under a new Simplified Disclosure Standard. The application of AASB 1060 and AASB 2020-2 have not had a material impact on the carrying values of the group's asset, liability or equity balances; nor a material impact on the recognition and measurement of the group's revenue or expenses.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the group. These include:

- *AASB 2020-1: Amendments to AASs - Classification of Liabilities as Current or Non-current* (effective for the year ending 30 June 2024)
- *AASB 2021-2: Amendments to AASs – Disclosure of Accounting Policies and Definition of Accounting Estimates* (effective for the year ending 30 June 2024)

It is not expected that AASB 2020-1 or AASB 2021-2 will have a material impact on the group in future reporting periods.

Presentation of Statement of Financial Position on a liquidity basis

The Directors have taken the view that in complying with the requirements of AASBs, the treatment of refundable loans (refundable accommodation deposits) as current liabilities does not reflect the true liquidity of the group as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, in the current year the Directors have chosen to present its statement of financial position under the liquidity presentation method (*AASB 101 Presentation of Financial Statements*) on the basis that it presents a more reliable and relevant view.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3 - Significant accounting policies

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

Principles of Consolidation

Carrington Centennial Care Limited (the company) was incorporated on 1 July 2004 and commenced aged care operations on 1 July 2005 following the transfer of certain assets and liabilities from Carrington Centennial Trust (the Trust).

The company is the Trustee of the Trust and governs the financial and operating policies of the Trust so as to obtain benefits from its activities. At all times during the financial year the two entities have been governed, managed and operated as a single entity. The consolidated financial statements reflect the operations of the Trust and company for the year ended 30 June 2022 (and the comparative period).

Income tax

Carrington Centennial Care Limited and its controlled entity is a not-for-profit exempt institution from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Resident fees, daily accommodation payments and recurrent government subsidies

Revenue from residents' fees, daily accommodation payments and related government subsidies are recognised on a proportional basis to take account of the delivery of service to or occupancy by residents.

Fees and charges

Fees and charges income is recognised on an annual basis consistent with the provision of the relevant service.

Grants, donations and bequests

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the group obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the group; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest and dividends

Revenue from interest and dividends is recognised on an accrual's basis.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3 - Significant accounting policies (continued)

Revenue recognition (continued)

Rental income

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Retentions from entry contributions

The retention income earned from resident entry contributions are recognised as income as the group becomes entitled to receive the retention under the terms of the resident agreement.

Cash and cash equivalents

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

Inventories

Inventories are measured at the lower of cost and net realisable value at balance date.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

Property, plant and equipment

Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated funds.

Subsequent costs

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

Property

Land and buildings are carried at cost, less depreciation on buildings and impairment losses.

Furniture and equipment

Furniture and equipment are measured on the cost basis.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3 - Significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation

The depreciation effective life used for each class of depreciable assets are:

Buildings and Investment Property	5 to 40 years
Plant and Equipment	3 to 10 years
Land Improvements	20 years
Fixtures and Fittings	4 to 15 years
Motor Vehicles	4 years
Computer Equipment	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

Investment property

Property classified as being for investment purposes, essentially being those land and buildings which attract a financial return to the group predominantly through rental and capital appreciation, is measured at cost and is depreciated.

The investment property residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

Right-of-use assets

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position within a classification relevant to the underlying asset.

Right-of-use assets are initially measured at cost, comprising of the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred.
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequently, right-of-use assets are measured using a cost model. The right-of-use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight-line method and is recognised in the statement of profit or loss and other comprehensive income in "Depreciation and amortisation".

The group tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right-of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset.

The resulting decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3 - Significant accounting policies (continued)

Leases

The group leases seven photocopiers. A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised. The assessment of the reasonable certainty of the exercising of options to extend the lease, or not exercising of options to terminate the lease, is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the group's control, and it affects the reasonable certainty assumptions. The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

The group does not recognise leases that have a lease term of 12 months or less or are of low value as a right-of-use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Lease Liability

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate.

The tenor of a lease includes any renewal period where the lessee is reasonably certain that they will exercise the option to renew. The group has reviewed all its leases and included any extensions where the group assessed it is reasonably certain the lease agreement will be renewed.

The lease payment used in the calculation of the lease liabilities should include variable payments when they relate to an index or rate. Where leases contain variable lease payments based on an index or rate at a future point in time, the group has used the incremental uplift contained in the lease or the respective Reserve Bank forward-looking CPI target for CPI-related increases.

In the absence of any floor or cap clauses in the lease agreements, the group measures the lease payments for the year under market review at an amount equal to the lease payments of the year preceding the market review increased by a fixed rate.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the relevant group's incremental borrowing rate. The incremental borrowing rate used for this calculation is dictated by the tenor of the lease and the location of the asset. The incremental borrowing rate is the rate the group would be charged on borrowings, provided by our banking partners. The weighted average incremental borrowing rate is 4.5%. The following lease payments being fixed payments, less any lease incentives receivable are included where they are not paid at the commencement date.

Subsequently, the lease liability is measured by:

- Increasing the carrying amount to reflect interest on the lease liability.
- Reducing the carrying amount to reflect the lease payments made.
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3 - Significant accounting policies (continued)

Lease Liability (continued)

The unwind of the financial charge on the lease liabilities is recognised in the statement of profit or loss and other comprehensive income in "Finance costs" based on the group's incremental borrowing rate.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the group commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial assets

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset
- the business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- the financial asset is managed solely to collect contractual cash flows
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Fair value through other comprehensive income

Investments in that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3 - Significant accounting policies (continued)

Financial instruments (continued)

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward-looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Directors considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- Financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”.

Intangible assets

General

Intangible assets acquired separately are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of intangible assets with indefinite useful lives, annually, either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Software

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of three to ten years and is included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3 - Significant accounting policies (continued)

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Income received in advance

Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

Provisions

Provisions are recognised when the group 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Refundable entry contributions

Refundable entry contributions are received from residents of self-care villages, and they are non-interest bearing and the net amount is repayable upon departure or transfer. Refundable entry contributions are measured at the principal amount net of any retentions, or any other amounts deducted from the contribution at the election of the resident, plus the resident's share of the capital gains (if any) based on the market value of the underlying property at balance date.

Refundable entry contributions are classified as current liabilities because the group does not have an unconditional right to defer settlement for more than 12 months. However, history shows that on average a resident in a retirement village will stay for between 6 and 12 years. The repayment of contributions to residents including capital gains and net of any retention will be funded largely by contributions from incoming residents.

CARRINGTON CENTENNIAL CARE LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 3 - Significant accounting policies (continued)

Refundable accommodation deposits and accommodation bonds

Refundable accommodation deposits (RADs) and accommodation bonds are non-interest bearing deposits made by aged care facility clients to the group upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident. Accommodation bonds are measured at the principal amount net of any retentions, or any other amounts deducted from the bond at the election of the resident.

Fair value of assets and liabilities

The consolidated group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the group at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the group's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	Consolidated Group	
	2022	2021
	\$	\$
<u>Note 4 - Revenue and other income</u>		
Residential aged and community care		
Government subsidies and recurrent grants	25,571,606	23,461,894
Government support - COVID-19	360,650	697,327
Resident fees and charges	9,099,182	8,720,537
Daily accommodation payments	1,164,616	1,227,359
Accommodation charges	9,616	21,456
Community and CHSP care fees	5,081,535	5,430,595
	<u>41,287,205</u>	<u>39,559,168</u>
Retirement villages		
Resident fees and charges	1,858,133	1,589,703
Retentions from resident entry contributions	4,138,981	4,362,399
	<u>5,997,114</u>	<u>5,952,102</u>
Other services		
Rent received	43,460	34,633
Sale of meals	130,128	169,347
Other revenue	68,444	54,743
	<u>242,032</u>	<u>258,723</u>
<i>Total revenue</i>	<u>47,526,351</u>	<u>45,769,993</u>
Other income		
Dividends	170,727	124,095
Interest income	205,179	295,702
Fair value gain on financial assets	-	296,388
<i>Total other income</i>	<u>375,906</u>	<u>716,185</u>
<i>Total revenue and other income</i>	<u>47,902,257</u>	<u>46,486,178</u>
<u>Note 5 - Expenses</u>		
Depreciation and amortisation		
Investment property	2,082,812	1,802,877
Land improvements	38,959	38,171
Buildings	2,596,133	2,511,881
Equipment, furniture and fittings	666,636	1,988,945
Motor vehicles	82,959	86,246
Right-of-use assets	21,981	18,318
Software	504,151	495,907
<i>Total depreciation and amortisation</i>	<u>5,993,631</u>	<u>6,942,345</u>
Impairment - trade receivables	28,731	-
Finance costs		
Lease liability	5,099	4,317
Other	94,766	105,476
<i>Total finance costs</i>	<u>99,865</u>	<u>109,793</u>
Fair value loss on financial assets	291,606	-
Net loss on disposal of property, plant and equipment	1,509	67,503

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	Consolidated Group	
	2022	2021
	\$	\$
<u>Note 6 - Cash and cash equivalents</u>		
Cash at bank and on hand	8,111,208	4,824,183
Term deposits	35,543,690	36,600,971
<i>Total cash and cash equivalents</i>	<u>43,654,898</u>	<u>41,425,154</u>
<u>Note 7 - Trade and other receivables</u>		
<u>Expected to be recovered within 12 months</u>		
Resident and trade debtors	321,552	257,506
Provision for impairment	(28,731)	-
Accrued income	190,314	70,480
Other receivables	531,105	678,220
Prepayments	386,421	315,686
<i>Total trade and other receivables</i>	<u>1,400,661</u>	<u>1,321,892</u>
<i>Provision for impairment</i>		
Opening net carrying amount	-	-
Increase (decrease) in provision	28,731	-
Closing net carrying amount	<u>28,731</u>	<u>-</u>
<u>Note 8 - Inventories</u>		
Stock on hand	66,488	69,980
<i>Total inventories</i>	<u>66,488</u>	<u>69,980</u>
<u>Note 9 - Financial assets</u>		
<u>Expected to be settled after 12 months</u>		
Units in managed funds	2,432,505	2,620,280
<i>Total financial assets</i>	<u>2,432,505</u>	<u>2,620,280</u>
<i>Movements in carrying amount</i>		
Opening net carrying amount	2,620,280	2,241,593
Additions	103,831	82,299
Fair value movement	(291,606)	296,388
Closing net carrying amount	<u>2,432,505</u>	<u>2,620,280</u>
<u>Note 10 - Investment property</u>		
Investment property at cost	92,477,217	69,827,273
Accumulated depreciation	(26,554,148)	(24,471,336)
<i>Total investment property</i>	<u>65,923,069</u>	<u>45,355,937</u>
<i>Movements in carrying amount</i>		
Opening net carrying amount	45,355,937	46,818,755
Additions	-	340,059
Transfer from WIP	22,649,944	-
Depreciation	(2,082,812)	(1,802,877)
Closing net carrying amount	<u>65,923,069</u>	<u>45,355,937</u>

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Note 11 - Capital work in progress

	Residential	Other	Total
	\$	\$	\$
Consolidated group			
At 30 June 2021			
Cost	136,256	17,498,666	17,634,922
<i>Net carrying amount</i>	<u>136,256</u>	<u>17,498,666</u>	<u>17,634,922</u>
Movements in carrying amounts			
Opening net carrying amount	136,256	17,498,666	17,634,922
Additions	-	6,869,977	6,869,977
Reclassification	-	(22,649,944)	(22,649,944)
Closing net carrying amount	<u>136,256</u>	<u>1,718,699</u>	<u>1,854,955</u>
At 30 June 2022			
Cost	136,256	1,718,699	1,854,955
<i>Net carrying amount</i>	<u>136,256</u>	<u>1,718,699</u>	<u>1,854,955</u>

Note 12 - Property, plant and equipment

	Land and Improvements	Buildings	Equipment and Fittings	Motor Vehicles	Total
	\$	\$	\$		\$
Consolidated group					
At 30 June 2021					
Cost	9,364,004	99,130,938	16,647,636	879,662	126,022,240
Accumulated depreciation	(633,630)	(27,065,897)	(14,217,586)	(634,289)	(42,551,402)
<i>Net carrying amount</i>	<u>8,730,374</u>	<u>72,065,041</u>	<u>2,430,050</u>	<u>245,373</u>	<u>83,470,838</u>
Movements in carrying amounts					
Opening net carrying amount	8,730,374	72,065,041	2,430,050	245,373	83,470,838
Additions - residential	-	448,657	475,561	1,819	926,037
Disposals	-	-	(1,509)	-	(1,509)
Depreciation charge for the year	(38,959)	(2,596,133)	(666,636)	(82,959)	(3,384,687)
Closing net carrying amount	<u>8,691,415</u>	<u>69,917,565</u>	<u>2,237,466</u>	<u>164,233</u>	<u>81,010,679</u>
At 30 June 2022					
Cost	9,266,234	99,579,595	4,447,342	773,511	114,066,682
Accumulated depreciation	(574,819)	(29,662,030)	(2,209,876)	(609,278)	(33,056,003)
<i>Net carrying amount</i>	<u>8,691,415</u>	<u>69,917,565</u>	<u>2,237,466</u>	<u>164,233</u>	<u>81,010,679</u>

Consolidated Group

2022 **2021**
\$ \$

Note 13 - Right-of-use assets

Leased equipment - at cost	65,951	65,951
Accumulated depreciation	(40,299)	(18,318)
<i>Total right-of-use assets</i>	<u>25,652</u>	<u>47,633</u>
Movements in carrying amounts		
Opening net carrying amount	47,633	-
Additions - new leases entered into	-	65,951
Depreciation of right-of-use assets	(21,981)	(18,318)
Closing net carrying amount	<u>25,652</u>	<u>47,633</u>

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	Consolidated Group	
	2022	2021
	\$	\$
<u>Note 14 - Intangible assets</u>		
Software		
Cost	4,235,231	5,483,596
Accumulated amortisation	(1,730,134)	(2,527,605)
<i>Net carrying amount</i>	<u>2,505,097</u>	<u>2,955,991</u>
Movements in carrying amounts		
Opening net carrying amount	2,955,991	3,090,155
Additions	53,257	47,962
Reclassification	-	313,781
Amortisation charge for the year	(504,151)	(495,907)
Closing net carrying amount	<u>2,505,097</u>	<u>2,955,991</u>
<u>Note 15 - Trade and other payables</u>		
<u>Expected to be payable within 12 months</u>		
Trade payables	617,104	532,113
Accrued expenses	1,140,512	1,028,470
Income in advance	1,178,970	2,096,886
Special purpose and trust funds	169,607	156,818
Unspent funds - community care	1,553,114	1,898,926
Other payables	226,181	271,446
<i>Total trade and other payables</i>	<u>4,885,488</u>	<u>5,984,659</u>
<u>Note 16 - Refundable loans</u>		
<u>Expected to be payable within 12 months</u>		
Refundable accommodation deposits	17,792,356	19,222,524
Refundable entry contributions	3,793,785	3,889,031
	<u>21,586,141</u>	<u>23,111,555</u>
<u>Expected to be payable after 12 months</u>		
Refundable accommodation deposits	71,169,426	68,152,585
Refundable entry contributions	72,081,923	60,928,150
	<u>143,251,349</u>	<u>129,080,735</u>
<i>Total refundable loans</i>	<u>164,837,490</u>	<u>152,192,290</u>
Movement in refundable accommodation deposits		
Opening net carrying amount	87,375,109	84,168,416
New RADs received	20,107,346	27,576,455
Allowable deductions	(61,491)	(79,339)
Transfers from refundable entry contributions	3,156,613	-
RADs refunded	(21,615,795)	(24,290,423)
Closing net carrying amount	<u>88,961,782</u>	<u>87,375,109</u>

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	Consolidated Group	
	2022	2021
	\$	\$
Note 16 - Refundable loans (continued)		
Movement in refundable entry contributions		
Opening net carrying amount	64,817,181	63,519,639
Contributions received	21,492,044	9,084,792
Retention/interest from contributions	(3,281,684)	(3,136,174)
Transfers to refundable accommodation deposits	(3,156,613)	-
Contributions refunded	(3,995,220)	(4,651,076)
Closing net carrying amount	<u>75,875,708</u>	<u>64,817,181</u>

Terms and conditions

Refundable accommodation deposits and accommodation bonds (loans) are repayable on the following basis:-

- (i) If the resident gives notice more than 14 days prior to departure then the loan is payable on the date of departure;
- (ii) If the resident gives notice less than 14 days prior to departure the loan is payable within 14 days after notice is given;
- (iii) If the resident gives no notice the loan is repayable 14 days after departure; and
- (iv) If the resident dies, the loan is repayable within 14 days from the date that notice is received of the granting of probate or letters of administration.

Refundable entry contributions are non-interest bearing and have an maximum repayment term of 6 months on departure.

	Consolidated Group	
	2022	2021
	\$	\$
Note 17 - Borrowings		
<u>Expected to be payable within 12 months</u>		
Loans - secured	6,458,510	-
<i>Total borrowings</i>	<u>6,458,510</u>	<u>-</u>
<u>Expected to be payable after 12 months</u>		
Loans - secured	-	14,654,952
<i>Total borrowings</i>	<u>-</u>	<u>14,654,952</u>
Movements in carrying amounts		
Opening net carrying amount	14,654,952	-
Proceeds	5,303,558	14,654,952
Repayments	(13,500,000)	-
Closing net carrying amount	<u>6,458,510</u>	<u>14,654,952</u>

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	Consolidated Group	
	2022	2021
	\$	\$
Note 18 - Provisions		
<u>Expected to be payable within 12 months</u>		
Employee entitlements - annual leave	2,722,591	2,342,837
Employee entitlements - long service leave	2,017,812	1,831,336
Employee entitlements - other	235,102	270,582
	<u>4,975,505</u>	<u>4,444,755</u>
<u>Expected to be payable after 12 months</u>		
Employee entitlements - long service leave	416,467	431,775
	<u>416,467</u>	<u>431,775</u>
<i>Total provisions</i>	<u>5,391,972</u>	<u>4,876,530</u>
Note 19 - Lease liabilities		
<u>Expected to be settled within 12 months</u>		
Lease liabilities	29,665	21,631
	<u>29,665</u>	<u>21,631</u>
<u>Expected to be settled after 12 months</u>		
Lease liabilities	-	27,864
	<u>-</u>	<u>27,864</u>
<i>Total lease liabilities</i>	<u>29,665</u>	<u>49,495</u>
Movements in carrying amounts		
Opening net carrying amount	49,495	-
Additions	-	65,951
Repayments	(24,929)	(20,773)
Interest	5,099	4,317
Closing net carrying amount	<u>29,665</u>	<u>49,495</u>
Note 20 - Commitments		
(a) Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:	<u>1,458,900</u>	<u>1,045,251</u>
(b) Operating lease commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	5,000
	<u>-</u>	<u>5,000</u>
Note 21 - Key management personnel		
Remuneration of key management personnel		
The aggregate amount of compensation paid to members of key management personnel during the year was:	<u>1,548,321</u>	<u>1,349,553</u>

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Note 22 - Events occurring after balance date

Subsequent to the end of the financial year, there remains a degree of uncertainty in relation to future economic and other impacts of the COVID-19 pandemic.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the company in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including its ability to pay its debts as and when they become due and payable.

No other material events have occurred after balance date.

Note 23 - Economic dependency

The Directors consider that the company is economically dependent on revenue received from the Commonwealth Government Department of Health with respect to its residential aged care facilities and community care programs. The Directors believe that this revenue will continue to be made available to the organisation for the foreseeable future.

The total amount of recurrent government funding received during the financial year was \$25,571,606 (2021: \$23,461,894) and this represented 53.4% of total revenues (2021: 50.5%).

Note 24 - Limitation of members' liability

The company is registered as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed \$5 per member. At 30 June 2022 the number of members of this company was 6 (2021: 6).

Note 25 - Auditor's remuneration

Fees paid to StewartBrown, Chartered Accountants:

	2022 \$	2021 \$
Audit of the financial report	45,000	42,000
Preparation of the financial report	3,200	3,000
Other advisory services	13,666	60,570
<i>Total auditor's remuneration</i>	<u>61,866</u>	<u>105,570</u>

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY
ABN 11 109 853 278

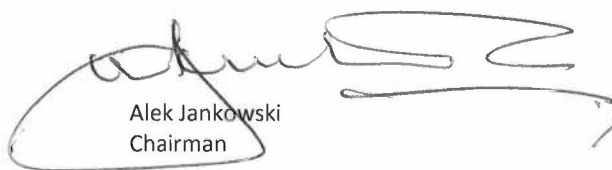
FINANCIAL REPORT - 30 JUNE 2022

DIRECTORS' DECLARATION


The Directors of Carrington Centennial Care Limited and controlled entity declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position of the group as at 30 June 2022 and of its performance for the year ended on that date.
2. In the opinion of the Directors, there are reasonable grounds to believe that the group 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.



Alek Jankowski
Chairman



Bruce Hanrahan AM
Deputy Chairman

Camden, 20 October 2022

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY
ABN 11 109 853 278**

FINANCIAL REPORT - 30 JUNE 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CARRINGTON CENTENNIAL CARE LIMITED**

Opinion

We have audited the financial report of Carrington Centennial Care Limited (the parent entity) and Carrington Centennial Care Limited and its controlled entity (the group) which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the consolidated entity comprising the parent entity and the entities it controlled during the year.

In our opinion, the accompanying financial report of Carrington Centennial Care Limited (the parent entity) and Carrington Centennial Care Limited and its controlled entity (the group) is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the parent entity's and consolidated group's financial position as at 30 June 2022 and of its financial performance for the year then ended, and
- b) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the group, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Directors' Responsibility for the Financial Report

The Directors of the parent entity and consolidated group are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY
ABN 11 109 853 278**

FINANCIAL REPORT - 30 JUNE 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CARRINGTON CENTENNIAL CARE LIMITED**

Directors' Responsibility for the Financial Report (continued)

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

The Directors are responsible for overseeing the parent entity's and consolidated group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is <http://www.auasb.gov.au/Home.aspx>

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.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

20 October 2022
Sydney