CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY
ABN 11 109 853 278

FINANCIAL REPORT - 30 JUNE 2023

CONTENTS

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

FINANCIAL REPORT - 30 JUNE 2023

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 2023 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 – May 2023
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 2023

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 Audit and Risk Committee, Member of the Clinical Governance Committee
Anna Williams	Director
Appointed:	November 2022
Qualifications and experience	PhD; MPH; BHlthSc (Nursing); DipAppSc (Nursing); RN, Professor of Ageing at Western Sydney University
Special Responsibilities:	Chair of the Clinical Governance Committee, Member of the Finance Resources and Infrastructure Committee, Member of the Audit and Risk 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.

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 $7,633,019 (2022: surplus $6,219,674). The net result of the group for the financial year after providing for income tax was a surplus of $1,091,866 (2022: surplus $126,178). 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
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 2023

DIRECTORS' REPORT

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.

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

Directors	Eligible	Attended
Alek Jankowski	11	9
Bruce Hanrahan	11	10
Graham Pascoe	11	10
Deborah Parker	10	9
Karen Kavanagh	11	8
Stephen Carter	11	10
Anna Williams	7	6

FINANCE, RESOURCES & INFRASTRUCTURE MEETINGS

Committee Members	Eligible	Attended
Alek Jankowski	11	8
Bruce Hanrahan	11	11
Graham Pascoe	11	11
Karen Kavanagh	11	10
Anna Williams	7	7

CLINICAL GOVERNANCE MEETINGS

Committee Members	Eligible	Attended
Alek Jankowski	11	9
Bruce Hanrahan	11	8
Deborah Parker	9	8
Stephen Carter	11	10
Anna Williams	7	7

AUDIT & RISK MEETINGS

Committee Members	Eligible	Attended
Alek Jankowski	1	0
Bruce Hanrahan	1	1
Graham Pascoe	1	1
Karen Kavanagh	1	1
Anna Williams	1	1

AUDITOR'S INDEPENDENCE DECLARATION
The auditors' independence declaration for the year ended 30 June 2023 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, 4 October 2023

StewartBrown
Integrity + Quality + Clarity
CHARTERED ACCOUNTANTS

LEVEL 2 / TOWER 1 / 495 VICTORIA AVE
CHATSWOOD NSW 2067 / AUSTRALIA

PO BOX 5515
CHATSWOOD NSW 2057 / AUSTRALIA

TEL: 61 2 9412 3033
FAX: 61 2 9411 3242
EMAIL: INFO@STEWARTBROWN.COM.AU
WEB: WWW.STEWARTBROWN.COM.AU
ABN: 63 271 338 023

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

FINANCIAL REPORT - 30 JUNE 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40
OF THE *AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012*
TO THE MEMBERS 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 2023 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

StewartBrown
Chartered Accountants

Stuart Hutcheon
Managing Partner

4 October 2023

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY
ABN 11 109 853 278

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Consolidated Group	
		2023	**2022**
	Note	**$**	**$**
ASSETS			
Cash and cash equivalents	6	52,003,785	43,654,898
Trade and other receivables	7	2,021,204	1,400,661
Inventories	8	54,808	66,488
Financial assets	9	4,627,683	2,432,505
Investment property	10	65,034,090	65,923,069
Capital work in progress	11	10,650,886	1,854,955
Property, plant and equipment	12	78,899,338	81,010,679
Right-of-use assets	13	3,671	25,652
Intangible assets	14	2,198,769	2,505,097
TOTAL ASSETS		215,494,234	198,874,004
LIABILITIES			
Trade and other payables	15	6,088,996	4,885,488
Refundable loans expected to be paid within 12 months	16	24,986,384	21,586,141
Provisions expected to be paid within 12 months	18	5,466,523	4,975,505
Lease liabilities expected to be paid within 12 months	19	4,112	29,665
Refundable loans expected to be paid after 12 months	16	153,320,079	143,251,349
Borrowings expected to be paid after 12 months	17	6,472,542	6,458,510
Provisions expected to be paid after 12 months	18	792,853	416,467
TOTAL LIABILITIES		197,131,489	181,603,125
NET ASSETS		**18,362,745**	**17,270,879**
FUNDS			
Accumulated funds		18,342,745	17,250,879
Trust capital		20,000	20,000
TOTAL FUNDS		**18,362,745**	**17,270,879**

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

		Consolidated Group	
		2023	2022
	Note	$	$
Revenue	4	53,207,443	47,526,351
Other income	4	1,380,800	375,906
		54,588,243	47,902,257
Expenses			
Administration and other expenses		(2,885,983)	(2,504,104)
Community care expenses		(606,803)	(660,925)
Depreciation and amortisation	5	(6,359,463)	(5,993,631)
Fair value loss on financial assets	5	-	(291,606)
Finance costs	5	(181,690)	(99,865)
Food supplies		(1,998,502)	(1,599,454)
Loss on disposal of assets	5	(9,651)	(1,509)
Laundry and cleaning costs		(196,604)	(180,950)
Maintenance costs		(1,502,743)	(1,244,621)
Resident and client expenses		(939,126)	(1,117,620)
Salaries and employee benefits		(37,215,543)	(32,961,026)
Utilities		(1,600,269)	(1,120,768)
		(53,496,377)	(47,776,079)
Surplus before income tax		1,091,866	126,178
Income tax expense		-	-
Surplus for the year		1,091,866	126,178
Other comprehensive income		-	-
Total comprehensive income for the year		**1,091,866**	**126,178**

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2023

	Trust Capital	Accumulated Funds	Total
	$	$	$
Consolidated Group			
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	-	126,178	126,178
Balance at 30 June 2022	20,000	17,250,879	17,270,879
Balance at 1 July 2022	20,000	17,250,879	17,270,879
Comprehensive income			
Surplus for the year	-	1,091,866	1,091,866
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,091,866	1,091,866
Balance at 30 June 2023	**20,000**	**18,342,745**	**18,362,745**

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

		Consolidated Group	
		2023	**2022**
	Note	**$**	**$**
Cash flows from operating activities			
Receipts from customers and government		49,173,540	44,839,089
Payments to suppliers and employees		(46,465,494)	(42,704,387)
Investment income received		1,218,796	375,906
Interest paid - other		(176,591)	(94,766)
Interest paid - leases		(5,099)	(5,099)
Net cash flows from operating activities		3,745,152	2,410,743
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		15,000	-
Purchase of financial assets		(2,033,174)	(103,831)
Purchase of investment property		(1,628,242)	-
Purchase of property, plant and equipment - residential		(1,267,717)	(926,037)
Purchase of capital work in progress - residential		(553,996)	-
Purchase of capital work in progress - other		(8,283,585)	(6,869,977)
Purchase of intangible assets		(117,876)	(53,257)
Net cash flows from investing activities		(13,869,590)	(7,953,102)
Cash flows from financing activities			
Proceeds from refundable accommodation deposits		25,078,793	20,107,346
Proceeds from refundable entry contributions		24,965,901	21,492,044
Proceeds from borrowings		6,509,816	5,303,558
Repayment of refundable accommodation deposits		(28,250,323)	(21,615,795)
Repayment of refundable entry contributions		(3,309,525)	(3,995,220)
Repayment of borrowings		(6,495,784)	(13,500,000)
Repayment of lease liabilities		(25,553)	(19,830)
Net cash flows from financing activities		18,473,325	7,772,103
Net increase in cash and cash equivalents		8,348,887	2,229,744
Cash and cash equivalents at the beginning of the financial year		43,654,898	41,425,154
Cash and cash equivalents at the end of the financial year	6	**52,003,785**	**43,654,898**

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 4 October 2023.

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.

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.

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.

Note 2 - Basis of preparation (continued)

Critical accounting estimates and judgements (continued)
Key estimates (continued)
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 2023 reporting period. These include:

- *AASB 2022-3 Amendments to AASs – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15* (effective for the year ending 30 June 2023)
- *AASB 2020-3 Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use* (effective for the year ending 30 June 2023)
- *AASB 2020-3 Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract* (effective for the year ended 30 June 2023)

The application of the amendments to AASB 15, AASB 116 and AASB 137 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 disclosures in the financial report nor 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 2023 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- and AASB 2021-6: Amendments to AASs – Disclosure of Accounting Policies* (effective for the year ending 30 June 2024)
- *AASB 2021-2: Amendments to AASB 108 – Definition of Accounting Estimates* (effective for the year ending 30 June 2024)

It is not expected that AASB 2020-1, AASB 2021-2 or AASB 2021-6 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.

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 2023 (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 accruals basis.

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.

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.

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.

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.

Note 3 - Significant accounting policies (continued)

Right-of-use assets (continued)
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.

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 tenure 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.

Note 3 - Significant accounting policies (continued)

Lease Liability (continued)
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.

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 of 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

Note 3 - Significant accounting policies (continued)

Financial instruments (continued)

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.

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".

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.

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.

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 2023

	Consolidated Group	
	2023	**2022**
	$	**$**
Note 4 - Revenue and other income		
Residential aged and community care		
Government subsidies and recurrent grants	28,926,414	25,571,606
Government support - *COVID-19*	-	360,650
Resident fees and charges	9,932,193	9,099,182
Daily accommodation payments	1,436,562	1,164,616
Accommodation charges	8,475	9,616
Community and CHSP care fees	5,108,370	5,081,535
	45,412,014	41,287,205
Retirement villages		
Resident fees and charges	2,650,851	1,858,133
Retentions from resident entry contributions	4,562,593	4,138,981
	7,213,444	5,997,114
Other services		
Rent received	56,038	43,460
Sale of meals	237,419	130,128
Other revenue	288,528	68,444
	581,985	242,032
Total revenue	53,207,443	47,526,351
Other income		
Dividends	83,435	170,727
Interest income	1,135,361	205,179
Fair value gain on financial assets	162,004	-
Total other income	1,380,800	375,906
Total revenue and other income	54,588,243	47,902,257

Note 5 - Expenses

	2023	2022
Depreciation and amortisation		
Investment property	2,517,221	2,082,812
Land improvements	38,959	38,959
Buildings	2,630,295	2,596,133
Equipment, furniture and fittings	614,924	666,636
Motor vehicles	70,229	82,959
Right-of-use assets	21,981	21,981
Software	465,854	504,151
Total depreciation and amortisation	6,359,463	5,993,631
Bad debts	23,297	-
Impairment - trade receivables	9,832	28,731
Finance costs		
Lease liability	5,099	5,099
Other	176,591	94,766
Total finance costs	181,690	99,865
Fair value loss on financial assets	-	291,606
Net loss on disposal of property, plant and equipment	9,651	1,509

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated Group	
	2023	**2022**
	$	**$**
Note 6 - Cash and cash equivalents		
Cash at bank and on hand	1,825,747	8,111,208
Term deposits	50,178,038	35,543,690
Total cash and cash equivalents	52,003,785	43,654,898
Note 7 - Trade and other receivables		
Expected to be recovered within 12 months		
Resident and trade debtors	623,258	321,552
Provision for impairment	(38,563)	(28,731)
Accrued income	511,727	190,314
Other receivables	479,523	531,105
Prepayments	445,259	386,421
Total trade and other receivables	2,021,204	1,400,661
Provision for impairment		
Opening net carrying amount	28,731	-
Increase (decrease) in provision	9,832	28,731
Closing net carrying amount	38,563	28,731
Note 8 - Inventories		
Stock on hand	54,808	66,488
Total inventories	54,808	66,488
Note 9 - Financial assets		
Expected to be settled after 12 months		
Units in managed funds	4,627,683	2,432,505
Total financial assets	4,627,683	2,432,505
Movements in carrying amount		
Opening net carrying amount	2,432,505	2,620,280
Additions	2,033,174	103,831
Fair value movement	162,004	(291,606)
Closing net carrying amount	4,627,683	2,432,505
Note 10 - Investment property		
Investment property at cost	94,105,459	92,477,217
Accumulated depreciation	(29,071,369)	(26,554,148)
Total investment property	65,034,090	65,923,069
Movements in carrying amount		
Opening net carrying amount	65,923,069	45,355,937
Additions	1,628,242	-
Transfer from WIP	-	22,649,944
Depreciation	(2,517,221)	(2,082,812)
Closing net carrying amount	65,034,090	65,923,069

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 11 - Capital work in progress

	Residential	Other	Total
Consolidated group	**$**	**$**	**$**
At 30 June 2022			
Cost	136,256	1,718,699	1,854,955
Net carrying amount	136,256	1,718,699	1,854,955
Movements in carrying amounts			
Opening net carrying amount	136,256	1,718,699	1,854,955
Additions	553,996	8,283,585	8,837,581
Reclassification - intangible assets	(41,650)	-	(41,650)
Closing net carrying amount	648,602	10,002,284	10,650,886
At 30 June 2023			
Cost	648,602	10,002,284	10,650,886
Net carrying amount	648,602	10,002,284	10,650,886

Note 12 - Property, plant and equipment

	Land and Improvements	Buildings	Equipment and Fittings	Motor Vehicles	Total
Consolidated group	**$**	**$**	**$**		**$**
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)
Net carrying amount	8,691,415	69,917,565	2,237,466	164,233	81,010,679
Movements in carrying amounts					
Opening net carrying amount	8,691,415	69,917,565	2,237,466	164,233	81,010,679
Additions - residential	-	438,017	669,280	160,420	1,267,717
Disposals	-	-	-	(24,651)	(24,651)
Depreciation charge for the year	(38,959)	(2,630,295)	(614,924)	(70,229)	(3,354,407)
Closing net carrying amount	8,652,456	67,725,287	2,291,822	229,773	78,899,338
At 30 June 2023					
Cost	9,266,234	99,921,227	4,692,005	853,028	114,732,494
Accumulated depreciation	(613,778)	(32,195,940)	(2,400,183)	(623,255)	(35,833,156)
Net carrying amount	8,652,456	67,725,287	2,291,822	229,773	78,899,338

Note 13 - Right-of-use assets

	Consolidated Group	
	2023	**2022**
	$	**$**
Leased equipment - at cost	65,951	65,951
Accumulated depreciation	(62,280)	(40,299)
Total right-of-use assets	3,671	25,652
Movements in carrying amounts		
Opening net carrying amount	25,652	47,633
Depreciation of right-of-use assets	(21,981)	(21,981)
Closing net carrying amount	3,671	25,652

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated Group 2023 $	Consolidated Group 2022 $
Note 14 - Intangible assets		
Software		
Cost	3,725,485	4,235,231
Accumulated amortisation	(1,526,716)	(1,730,134)
Net carrying amount	2,198,769	2,505,097
Movements in carrying amounts		
Opening net carrying amount	2,505,097	2,955,991
Additions	117,876	53,257
Reclassification - capital work in progress	41,650	-
Amortisation charge for the year	(465,854)	(504,151)
Closing net carrying amount	2,198,769	2,505,097
Note 15 - Trade and other payables		
Expected to be payable within 12 months		
Trade payables	1,033,476	617,104
Accrued expenses	1,626,342	1,140,512
Income in advance	642,720	1,178,970
Special purpose and trust funds	291,160	169,607
Unspent funds - community care	1,664,947	1,553,114
Other payables	830,351	226,181
Total trade and other payables	6,088,996	4,885,488
Note 16 - Refundable loans		
Expected to be payable within 12 months		
Refundable accommodation deposits	22,314,989	17,792,356
Refundable entry contributions	2,671,395	3,793,785
	24,986,384	21,586,141
Expected to be payable after 12 months		
Refundable accommodation deposits	66,944,967	71,169,426
Refundable entry contributions	86,375,112	72,081,923
	153,320,079	143,251,349
Total refundable loans	178,306,463	164,837,490
Movement in refundable accommodation deposits		
Opening net carrying amount	88,961,782	87,375,109
New RADs received	25,078,793	20,107,346
Allowable deductions	(136,876)	(61,491)
Transfers from refundable entry contributions	3,606,580	3,156,613
RADs refunded	(28,250,323)	(21,615,795)
Closing net carrying amount	89,259,956	88,961,782
Movement in refundable entry contributions		
Opening net carrying amount	75,875,708	64,817,181
Contributions received	24,965,901	21,492,044
Retention/interest from contributions	(4,878,997)	(3,281,684)
Transfers to refundable accommodation deposits	(3,606,580)	(3,156,613)
Contributions refunded	(3,309,525)	(3,995,220)
Closing net carrying amount	89,046,507	75,875,708

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 16 - Refundable loans (continued)

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	
	2023	**2022**
	$	**$**
Note 17 - Borrowings		
Expected to be payable after 12 months		
Loans - secured	6,472,542	6,458,510
Total borrowings	6,472,542	6,458,510
Movements in carrying amounts		
Opening net carrying amount	6,458,510	14,654,952
Proceeds	6,509,816	5,303,558
Repayments	(6,495,784)	(13,500,000)
Closing net carrying amount	6,472,542	6,458,510
Note 18 - Provisions		
Expected to be payable within 12 months		
Employee entitlements - annual leave	3,013,942	2,722,591
Employee entitlements - long service leave	2,273,234	2,017,812
Employee entitlements - other	179,347	235,102
	5,466,523	4,975,505
Expected to be payable after 12 months		
Employee entitlements - long service leave	792,853	416,467
	792,853	416,467
Total provisions	6,259,376	5,391,972
Note 19 - Lease liabilities		
Expected to be settled within 12 months		
Lease liabilities	4,112	29,665
Total lease liabilities	4,112	29,665
Movements in carrying amounts		
Opening net carrying amount	29,665	49,495
Repayments	(30,652)	(24,929)
Interest	5,099	5,099
Closing net carrying amount	4,112	29,665

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated Group	
	2023	2022
	$	$
Note 20 - Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:	2,006,498	1,458,900
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:	1,713,267	1,548,321
Note 22 - Auditor's remuneration		
Fees paid to StewartBrown, Chartered Accountants:		
Audit of the financial report	47,000	45,000
Preparation of the financial report	3,300	3,200
Other advisory services	8,792	13,666
Total auditor's remuneration	59,092	61,866

Note 23 - 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 2023 the number of members of this company was 6 (2022: 6).

Note 24 - 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 $28,926,414 (2022: $25,571,606) and this represented 53.0% of total revenues (2022: 53.4%).

Note 25 - Events occurring after balance date

No material events have occurred after balance date.

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY
ABN 11 109 853 278

FINANCIAL REPORT - 30 JUNE 2023

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 2023, 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 2023 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, 4 October 2023

StewartBrown
Integrity + Quality + Clarity
CHARTERED ACCOUNTANTS
LEVEL 2 / TOWER 1 / 495 VICTORIA AVE
CHATSWOOD NSW 2067 / AUSTRALIA
PO BOX 5515
CHATSWOOD NSW 2057 / AUSTRALIA
TEL: 61 2 9412 3033
FAX: 61 2 9411 3242
EMAIL: INFO@STEWARTBROWN.COM.AU
WEB: WWW.STEWARTBROWN.COM.AU
ABN: 63 271 338 023

CARRINGTON CENTENNIAL CARE
AND CONTROLLED ENTITY
ABN 11 109 853 278

FINANCIAL REPORT - 30 JUNE 2023

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 2023, 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 2023 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 2022*.

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 2023

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

StewartBrown
Chartered Accountants

Stuart Hutcheon
Managing Partner

4 October 2023
Sydney