

Para Hills Residential Care

ABN 67 085 239 531

Financial Statements

For the Year Ended 30 June 2023

Para Hills Residential Care

ABN 67 085 239 531

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Para Hills Residential Care

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

	Note	2023 \$	2022 \$
Revenue	4	6,030,564	5,373,597
Finance income		166,018	77,295
Other income		357,889	62,665
Finance costs		(100,804)	(100,266)
Employee benefits expense		(4,085,537)	(3,907,896)
Repairs and maintenance		(135,277)	(68,254)
Depreciation - right-of-use assets		(345,206)	(289,687)
Depreciation - plant & equipment		(78,721)	(69,559)
Cleaning, waste removal and COVID supplies		(103,297)	(136,357)
Food supplies		(286,935)	(275,610)
Other operating expenses		(745,673)	(576,953)
Contract payments		(379,064)	(173,268)
Subscriptions, licenses and permits		(48,368)	(58,283)
(Loss) / profit before income tax		245,589	(142,576)
Income tax expense		-	-
(Loss) / profit for the year attributable to Partners of the entity		245,589	(142,576)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		245,589	(142,576)

The accompanying notes form part of these financial statements.

Para Hills Residential Care

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Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,996,997	2,253,686
Trade and other receivables	6	2,590,172	2,223,348
TOTAL CURRENT ASSETS		4,587,169	4,477,034
NON-CURRENT ASSETS			
Property, plant and equipment	7	281,258	292,445
Right-of-use assets	8	2,761,647	3,106,853
TOTAL NON-CURRENT ASSETS		3,042,905	3,399,298
TOTAL ASSETS		7,630,074	7,876,332
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	3,904,574	4,159,510
Lease liabilities	8	320,186	310,735
Employee benefits	10	474,515	404,405
TOTAL CURRENT LIABILITIES		4,699,275	4,874,650
NON-CURRENT LIABILITIES			
Lease liabilities	8	2,519,576	2,839,762
Employee benefits	10	66,632	62,918
TOTAL NON-CURRENT LIABILITIES		2,586,208	2,902,680
TOTAL LIABILITIES		7,285,483	7,777,330
NET ASSETS		344,591	99,002
PARTNERS' FUNDS		344,591	99,002

The accompanying notes form part of these financial statements.

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

2023

	Partners' Funds	Total
	\$	\$
Balance at 1 July 2022	99,002	99,002
Total profit attributable to partners	245,589	245,589
Balance at 30 June 2023	344,591	344,591

2022

	Partners' Funds	Total
	\$	\$
Balance at 1 July 2021	241,578	241,578
Total (loss) attributable to partners	(142,576)	(142,576)
Balance at 30 June 2022	99,002	99,002

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	6,026,834	5,181,664
Payments to suppliers and employees	(5,698,608)	(5,156,956)
Interest received	32,326	1,565
Net GST	162,110	150,172
Net cash provided by operating activities	<u>522,662</u>	<u>176,445</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(67,534)</u>	<u>(121,895)</u>
Net cash (used in) investing activities	<u>(67,534)</u>	<u>(121,895)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Related party loans advanced/(repaid)	89,183	(270,650)
Lease Liabilities Repaid	(400,000)	(400,000)
Refundable Accommodation Deposits (RADs) Received	700,000	1,845,000
Refundable Accommodation Deposits (RADs) Repaid	<u>(1,101,000)</u>	<u>(400,000)</u>
Net cash provided by financing activities	<u>(711,817)</u>	<u>774,350</u>
Net increase in cash and cash equivalents held	<u>(256,689)</u>	828,900
Cash and cash equivalents at beginning of year	<u>2,253,686</u>	1,424,786
Cash and cash equivalents at end of financial year	5 <u>1,996,997</u>	<u>2,253,686</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial statements cover Para Hills Residential Care as an individual entity. Para Hills Residential Care is a for-profit Partnership incorporated in South Australia.

The functional and presentation currency of Para Hills Residential Care is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Aged Care Act 1997*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Partnership expects to receive in exchange for those goods or services.

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

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

Rendering of services

Revenue from from the provision of aged care services is recognised over time as the care is provided.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

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

(b) Income Tax

Para Hills Residential Care is operated via a partnership structure and accordingly any taxable profit is assessed directly to the partners. No provision for income tax is considered necessary.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Partnership, commencing when the asset is ready for use.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	7.5% - 66%

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

(e) Financial instruments

Financial instruments are recognised initially on the date that the Partnership becomes party to the contractual provisions of the instrument.

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

Financial assets

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

Classification

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

- amortised cost

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

Amortised cost

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

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

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

Impairment of financial assets

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

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

- financial assets measured at amortised cost

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

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

Financial liabilities

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

The financial liabilities of the Partnership comprise trade payables and lease liabilities.

(f) Cash and cash equivalents

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

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(g) Leases

At inception of a contract, the Partnership assesses whether a lease exists.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Partnership recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Partnership believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Partnership's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Partnership's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) Employee benefits

Provision is made for the Partnership's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(i) Going concern

The Partnership incurred a profit for the year of \$245,589 and as at 30 June 2023 current liabilities exceed current assets by \$112,106. This would indicate uncertainty in relation to the Partnership's ability to continue as a going concern. However, if required the Partners will provide ongoing financial support to the Partnership, so as to ensure the Partnership's ability to continue as a going concern.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - receivables

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

4 Revenue and Other Income

Revenue from continuing operations

	2023	2022
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Provision of services	6,030,564	5,373,597
Total revenue from contracts with customers	6,030,564	5,373,597
- Interest income	166,018	77,295
- Other income	357,889	62,665
Total Revenue	6,554,471	5,513,557

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into revenue recognised at a point in time and revenue recognised over time, and the following table shows this breakdown:

	2023	2022
	\$	\$
- Over time	6,030,564	5,373,597
- At a point in time	-	-
Revenue from contracts with customers	6,030,564	5,373,597

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Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	564,469	281,404
Term deposits	1,432,528	1,972,282
	<u>1,996,997</u>	<u>2,253,686</u>

Reconciliation of cash

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

	2023	2022
	\$	\$
Cash and cash equivalents	<u>1,996,997</u>	<u>2,253,686</u>
Balance as per statement of cash flows	<u>1,996,997</u>	<u>2,253,686</u>

6 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	101,811	148,240
Expected credit loss	(21,000)	(50,000)
Total trade receivables	<u>80,811</u>	<u>98,240</u>
GST receivable	45,164	34,941
Loan - Maldec Enterprises Unit Trust	2,134,676	2,090,167
Other receivables	329,521	-
Total current trade and other receivables	<u>2,590,172</u>	<u>2,223,348</u>

7 Property, plant and equipment

PLANT AND EQUIPMENT

Plant & equipment at cost	878,327	810,793
Less accumulated depreciation	(597,069)	(518,348)
Total property, plant and equipment	<u>281,258</u>	<u>292,445</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Plant & Equipment \$	Total \$
Year ended 30 June 2023		
Balance at the beginning of year	292,445	292,445
Additions	67,534	67,534
Depreciation expense	(78,721)	(78,721)
Balance at the end of the year	281,258	281,258

8 Leases

Partnership as a lessee

The Partnership leases the land and buildings from Maldec Enterprises Unit Trust.

Right-of-use assets

	\$	Total \$
Year ended 30 June 2023		
Balance at beginning of year	3,106,853	3,106,853
Depreciation	(345,206)	(345,206)
Balance at end of year	2,761,647	2,761,647

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

8 Leases

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2023					
Lease liabilities	400,000	1,600,000	1,200,000	3,200,000	2,839,762
2022					
Lease liabilities	400,000	2,000,000	1,200,000	3,600,000	3,150,497

9 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	85,884	74,320
Other payables	279,690	145,190
Refundable accommodation deposits	3,539,000	3,940,000
Total current trade and other payables	3,904,574	4,159,510

10 Employee Benefits

	2023	2022
	\$	\$
Current liabilities		
Long service leave	305,024	256,389
Annual leave	169,491	148,016
	474,515	404,405
	2023	2022
	\$	\$
Non-current liabilities		
Long service leave	66,632	62,918
	66,632	62,918

Para Hills Residential Care

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Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Employee Benefits

10 Employee Benefits

(a) Reconciliations

	Annual leave	Long service leave
2023	\$	\$
Opening balance	148,016	319,307
Leave accrued	165,589	66,685
Leave taken	(144,114)	(14,336)
Closing balance	169,491	371,656

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

11 Financial Risk Management

	2023	2022
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	1,996,997	2,253,686
Trade receivables (net of provision)		
Trade and other receivables	80,811	98,240
	80,811	98,240
Loans to related parties	2,134,676	2,090,167
Total financial assets	4,212,484	4,442,093
Financial liabilities		
Trade and other payables	3,904,574	4,159,510
Lease liabilities	2,839,762	3,150,497
Total financial liabilities	6,744,336	7,310,007

Para Hills Residential Care

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Notes to the Financial Statements

For the Year Ended 30 June 2023

12 Segment Reporting

Segment - Residential Aged Care Services

	2023	2022
	\$	\$
Total revenue	6,554,471	5,513,557
(Loss) / profit for the year	245,589	(142,576)
Total assets	7,630,047	7,876,332
Total liabilities	(7,285,483)	(7,777,330)

The approved provider delivers only residential aged care services and these financial statements only relate to such operations.

13 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Partnership is \$ - (2022: \$ 22,000).

14 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor, Mr Peter Hill, Director of Perks Audit Pty Ltd, for: - auditing or reviewing the financial statements	9,180	8,750
Total	9,180	8,750

15 Contingencies

Overdraft Facility - the Partnership has an overdraft facility of \$100,000, of which \$100,000 was unused as at 30 June 2023 (2022: unused \$100,000).

There were no other contingent liabilities as at 30 June 2023.

16 Related Parties

(a) Transactions with related parties

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

	2023	2022
	\$	\$
Related Party Transactions		
Rent paid to Trust associated with Partners	400,000	400,000
Management fees paid to Partners	120,000	120,000
Partners' salaries	-	22,000
Loans to Related Parties		
Loan to Maldec Enterprises Unit Trust	2,134,676	2,090,167

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Notes to the Financial Statements

For the Year Ended 30 June 2023

17 Events after the end of the Reporting Period

The financial report was authorised for issue on 28th October 2023 by the Partners.

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

18 Statutory Information

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

Para Hills Residential Care
50 Kesters Road
PARA HILLS WEST SA 5096

Para Hills Residential Care

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Partners' Declaration

In the opinion of the Partners:

1) The financial statements and notes as set out on pages 1 to 16, are in accordance with the *Aged Care Act 1997* and the *Accountability Principles 2014*, and:


a) Comply with Australian Accounting Standards - Simplified Disclosures; and


b) give a true and fair view of Para Hills Residential Care's financial position as at 30 June 2023 and its performance for the year ended on that date.

2) At the date of this signing this statement, there are reasonable grounds to believe that the partnership will be able to pay its debts as and when they fall due.

Partner: 
Mr M Rositano

Partner: 
Ms R Rositano

Partner: 
Mr L Rositano

Partner: 
Dr S Rositano

Dated this 28 day of October 2023

Para Hills Residential Care Independent Auditor's Report

Opinion

We have audited the financial report of Para Hills Residential Care (the Partnership), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the partners' declaration.

In our opinion, the accompanying general purpose financial report of the Partnership has been prepared in accordance with the *Aged Care Act 1997* and the *Accountability Principles 2014*, including:

- (i) giving a true and fair view of the Partnership's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Partnership in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2(i) of the financial report, which indicates that the Partnership generated a profit for the year of \$245,589, however and as at 30 June 2023 current liabilities exceed current assets by \$112,106. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Partnership's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Partners for the Financial Report

The Partners are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Aged Care Act 1997* and the *Accountability Principles 2014* and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

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under Professional Standards Legislation.

Audit
Perks Audit Pty Ltd

ACN 109 602 100 / ABN 20 173 474 661
Liability limited by a scheme approved
under Professional Standards Legislation.

Private Wealth
Perks Private Wealth Pty Ltd

ACN 086 643 058 / ABN 88 086 643 058
Australian Financial Services
Licence No. 236 551

Finance
Perks Finance Pty Ltd

ACN 101 919 537 / ABN 76 533 199 660
Australian Credit Licence No. 378241

Para Hills Residential Care Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

We communicate with the management 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.



PERKS AUDIT PTY LTD
8/81 Flinders Street
ADELAIDE SA, 5000



PETER J HILL
Director
Registered Company Auditor, 72701

Dated this 28th day of October 2023

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Liability limited by a scheme approved
under Professional Standards Legislation.

Audit
Perks Audit Pty Ltd

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Liability limited by a scheme approved
under Professional Standards Legislation.

Private Wealth
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