Trustee: Wickro Pty Ltd

Belmont Property Unit Trust and its controlled entities

ABN 89 947 149 231

Consolidated Financial Statements - 30 June 2022

RACS ID: 3046	Amaroo Gardens	Belmont Property Unit Trust
RACS ID: 3568	Belmont Grange	Belmont Property Unit Trust
RACS ID: 3222	Clarendon Grange	Belmont Property Unit Trust
RACS ID: 4075	Ferndale Gardens	Belmont Property Unit Trust
RACS ID: 3220	Green Gables Hostel	Belmont Property Unit Trust
RACS ID: 3684	Langford Grange	Belmont Property Unit Trust
RACS ID: 3806	Melville Grange	Belmont Property Unit Trust
RACS ID: 3713	Sea Views Manor	Belmont Property Unit Trust
RACS ID: 3595	Rowville Manor	Belmont Property Unit Trust
RACS ID: 4382	Tarneit Manor	Belmont Property Unit Trust

Belmont Property Unit Trust
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30 June 2022

Belmont Property Unit Trust
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Revenue	5	115,268,280	113,224,812	113,374,039	111,344,030
Share of profits of associates accounted for using the equity method	9	1,004,948	1,917,843	-	-
Distribution from controlled entities	21	-	-	21,534,152	1,998,543
Gain on disposal of associate		20,293,037	-	-	-
Interest revenue calculated using the effective interest method		150,096	218,888	244,785	408,688
Expenses					
Employee benefits expense		(78,782,675)	(74,482,848)	(78,782,675)	(74,482,848)
Depreciation and amortisation expense	6	(13,850,242)	(4,725,735)	(13,976,005)	(5,303,182)
Impairment expense	12	(1,515,414)	-	(1,515,414)	-
Food expenses		(3,707,384)	(3,215,789)	(3,707,384)	(3,215,789)
Cleaning expenses		(911,488)	(972,258)	(911,488)	(972,258)
Repairs and maintenance		(1,890,916)	(1,395,638)	(1,890,916)	(1,395,638)
Other expenses		(5,666,558)	(5,990,252)	(5,369,867)	(5,998,473)
Finance costs	7	(11,725,092)	(11,378,397)	(9,882,927)	(9,589,851)
Medical supplies		(4,659,949)	(4,930,049)	(4,659,949)	(4,930,049)
Utilities and rates		(2,362,976)	(2,042,287)	(2,362,976)	(2,042,287)
Operating Profit for the year before finance costs attributable to unitholders		11,643,667	6,228,290	12,093,375	5,820,886
Finance costs attributable to unitholders					
Distributions paid to unitholders	2	(12,093,375)	(5,820,886)	(12,093,375)	(5,820,886)
Increase/(Decrease) in net deficiency attributable to unitholders		449,708	(407,404)	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year attributable to the Unitholders of Belmont Property Unit Trust		-	-	-	-

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Belmont Property Unit Trust
Statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Assets					
Current assets					
Cash and cash equivalents	7	10,453,999	7,585,303	6,916,859	2,572,392
Trade and other receivables	8	25,456,336	7,174,197	31,694,994	25,203,619
Financial assets	9	-	4,348,777	-	4,348,777
Other		1,263,588	676,219	1,245,351	675,809
Total current assets		37,173,923	19,784,496	39,857,204	32,800,597
Non-current assets					
Investments accounted for using the equity method	10	-	4,242,068	-	-
Investments in controlled entities		-	-	360	360
Financial assets	9	-	2,150,000	-	-
Property, plant and equipment	11	186,007,824	178,348,006	149,466,795	140,890,625
Intangibles	12	21,725,899	31,956,807	20,525,899	30,306,807
Right of use assets	13	192,457	292,390	3,264,846	4,900,970
Total non-current assets		207,926,180	216,989,271	173,257,900	176,098,762
Total assets		245,100,103	236,773,767	213,115,104	208,899,359
Liabilities					
Current liabilities					
Trade and other payables	14	7,004,745	4,760,397	6,889,874	4,689,484
Financial liabilities	15	38,740,430	42,831,646	38,740,430	42,831,646
Employee benefits	16	11,091,552	9,780,220	11,091,552	9,780,220
Resident ingoings	17	186,875,205	177,537,373	151,212,526	144,855,296
Lease Liabilities	18	100,295	100,295	1,636,035	1,636,035
Total current liabilities		243,812,227	235,009,931	209,570,417	203,792,681
Non-current liabilities					
Employee benefits	16	1,774,553	1,700,831	1,774,553	1,700,831
Lease Liabilities	18	97,552	197,526	1,713,625	3,349,338
Total non-current liabilities		1,872,105	1,898,357	3,488,178	5,050,169
Total liabilities		245,684,332	236,908,288	213,058,595	208,842,850
Net deficiency attributable to unitholders		(584,229)	(134,521)	56,509	56,509

The above statement of financial position should be read in conjunction with the accompanying notes

Belmont Property Unit Trust
Statement of changes in net deficiency attributable to unitholders
For the year ended 30 June 2022

Consolidated	**Units $**	**Bed licences reserve $**	**Unitholder buyback reserve $**	**Accumulated losses $**	**Unitholder Funds Total $**
Balance as at 1 July 2020	2,974,001	14,714,151	(17,417,750)	(812,327)	(541,925)
Operating Profit for the year before finance costs attributable to unitholders	-	-	-	6,228,290	6,228,290
Finance Costs – distribution	-	-	-	(5,820,886)	(5,820,886)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Balance at 30 June 2021	2,974,001	14,714,151	(17,417,750)	(404,923)	(134,521)

Consolidated	**Units $**	**Bed licences reserve $**	**Unitholder buyback reserve $**	**Accumulated losses $**	**Unitholder Funds $**
Balance at 1 July 2021	2,974,001	14,714,151	(17,417,750)	(404,923)	(134,521)
Operating Profit for the year before finance costs attributable to unitholders	-	-	-	11,643,667	11,643,667
Finance Costs – distribution	-	-	-	(12,093,375)	**(12,093,375)**
Total comprehensive income	-	-	-	-	-
Balance at 30 June 2022	2,974,001	14,714,151	(17,417,750)	(854,631)	(584,229)

The above statement of changes in net deficiency attributable to unitholders should be read in conjunction with the accompanying notes

Belmont Property Unit Trust
Statement of changes in net deficiency attributable to unitholders
For the year ended 30 June 2022

Parent	Units $	Bed licences reserve $	Unitholder buyback reserve $	Accumulated losses $	Unitholder Funds Total $
Balance as at 1 July 2020	2,974,001	14,714,151	(17,417,750)	(213,893)	56,509
Operating Profit for the year before finance costs attributable to unitholders	-	-	-	5,820,886	5,820,886
Distribution to unitholders - (restated)	-	-	-	(5,820,886)	(5,820,886)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Balance at 30 June 2021	2,974,001	14,714,151	(17,417,750)	(213,893)	56,509

Parent	Units $	Bed licences reserve $	Unitholder buyback reserve $	Accumulated losses $	Unitholder Funds $
Balance at 1 July 2021	2,974,001	14,714,151	(17,417,750)	(213,893)	56,509
Operating Profit for the year before finance costs attributable to unitholders	-	-	-	12,093,375	12,093,375
Distribution to unitholders	-	-	-	(12,093,375)	(12,093,375)
Total comprehensive income	-	-	-	-	-
Balance at 30 June 2022	2,974,001	14,714,151	(17,417,750)	(213,893)	56,509

The above statement of changes in net deficiency attributable to unitholders should be read in conjunction with the accompanying notes

Belmont Property Unit Trust
Statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Cashflows from operating activities					
Receipts from residents and Government subsidies		103,993,503	102,200,389	90,616,758	88,211,250
Payments to suppliers and employees		(94,831,461)	(93,516,798)	(76,580,407)	(76,179,847)
Interest received		455,297	2,118,119	244,785	408,688
Interest and other finance costs paid		(1,493,904)	(1,243,624)	(1,560,165)	(1,335,860)
Net cash from operating activities		8,123,435	9,558,086	12,720,971	11,104,231
Cashflows form investing activities					
Payments for property, plant and equipment	11	(12,785,899)	(20,906,564)	(12,650,557)	(20,879,941)
Proceeds from disposal of Investment	10	22,750,000	-	-	-
Net cash used in investing activities		9,964,101	(20,906,564)	(12,650,557)	(20,879,941)
Cash Flows from financing activities					
(Repayments of)/ proceeds from borrowings		(12,605,555)	13,979,554	11,912,780	13,979,554
Distributions paid		(12,093,375)	(5,641,804)	(12,093,375)	(9,721,580)
Accommodation bonds/refundable accommodation deposits refunded		(49,637,178)	(50,919,793)	(41,072,189)	(41,537,594)
Accommodation bonds/refundable accommodation deposits received		59,217,242	58,009,814	47,162,549	47,641,950
Repayments of lease liabilities		(99,974)	(98,443)	(1,635,712)	(1,608,012)
Net cash from (used in) financing activities		(15,218,840)	15,329,328	4,274,053	8,754,318
Net movement in cash and cash equivalents		2,868,696	3,980,850	4,344,467	(1,021,392)
Cash and cash equivalents at the beginning of the financial year	7	7,585,303	3,604,453	2,572,392	3,593,784
Cash and cash equivalents at the end of the year	7	10,453,999	7,585,303	6,916,859	2,572,392

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Trust deed, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and the Aged Care Act 1997, as appropriate for for-profit oriented entities.

The financial statements comprise the consolidated financial statements of Belmont Property Unit Trust (the Trust) and the entities it controls (together the Group). For the purposes of preparing the consolidated financial statements, the Trust is a private for-profit Unit Trust. The Trustee company is Wickro Pty Ltd (the "Trustee company").

Wickro Pty Ltd (NAPS ID 1593) provides only residential aged care.

The presentation currency used in these financial statements is Australian dollars ($). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

The financial statements were authorised for issue, in accordance with a resolution of the Trustee company director, on 27 October 2022.

Statement of compliance

The Trust does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Information about the Trust

The addresses of its registered office and principal place of business are as follows:

Registered office / Principal place of business
269 Centre Road
Bentleigh VIC 3204

The nature of the Group's operations and its principal activities is as an owner/operator of ten high-quality, purpose-built homes, with over 1,000 government-funded beds, which provide first rate standards of care and services to residents in a homely environment.

No significant change in the nature of these activities occurred during the year.

Note 2. Changes in accounting policies and changes in estimates

Explanation of the transition to Australian Accounting Standards – Simplified Disclosures

The entity previously prepared general purpose financial statements under Tier 2 – Reduced Disclosure Requirements. There were no transition adjustments other than a few disclosure changes on the adoption of Australian Accounting Standards – Simplified Disclosures.

The entity has elected not to present comparative information in the notes to these financial statements where comparable information was not disclosed in the entity's most recent previous general purpose financial statements.

Note 3. Significant accounting policies
The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2021.

New and revised Standards and amend thereof and interpretations effective for the current year that are relevant to the company include:

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities
- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities

New and revised Accounting Standards in issue but not yet effective **Standard/amendment**	**Effective for annual reporting periods beginning on or after**
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2022
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 January 2023

Going concern
The financial report has been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As at 30 June 2022 the Group had a net working capital deficiency, being current liabilities in excess of current assets of ($206,638,304) and the Company ($169,713,213). The net working capital deficiency is significantly impacted by resident ingoing liabilities (Accommodation Bonds/Refundable Accommodation Deposits) which are classified as current liabilities on the basis that they are repayable to residents when they leave the facility, which can be at any time. The Trustee does not expect the resident ingoing liabilities to reduce significantly on an annual basis as the liabilities relating to residents who depart the facility are generally replaced by resident ingoing liabilities received from new residents. The resident ingoing liabilities are therefore considered to form a part of the long-term funding of the facility.

In addition, the Trustee Company Director notes the following in their going concern assessment:

- As at 30 June 2022 the Trust is party to a group finance facility which includes the ability to drawn down on $7,000,000 of a liquidity line of credit from external parties to fund repayment of resident ingoings. The liquidity line of credit can also be used by related parties of the Trust and at reporting date has not been utilised by the Trust or the Group;
- During the year the Group recorded a profit after tax (before distributions to unitholders) and cash inflows from operating activities; and
- A profit after tax (before distributions to unitholders) and positive cash inflows from operating activities are forecast for the next financial year
- Resident ingoings have funded capital works which is allowed as part of permitted uses under the Liquidity Management Strategy and *Fees and Payments Principles* 2014 (No.2)

The Director of the Trustee company have considered the position of the consolidated Group and, based on the above, consider the going concern basis to be appropriate for preparation of the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be incurred should the Trust not continue as a going concern.

Note 3. Significant accounting policies (continued)

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Judgements and key sources of estimation uncertainty
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Net assets attributable to unitholders
The Trust has a limited life of 80 years commencing from 14 April 1988.

As stipulated within the Trust's Deed, each unit represents a right to an individual share in the Trust and does not extend to a right in the underlying assets of the Scheme.

Units are classified as equity when they satisfy the following criteria under AASB 132 Financial instruments: Presentation:
1. the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Trust's liquidation;
2. the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
3. the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Trust, and it is not a contract settled in the Trust's own equity instruments; and
4. the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

The Trust's units have been classified as liability as they do not satisfy all the above criteria.

In accordance with the Trust Deed, the Trust distributes its income each year to unitholders. The distributions are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs attributable to unitholders.

Reserve balances exist within the Group. These relate to a bed licence reserve and a unitholder buy-back reserve. The bed licence reserve represents the value attributed to licences on transition to A_IFRS as required by Accounting Standards. The unitholder buy-back reserve represent buy-back transactions by the Trust of units on issue from unit holders based on the unit price set at the time representing the fair value determined of the business at the same time. Reserves form part of net assets attributable to unitholders.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all controlled entities of the Belmont Property Unit Trust (the 'Trust' or 'parent entity') as at 30 June 2022 and the results of all controlled entities for the year then ended. The Belmont Property Unit Trust and its controlled entities together are referred to in these financial statements as the 'Group'.

Controlled entities are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Controlled entities are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of controlled entities is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 3. Significant accounting policies (continued)

Principles of consolidation (continued)
Where the Group loses control over a controlled entity, it derecognises the assets including goodwill, liabilities and non-controlling interest in the controlled entity together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition
The Group provides residential aged care services to residents. The terms and conditions for services are agreed within a customer contract with the resident, which are enforceable, primarily on a daily basis. Contracts with customers contain provision for accommodation, use of common areas/facilities, provision of care and other services.

The Group recognises revenue under AASB 15 Revenue from Contracts with Customers which supersedes AASB 118 Revenue and related interpretations and applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The Group uses the five-step model as set out in AASB 15 to account for revenue arising from contracts with customers.

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

The provision of care to a resident is a single performance obligation. Other services and charges contain a number of different performance obligations.

All performance obligations are considered to be met on a daily basis and therefore the Trust does not have any outstanding performance obligations that have not been met at the report date in relation to contracts with residents of the Group's residential aged care facilities.

Government contributions
Government subsidies represent the contributions by the Government for the provision of care of residents and is recognised upon the delivery of the service to the resident. The contributions are calculated as a daily rate and is payable for each day that a resident is in a residential aged care facility.

Resident fees
Revenue from resident fees is recognised upon the delivery of the service to the residents. Residents simultaneously receive and consume the benefits provided.

Interest
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 revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Imputed Revenue on RAD and Bond Balances under AASB 16 Leases (“AASB 16”)
From the adoption of AASB 16 Leases it was concluded that the Group is a lessor in the arrangement where a resident has chosen a Refundable Accommodation Deposit (RAD) or Bond arrangement under which to receive residential aged care services. The arrangement is accounted for by recognising a non-cash increase in income, with a corresponding non-cash increase in finance costs on the RAD liability held with no net impact on the result in the period. The imputed interest income is calculated on the Maximum Permissible Interest Rate (MPIR) applicable at the date of entry for each resident from the date of adoption of the standard..

Income tax
Under current legislation, the Trust and its controlled entities are not liable for income tax provided its taxable income is fully distributed to Unitholders. The charge for current income tax expense is based on non-distributed profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Note 3. Significant accounting policies (continued)

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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 three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, receivables have been grouped based on days overdue.

Investment in associates
Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Distributions received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Note 3. Significant accounting policies (continued)

Investments and other financial assets (continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Movements in the loss allowance are recognised in profit or loss.

Property, plant and equipment

Freehold land and buildings are shown at cost less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property is reviewed annually by Trustee company Director for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on assets recognised.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The carrying amount of plant and equipment is reviewed annually by the Trustee company Director for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognised.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. 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 profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	2.5%
Plant & Equipment	5 - 20%

The depreciable amount is the carrying value of the asset less estimated residual amounts. The residual amount is based on what a similar asset of the expected condition of the asset at the end of its useful life could be sold for. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.
An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period. A summary of the policies applied to the Group's intangible assets is as follows:

Note 3. Significant accounting policies (continued)

Intangible assets (continued)

Bed licences
Bed licences are initially carried at cost or if acquired in a business combination, at fair value at the date of acquisition in accordance with AASB 3 Business Combinations.

Subsequently, the Group's bed licences, which were previously carried at cost less any accumulated impairment losses, are now measured at cost less accumulated amortisation and any accumulated impairment losses following the release of the discussion paper Improving Choice in Residential Aged Care – ACAR Discontinuation on 30 September 2021 by the Australian Government. For details, refer to Significant Accounting Judgements, Estimates and Assumptions for bed licences.

Bed licences are tested for impairment when circumstances indicate that the carrying value may be impaired.

Judgements and estimates have been made in determining fair value of bed licences as disclosed in note 4.

Impairment of non-financial assets

Bed licences that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are Grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 3. Significant accounting policies (continued)

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 national government 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.

Resident ingoings (Refundable Accommodation Deposits and Accommodation Bonds)
The liability for Accommodation Bonds and Refundable Accommodation Deposits ("RADs") is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees/retentions pursuant to the Aged Care Act 1997. These liabilities are considered to be current as the Group does not have the unconditional right to defer settlement of the liability for at least 12 months after reporting date. The obligation to settle could occur anytime.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each Group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Bed licences
On 30 September 2021, the Australian Government released a discussion paper Improving Choice in Residential Aged Care - ACAR Discontinuation. The discussion paper has confirmed the intention to abolish the Aged Care Approvals Round (“ACAR”) and associated supply restrictions on bed licences which was first announced in May 2021. The reforms will seethe discontinuation of the bed licences from 1 July 2024. During the transitional period providers can apply directly to the Australian Government confirmation of eligibility for Government subsidies when they are ready to operate.

Bed licences were previously recognised as intangible assets with an indefinite useful life and therefore were not amortised. Following the Government’s announcement and the information provided in the discussion paper in September 2021, the Group expects that the remaining useful lives of the bed licences will not extend beyond 1 July 2024, and have therefore determined that, notwithstanding the Directors’ view that the fair value less cost to dispose of these bed licences is nil, amortisation of bed licences from 1 October 2021 to 30 June 2024 on a straight-line basis is required, in order to comply with the Australian Accounting Standards and the Group’s accounting policy in relation to Goodwill and Intangible Assets,

The change in the useful life assessment was treated as a change in accounting estimates under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and therefore was recognised prospectively from 1 October 2021. As a result of the change, the Group recognised an amortisation expense in the statement of profit or loss of $8,715,494 (2021: nil) for the year ended 30 June 2022.

Impairment of non-financial assets other than intangible assets
The Group assesses impairment of non-financial assets other than goodwill and intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may indicate impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 5. Revenue

	2022 $	2021 $	2022 $	2021 $
Revenue				
Government subsidies	82,596,490	79,173,612	64,523,698	62,183,687
Resident fees	22,135,402	22,017,196	22,135,403	22,017,196
	104,731,892	101,190,808	86,659,101	84,200,883
Other revenue				
Management fees – related parties	-	-	18,086,976	16,989,924
Imputed revenue on RAD and bond balances under AASB16	10,231,187	10,134,773	8,322,762	8,253,991
Other revenue	305,201	1,899,231	305,200	1,899,232
Revenue	10,536,388	12,034,004	26,714,938	27,143,147
	115,268,280	113,224,812	113,374,039	111,344,030

Note 6. Expenses

	Consolidated		Parent	
	2022 $	2021 $	2022 $	2021 $
Profit includes the following specific expenses:				
Finance costs				
Interest and finance charges paid/payable - external parties	948,414	752,569	948,414	746,482
Interest expense on leases under AASB 16 – right of use assets	-	-	70,425	98,323
Interest expense on leases under AASB 16 – imputed	10,231,187	10,134,773	8,322,762	8,253,991
Interest and finance charges paid/payable - accommodation bonds	477,355	408,342	473,191	408,342
Interest and finance charges paid/payable - related parties	68,136	82,713	68,135	82,713
Finance costs expensed	11,725,092	11,378,397	9,882,927	9,589,851
Superannuation expense				
Defined contribution superannuation expense	5,953,038	5,575,363	5,953,038	5,575,363
Depreciation and amortisation costs				
Depreciation charge on property, plant and equipment	5,007,741	4,625,485	4,074,387	3,666,739
Amortisation charge on right of use assets	127,007	100,250	1,636,124	1,636,443
Amortisation charge on intangible assets	8,715,494	-	8,265,494	-
Depreciation and amortisation costs expensed	13,850,242	4,725,735	13,976,005	5,303,182

Note 7. Cash and cash equivalents

	Note	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Current assets		1,250	-	-	-
Cash on hand		10,452,749	7,585,303	6,916,859	2,572,392
Cash at bank		10,453,999	7,585,303	6,916,859	2,572,392

Cash on hand and on deposit is non-interest bearing. Cash at bank bears interest at 1.0% (2021: 1.5%). There are no cash balances where the fair value would be materially different from the carrying value, due to their short-term nature.

Note 8. Trade and other receivables

		Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Current assets					
Trade receivables		483,737	304,081	483,737	304,081
Other receivables		321,691	5,189	328,625	5,092
Receivables from related parties	22	24,650,908	6,864,927	24,650,908	6,864,927
Receivables from controlled entities	22	-	-	6,231,724	18,029,519
		25,456,336	7,174,197	31,694,994	25,203,619

Note 9. Financial assets

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Current assets				
Loans to related parties	-	4,348,777	-	4,348,777
Non-current assets				
Loans to related parties	-	2,150,000	-	-

Current and non-current loans to related parties are interest bearing at an average rate of 3% (2021: 3%) per annum.

Note 10. Investments accounted for using the equity method

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Non-current assets				
Investment in Prestige In-home Care Pty Ltd	-	4,242,068	-	-
Reconciliation				
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:				
Opening carrying amount	4,242,068	2,824,225	-	-
Share of profit	1,004,948	1,917,843	-	-
Dividends paid	(2,750,000)	(500,000)	-	-
Disposal of associate	(2,497,016)	-	-	-
Closing carrying amount	-	4,242,068	-	-

Refer to note 24 for further information on interests in associates.

Note 11. Property, plant and equipment

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Non-current assets				
Land and buildings - at cost	204,340,400	175,111,529	160,827,605	131,615,737
Less: Accumulated depreciation	(26,183,507)	(22,811,213)	(19,211,741)	(16,772,802)
	178,156,893	152,300,316	141,615,864	114,842,935
Plant and equipment - at cost	14,090,034	11,906,266	14,090,034	11,906,266
Less: Accumulated depreciation	(7,538,760)	(5,939,554)	(7,538,760)	(5,939,554)
	6,551,274	5,966,712	6,551,274	5,966,712
Work in progress - at cost	1,299,657	20,080,978	1,299,657	20,080,978
	186,007,824	178,348,006	149,466,795	140,890,625

Note 11. Property, plant and equipment (continued)

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Land and buildings $	Plant and equipment $	Work in progress $	Total $
Balance at 1 July 2021	152,300,316	5,966,712	20,080,978	178,348,006
Additions	9,614,664	2,315,943	855,292	12,785,899
Transfers between classes	19,636,613		(19,636,613)	-
Disposals	-	(118,340)	-	(118,340)
Depreciation expense	(3,394,700)	(1,613,041))	-	(5,007,741))
Balance at 30 June 2022	178,156,893	6,551,274	1,299,657	186,007,824

Parent	Land and buildings $	Plant and equipment $	Work in progress $	Total $
Balance at 1 July 2021	114,842,935	5,966,712	20,080,978	140,890,625
Additions	9,597,662	2,197,603	855,292	12,650,557
Transfers between classes	19,636,613	-	(19,636,613)	-
Depreciation expense	(2,461,346)	(1,613,041)	-	(4,074,387)
Balance at 30 June 2022	141,615,864	6,551,274	1,299,657	149,466,625

Note 12. Intangibles

	Consolidated		Parent	
	2022 $	2021 $	2022 $	2021 $
Non-current assets				
Bed licences - at cost	31,956,807	31,956,807	30,306,807	30,306,807
Amortisation expense	(8,715,494)	-	(8,265,494)	-
Impairment expense	(1,515,414)	-	(1,515,414)	-
Balance at 30 June 2022	21,725,899	31,956,807	20,525,899	30,306,807

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Bed licences $	Total $
Balance at 1 July	31,956,807	31,956,807
Amortisation expense	(8,715,494)	(8,715,494)
Impairment expense	(1,515,414)	(1,515,414)
Balance at 30 June	21,725,899	21,725,899

Note 12. Intangibles (continued)

Parent	Bed licences $	Total $
Balance at 1 July	30,306,807	30,306,807
Amortisation expense	(8,265,494)	(8,265,494)
Impairment expense	(1,515,414)	(1,515,414)
Balance at 30 June	20,525,899	20,525,899

Note 13. Right of Use Assets

	Note	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Cost or deemed cost					
Balance at 1 July		492,888	492,888	8,173,854	8,173,854
Additions		-	-	-	-
Balance at 30 June		492,888	492,888	8,173,854	8,173,854
Accumulated deprecation					
Balance at 1 July		(200,498)	(100,248)	(3,272,884)	(1,636,441)
Depreciation for the period		(99,933)	(100,250)	(1,636,124)	(1,636,443)
Balance at 30 June		(300,431)	(200,498)	(4,909,008)	(3,272,884)
Carrying amounts					
At 30 June		192,457	292,390	3,264,846	4,900,970

Note 14. Trade and other payables

		Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Current liabilities					
Trade payables		868,611	981,531	762,563	902,559
Payables to related parties	22	306,532	306,532	306,532	306,532
Sundry payables and accruals		5,829,602	3,472,334	5,820,779	3,480,393
		7,004,745	4,760,397	6,889,874	4,689,484

Belmont Property Unit Trust
Notes to the financial statements
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Note 15. Financial liabilities

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Current liabilities				
Bank loans	38,740,430	42,831,646	38,740,430	42,831,646

Bank loans are secured by the land and buildings owned by the Group as well as the general assets of the Group and Dillarn Pty Ltd. The underlying value of the aforementioned assets are guaranteed by the Trust's Unitholders. The bank loans are interest bearing at an average rate of 1.52% (2021: 1.58%) per annum.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Total facilities				
Bank overdraft	3,000,000	3,000,000	3,000,000	3,000,000
Bank loans	72,471,000	72,471,000	72,471,000	72,471,000
Other facilities	1,200,000	1,200,000	1,200,000	1,200,000
	76,671,000	76,671,000	76,671,000	76,671,000
Used at the reporting date				
Bank overdraft	-	-	-	-
Bank loans	38,740,430	42,831,646	38,740,430	42,831,646
Other facilities	-	-	-	-
	38,740,430	42,831,646	38,740,430	42,831,646
Unused at the reporting date				
Bank overdraft	3,000,000	3,000,000	3,000,000	3,000,000
Bank loans	33,730,570	29,639,354	33,730,570	29,639,354
Other facilities	1,200,000	1,200,000	1,200,000	1,200,000
	37,930,570	33,839,354	37,930,570	33,839,354

The overdraft facility is available to assist with working capital commitments.

Bank loans are available to assist with working capital requirements and capital projects, share buybacks, repayments of resident ingoings and to enable capital returns to unitholders, where available.

Other facilities include an electronic payaway facility, a standby letter of credit/guarantee facility and a commercial card facility.

Note 16. Employee benefits

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Current liabilities				
Employee benefits	11,091,552	9,780,220	11,091,552	9,780,220
Non-current liabilities				
Employee benefits	1,774,553	1,700,831	1,774,553	1,700,831

Note 17. Resident ingoings

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Current liabilities				
Resident ingoings	186,875,205	177,537,373	151,212,526	144,855,296

From 1 July 2007, pursuant to the Aged Care Act 1997, interest is paid on accommodation bonds following departure (or death) of a resident. Interest is required to be paid at two different rates:

- at the base interest rate for the period between when the resident leaves the care service or dies and the earlier of the date the deposit/bond balance is refunded and the date the legislated timeframe for the refund of the deposit/bond balance expires; and

- at the maximum permissible interest rate for the period after the end of the legislated time frame (or the time set out in the Formal Agreement) until the bond or deposit is refunded.

Rates are amended quarterly. Base rate equates to 2.25% for the year full year ended 30 June 2022 and was 2.25% for the year ended 30 June 2021 and maximum permissible rates varied from 4.01% to 6.31% for the year ended 30 June 2022 and from 4.01% to 4.10% for the year ended 30 June 2021

Note 18. Lease Liabilities

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Current				
Lease Liabilities	100,295	100,295	1,636,035	1,636,035
Non-current				
Lease Liabilities	97,552	197,526	1,713,625	3,349,338
Representative of				
Within twelve months	106,174	113,193	1,407,553	1,714,816
Within one year to five years	94,784	191,942	1,997,405	3,396,319
More than five years	-	-		
Less: Future finance charges	(3,111)	(7,314)	(55,298)	(125,762)
	197,847	297,821	3,349,660	4,985,373

Liabilities represent property and equipment leasing arrangements and vary in periods. Options have been taken into consideration where reasonably certain to exercise. The IBR rate applicable for lease liabilities is 1.72%

Lease payments included in the measurement of the lease liability comprise:

1. Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
2. Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
3. The amount expected to be payable by the lessee under residual value guarantees;
4. The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
5. Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate or the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Trust did not make any such adjustments during the periods presented.

Note 19. Related parties

Compensation
The aggregate compensation made to the Trustee company Director and other members of Key management personnel of the Trust is set out below:

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Aggregate key management personnel compensation	2,773,227	1,914,530	2,773,227	1,914,530

The Director of the Trustee company is Mr. Brian Hewitt.

Other than the Director listed above, there were seven (9) (2021: seven (7)) other key management personnel. The remuneration paid by the Trust has been included above.

Note 20. Contingencies

The Group has no contingent assets and no contingent liabilities as at 30 June 2022 (2021: Nil).

Note 21. Commitments

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Capital commitments				
Committed at the reporting date and recognised as payable:				
Property construction	-	8,887,853	-	8,887,853

Note 22. Related party transactions

Controlled entities
Interests in controlled entities are set out in note 23.

Associates
Interests in associates are set out in note 24.

Key management personnel
Disclosures relating to key management personnel are set out in note 18.

Note 22. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Management fees	-	-	18,086,976	16,989,924
Interest charged to related parties	57,523	72,171	194,859	328,638
Distributions to related parties	12,093,375	6,955,746	12,093,375	6,955,746
Interest charges from related parties	68,315	82,713	68,315	82,713

Transactions between related parties are on mutually agreed terms and conditions.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Current receivables:				
Receivables from related parties – external	24,650,908	6,864,927	24,650,908	6,864,927
Receivables from related parties – controlled entities	-	-	6,231,724	18,029,519
Current payables:				
Payables to related parties	306,532	306,532	306,532	306,532

Note 22. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Current financial assets:				
Loans to related parties	-	4,348,777	-	4,348,777
Non-current financial assets:				
Loans to related parties	-	2,150,000	-	-

Terms and conditions
Transactions between related parties are on mutually agreed terms and conditions.

Note 23. Interests in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 2:

		Ownership interest	
	Principal place of business /	2022	2021
Name	Country of incorporation	%	%
Homestyle Leopold Unit Trust	Australia	100.00%	100.00%
Homestyle Point Cook Unit Trust	Australia	100.00%	100.00%
Homestyle Knox Unit Trust	Australia	100.00%	100.00%
Lifestyle Aged Care Trust	Australia	100.00%	100.00%

Note 24. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

		Ownership interest	
	Principal place of business /	2022	2021
Name	Country of incorporation	%	%
Prestige In-home Care Pty Ltd	Australia	0%	50.00%

Note 25. Events after the reporting period for the Group and Trust

COVID-19 Grant Recoveries
Subsequent to 30 June 2022, the Group submitted 12 claims for a total amount of $784,224 that are pending approval, these claims have not been recorded as revenue given have not yet been confirmed by the Government.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group and Trust's operations, the results of those operations, or the Group and Trust's state of affairs in future financial years.

Belmont Property Unit Trust
The Trustee company Director' declaration
30 June 2022

In the Trustee company Director's opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards and give a true and fair view of the Group's and Trust's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Group and Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Trustee Company's Director.

On behalf of the Trustee Company's Director

Mr Brian Hewitt
Director

27 October 2022

Deloitte.

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Independent Auditor's Report to the Unitholders of Belmont Property Unit Trust

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Belmont Property Unit Trust (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated and parent statement of financial position as at 30 June 2022, the consolidated and parent statement of profit or loss and other comprehensive income, the consolidated and parent statement of net deficiency attributable to unitholders and the consolidated and parent statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and Trustee Director declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Entity and Group's financial position as at 30 June 2022 and of their financial performance and their cash flows for the year then ended in accordance 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 Group in accordance with the ethical requirements of the Accounting Professional & 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.

Responsibilities of Those Charged with Governance for the Financial Report

The Director is responsible for the preparation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and for such internal control as the Director determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 Those Charged with Governance 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Sandra Lawson

Sandra Lawson
Partner
Chartered Accountants

Melbourne, 27 October 2022