

# **SwanCare Group Inc**

**ABN: 20 680 689 922**

## **Financial Report**

**For the year ended 30 June 2024**

# SwanCare Group Inc

ABN: 20 680 689 922

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For the year ended 30 June 2024

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## Auditor's Independence Declaration

### To the Directors of SwanCare Group Incorporated

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of SwanCare Group Incorporated for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker

Partner - Audit & Assurance

Perth, 29 October 2024

## SwanCare Group Inc

ABN: 20 680 689 922

### Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Revenue and other income</b>			
Revenue	2	62,564	55,047
Other income	2	8,993	6,717
Fair value gain on investment properties		5,500	-
<b>Total revenue and other income</b>		<b>77,057</b>	<b>61,764</b>
<b>Expenses</b>			
Depreciation expenses		(4,680)	(4,800)
Employee expenses		(46,833)	(37,711)
Other operating expenses		(4,298)	(4,135)
Borrowing costs		(7,641)	(5,789)
Cleaning and domestic expenses		(653)	(620)
Repair and maintenance expenses		(2,649)	(2,628)
Utility expenses		(1,484)	(1,319)
Resident food services expenses		(2,546)	(2,365)
Medical expenses		(994)	(998)
<b>Total expenses</b>		<b>(71,778)</b>	<b>(60,365)</b>
<b>Net surplus/(loss)</b>		<b>5,279</b>	<b>1,399</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit/(loss)</i>			
Gain on revaluation of property, plant and equipment		11,425	-
<b>Total other comprehensive income</b>		<b>11,425</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>16,704</b>	<b>1,399</b>

The accompanying notes form part of these financial statements

# SwanCare Group Inc

ABN: 20 680 689 922

## Statement of Financial Position

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	15,130	19,893
Trade and other receivables	5	589	624
Other assets	6	930	1,182
Financial assets	7	14,152	10,281
<b>Total current assets</b>		<b>30,801</b>	<b>31,980</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	150,219	135,349
Investment property	9	223,402	210,221
<b>Total non-current assets</b>		<b>373,621</b>	<b>345,570</b>
<b>Total assets</b>		<b>404,422</b>	<b>377,550</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	4,655	3,685
Borrowings	11	4,900	4,900
Resident loans, accommodation bonds and RADs	12	213,433	205,041
Provisions	13	5,384	4,489
<b>Total current liabilities</b>		<b>228,372</b>	<b>218,115</b>
<b>Non-current liabilities</b>			
Provisions	13	250	339
<b>Total non-current liabilities</b>		<b>250</b>	<b>339</b>
<b>Total liabilities</b>		<b>228,622</b>	<b>218,454</b>
<b>Net assets</b>		<b>175,800</b>	<b>159,096</b>
<b>Equity</b>			
Accumulated surplus		78,771	73,413
Asset revaluation reserve	14(a)	91,636	80,211
Maintenance reserve	14(b)	5,393	5,472
<b>Total equity</b>		<b>175,800</b>	<b>159,096</b>

The accompanying notes form part of these financial statements

## SwanCare Group Inc

ABN: 20 680 689 922

### Statement of Changes in Equity

As at 30 June 2024

	Accumulated surplus	Asset revaluation reserve	Maintenance reserve	Total
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>	<b>72,007</b>	<b>80,211</b>	<b>5,479</b>	<b>157,697</b>
<b>Comprehensive income</b>				
Net surplus for the year	1,399	-	-	1,399
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>1,399</b>	<b>-</b>	<b>-</b>	<b>1,399</b>
Transfer into maintenance reserve	(2,546)	-	2,546	-
Amounts used in maintenance reserve	2,553	-	(2,553)	-
<b>Balance at 30 June 2023</b>	<b>73,413</b>	<b>80,211</b>	<b>5,472</b>	<b>159,096</b>
<b>Balance at 1 July 2023</b>	<b>73,413</b>	<b>80,211</b>	<b>5,472</b>	<b>159,096</b>
<b>Comprehensive income</b>				
Net surplus for the year	5,279	-	-	5,279
Other comprehensive income for the year	-	11,425	-	11,425
<b>Total comprehensive income for the year</b>	<b>5,279</b>	<b>11,425</b>	<b>-</b>	<b>16,704</b>
Transfer into maintenance reserve	(2,538)	-	2,538	-
Amounts used in maintenance reserve	2,617	-	(2,617)	-
<b>Balance at 30 June 2024</b>	<b>78,771</b>	<b>91,636</b>	<b>5,393</b>	<b>175,800</b>

The accompanying notes form part of these financial statements

## SwanCare Group Inc

ABN: 20 680 689 922

### Statement of Cash Flows

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		78,748	59,891
Payments to suppliers and employees		(73,384)	(53,996)
Dividends received		696	436
Interest received		947	541
Interest paid		(498)	(388)
<b>Net cash provided by operating activities</b>		<b>6,509</b>	<b>6,484</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(8,862)	(2,868)
Sale of property, plant and equipment		242	277
Payments for investment properties		(2,227)	(3,566)
Payments for financial assets		(3,871)	(436)
<b>Net cash used in investing activities</b>		<b>(14,718)</b>	<b>(6,593)</b>
<b>Cash flows from financing activities</b>			
Receipt of refundable accommodation deposits & resident loans		54,482	44,421
Repayment of refundable accommodation deposits & resident loans		(51,036)	(36,003)
Repayment of borrowings		-	(2,100)
<b>Net cash provided by financing activities</b>		<b>3,446</b>	<b>6,318</b>
<b>Net (decrease)/increase in cash and cash equivalents held</b>		<b>(4,763)</b>	<b>6,209</b>
Cash and cash equivalents at beginning of financial year		19,893	13,684
<b>Cash and cash equivalents at end of financial year</b>	4	<b>15,130</b>	<b>19,893</b>

The accompanying notes form part of these financial statements

# SwanCare Group Incorporated

ABN: 20 680 689 922

## Notes to the Financial Statements

For the year ended 30 June 2024

The financial statements and notes represent those of SwanCare Group Inc (the Association).

The Association is a not-for-profit entity domiciled in Western Australia under the *Associations Incorporation Act 2015*.

The financial statements of the Association for the year ended 30 June 2024 were authorised for issue with a resolution by the Board on 29th October 2024.

### Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, *Associated Incorporations Act 2015*, Australian Accounting Standards - Simplified Disclosures and Interpretations of the Australian Accounting Standards Board.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual 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.

### Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Residents' refundable accommodation deposits and bonds and residents' loans amounting to \$213m are treated as current liabilities in the Statement of Financial Position given there is no unconditional right to defer payment should residents exit the facilities. However, the turn-over of residents throughout the course of a year is typically low and once a bed or independent living unit becomes available, they are generally filled within a short period of time attracting a new RAD or loan. Facilities of \$12m are in place with NAB to support repayment of RADs if required. The drawdown to date is nil. In preparing the financial statements on a going concern basis, the Association has assumed the continuing support of its lenders. Details of borrowings are disclosed in Note 11 and the borrowing facilities are current as at the time of this report.

## 1 Material Accounting Policy Information

### a Income tax

The Association is exempt from income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

### b Property, plant and equipment

The Association's freehold land and buildings are held at their fair value, less subsequent depreciation for buildings. Valuations are performed by external independent valuers on at least a triennial basis.

All other classes of property, plant and equipment are held at cost less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis. The rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.50%
Plant and equipment	15% - 33%
Motor vehicles	15%



# SwanCare Group Incorporated

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## Notes to the Financial Statements

For the year ended 30 June 2024

### 1 Material Accounting Policy Information

#### c Investment properties

Investment properties are initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

#### d Residents' accommodation bonds and Refundable Accommodation Deposits (RAD)

On 1 July 2014 the Federal Government's Living Longer, Living Better aged care plan (LLLB) was implemented. Under LLLB the previously charged accommodation bonds were replaced with Refundable Accommodation Deposits (RADs) and Daily Accommodation Payments (DAPs). There are no retention amounts on RADs. Residents have the option of paying a RAD or using a mix of DAP and RAD, with the choice impacted by the Maximum Permissible Interest Rate (MPIR).

RADs and DAPs are agreed between the resident and the Association and the resident has 28 days to elect their choice of payment method.

Resident loans, accommodation bonds and RADs are treated as liabilities at amortised cost.

Resident loans are measured at the principal amount less accrued annual loan reduction, plus the resident's share of capital gains based on the market value of the underlying property at the reporting date. Fair value movements on resident loans are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which the revaluation occurs.

RADs are recorded at fair value in accordance with the resident's agreement and any other amounts deducted from them at the election of the resident.

Resident loans, accommodation bonds and RADs are non-interest bearing liabilities and the net amount due is repayable on demand. The fair value of resident loans, accommodation bonds and RADs is not less than the amount payable on demand.

Resident loans, accommodation bonds and RADs are classified as current liabilities because the Association does not have an unconditional right to defer settlement for a period greater than twelve months. History suggests that a resident in a retirement village is staying on average for nine years and a resident in an aged care facility for an average of three years. The Association anticipates that it will repay approximately \$26 million of resident loans, accommodation bonds and RADs in the next twelve months, which will largely be funded by contributions from incoming residents.

Resident loans, accommodation bonds and RADs are de-recognised when the obligation under the liability is discharged.

#### e Revenue

The Association is in the business of providing residential aged care services to residents. The terms and conditions for services are agreed with a single 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.

#### Disaggregation of revenue

The Association has disaggregated revenue based on the source of the funding for the provision of residential aged care.

#### i Government Funded Residential Care Subsidies & Supplements

The Australian Government determines the amount of subsidies and supplements in accordance with the provisions of the *Aged Care Act*. In accordance with the act, the level of subsidy or supplement is dependent on a range of factors, including a resident's care needs, supported resident ratios in a particular facility and whether a facility has been newly built or significantly refurbished on or after 20 April 2012. The subsidies and supplements are calculated as a daily rate and are payable for each day that a resident is in our care.

# SwanCare Group Incorporated

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## Notes to the Financial Statements

For the year ended 30 June 2024

### 1 Material Accounting Policy Information (continued)

#### e Revenue (continued)

##### ii Resident Fees

The Association receives fees which are set by the Government in accordance with the Aged Care Act and are funded directly by the resident. The Association provides a range of services and accommodation to residents under mutually agreed terms and conditions. All fees are calculated as a daily rate and are invoiced fortnightly in advance. Revenue from the rendering of a service is recognised upon the delivery of the service to the residents.

##### iii Management Charges

There is a management charge associated with the lifetime lease of units within the retirement village. This charge is recognised as income on an annual basis but will only be received upon re-leasing of the unit. The deferred management charge is accounted for by a reduction in the residents' loan accounts liability. The recoverability of the management charges is reviewed annually to determine the amount, if any, that is no longer recoverable. Any such amounts are written off to the Statement of Profit or Loss and Other Comprehensive Income.

##### iv Village Service & Rental Fees

The Association receives a service fee for all occupied units in its retirement village, whether leased or rented. Service fees are indexed each financial year through the budget process. In addition, residents on rental agreements pay a rental fee for accommodation. Both service fees and rental fees are calculated on a daily basis and charged fortnightly in advance. Revenue from the rendering of a service is recognised upon the delivery of the service to the residents.

##### v Hospitality Income

Hospitality income is derived through the operation of two on-site cafes, catering services and an on-site laundry facility. Revenue is recognised at the point of sale. These facilities are available to staff, residents and visitors.

##### vi Lifetime Leases

The Association sells lifetime leases of units in its retirement village. These leases terminate no later than the death of the lessee. On termination the Association will, on behalf of the former lessee in accordance with contractual requirements, endeavour to re-lease the unit and on re-leasing the unit will pay part of the re-leased price to the former lessee. The amount payable will be part of the lease price paid by the new lessee reduced by management charges and any costs and expenses due. The amount payable is recognised in the accounts net of any impact of fair value increments or decrements, which is dependent on the contractual obligation of the Association.

##### vii Imputed Lease Income on RAD's under AASB 16 Leases

Total revenue includes the provision of accommodation that is accounted for in accordance with AASB 16 Leases. Operating lease revenue is recognised on a straight-line basis over the length of stay. For residents that have chosen to pay a RAD or Bond, the adoption of AASB 16 as of 1 July 2019, would regard there being a reduction in, or no, cash charge for accommodation. The accounting treatment for the non-cash consideration component of this arrangement is expected to change and result in the recognition of an increase in revenue for accommodation and an increase in financing costs relating to the outstanding RAD liability, with no net impact on the operating profit for periods affected.

In the statement of profit or loss and other comprehensive income an amount of \$7.14m has been included and an additional interest cost (imputed interest charge on RADs and Bonds) of \$7.14m with no impact on net profit for the year.

# SwanCare Group Incorporated

ABN: 20 680 689 922

## Notes to the Financial Statements

For the year ended 30 June 2024

### 1 Material Accounting Policy Information (continued)

#### f Financial instruments

The Association's financial instruments are initially measured at fair value +/- transaction costs, except for the transaction costs on assets held at fair value through profit or loss which are expensed immediately.

The Association's investment portfolio is subsequently measured at fair value through profit or loss. Whilst all other financial instruments are subsequently measured at amortised cost.

#### g Judgements and key sources of estimation uncertainty

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

##### i Aged Care Facilities

The board performs a formal revaluation of its aged care facilities every three years. For the aged care facilities, a number of estimates and assumptions are made in performing the calculations. These are most notably: market EBITDA per occupied bed, the fair cash rent percentage, predicted occupancy rates, vacancy rates and escalation rates.

A formal valuation as per our policy was undertaken in FY24 resulting in a fair value gain of \$11.4m. The next formal valuation is due in FY27 however, a desktop review is taken annually and if the movement is deemed material, an adjustment will be processed.

##### ii Investment Properties

In determining the value of the retirement living units, comparisons have been made to recent sales in the Bentley Park and Australind Rise Retirement Villages and other retirement villages that reflect the specialist nature of the improvements with, where necessary, adjustments to reflect the market, location, quality and size of the units. There has also been analysis made of the sales and rentals of conventional strata titles units during 2024 in the immediate areas local to the Bentley campus.

A formal valuation as per our policy was undertaken in FY24 resulting in a fair value gain of \$10.446m. The next formal valuation is due in FY27 however, a desktop review is taken annually and if the movement is deemed material, an adjustment will be processed.

# SwanCare Group Inc

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## Notes to the Financial Statements

For the year ended 30 June 2024

### 2 Revenue and other income

	2024	2023
	\$'000	\$'000
<b>Revenue</b>		
Australian government subsidies & supplements	40,803	32,083
Resident fees	13,962	13,525
Management fees	2,357	3,546
Village service & rental fees	3,209	2,957
Hospitality income	686	603
Other operating income	1,547	2,333
	<u>62,564</u>	<u>55,047</u>
<b>Other income</b>		
Realised gain on interest rate swap	-	6
Interest received	947	541
Dividend income	696	436
Gain on disposal of property, plant and equipment	13	276
Imputed interest from RADs and bonds	7,143	5,401
Fair value gain on investment portfolio	194	57
	<u>8,993</u>	<u>6,717</u>
	<u>71,557</u>	<u>61,764</u>

The Association's revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*, whilst other income is recognised in accordance with other accounting standards.

#### a Timing of revenue recognition

Point in time	60,207	51,501
Over time	2,357	3,546
	<u>62,564</u>	<u>55,047</u>

### 3 Surplus/(loss) before income tax expense

Surplus/(loss) before tax includes the following significant expenses:

Superannuation expense	4,349	3,342
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### 4 Cash and cash equivalents

Current		
Cash on hand	4	5
Cash at bank	15,126	19,888
	<u>15,130</u>	<u>19,893</u>

## SwanCare Group Inc

ABN: 20 680 689 922

### Notes to the Financial Statements

For the year ended 30 June 2024

#### 5 Trade and other receivables

	2024 \$'000	2023 \$'000
Current		
Trade receivables	451	462
Other receivables	-	26
GST receivable	138	136
	<u>589</u>	<u>624</u>

#### 6 Other assets

Current		
Prepayments	930	642
Contract assets	-	540
	<u>930</u>	<u>1,182</u>

#### 7 Financial assets

Current		
Investment portfolio	14,152	10,160
Derivative financial instrument	-	121
	<u>14,152</u>	<u>10,281</u>

##### a Valuation methods and significant assumptions

The Association's investment portfolio is valued with reference to quoted market prices.

#### 8 Property, plant and equipment

	2024 \$'000	2023 \$'000
<b>Land</b>		
At fair value	29,892	29,892
	<u>29,892</u>	<u>29,892</u>
<b>Buildings</b>		
At fair value	134,216	122,767
Accumulated depreciation	(26,537)	(23,528)
	<u>107,679</u>	<u>99,239</u>
<b>Plant and equipment</b>		
Plant and equipment at cost	20,547	19,410
Accumulated depreciation	(16,663)	(15,074)
	<u>3,884</u>	<u>4,336</u>

## SwanCare Group Inc

ABN: 20 680 689 922

### Notes to the Financial Statements

For the year ended 30 June 2024

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

	2024	2023
	\$'000	\$'000
<b>Motor vehicles</b>		
Motor vehicles at cost	1,116	985
Accumulated depreciation	(654)	(604)
	<u>462</u>	<u>381</u>
<b>Art collection</b>		
At cost	63	63
Accumulated depreciation	-	-
	<u>63</u>	<u>63</u>
<b>Work in progress</b>		
At cost	8,239	1,438
	<u>8,239</u>	<u>1,438</u>
	<u><u>150,219</u></u>	<u><u>135,349</u></u>

#### a Movements in carrying amounts

	Land	Buildings	Plant and equipment	Motor vehicles	Art collection	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	29,892	99,239	4,336	381	63	1,438	135,349
Additions	-	24	1,072	392	-	7,374	8,862
Disposals	-	-	-	(229)	-	-	(229)
Revaluation	-	11,425	-	-	-	-	11,425
Transfers	-	-	65	-	-	(65)	-
WIP transfer to investment property	-	-	-	-	-	(508)	(508)
Depreciation	-	(3,009)	(1,589)	(82)	-	-	(4,680)
Balance at 30 June 2024	<u>29,892</u>	<u>107,679</u>	<u>3,884</u>	<u>462</u>	<u>63</u>	<u>8,239</u>	<u>150,219</u>

#### 9 Investment property

	2024	2023
	\$'000	\$'000
Investment property at fair value	<u>223,402</u>	<u>210,221</u>

#### a Movements in carrying amounts

	2024
	\$'000
Balance at beginning of year	210,221
Additions	1,563
Capital growth on rollover	1,172
Fair value adjustments	10,446
Balance at end of year	<u><u>223,402</u></u>

## SwanCare Group Inc

ABN: 20 680 689 922

### Notes to the Financial Statements

For the year ended 30 June 2024

#### 10 Trade and other payables

	2024	2023
	\$'000	\$'000
Current		
Trade payables	33	174
Other payables and accrued expenses	4,622	3,511
	<u>4,655</u>	<u>3,685</u>

#### 11 Borrowings

Current		
Bank loan - secured	4,900	4,900
	<u>4,900</u>	<u>4,900</u>

##### a Security

The bank loan and facilities are secured by a first registered company charge (mortgage debenture) on all the assets and undertakings of SwanCare Group Inc. This is a fixed and floating charge over all present and future assets.

##### b Key terms and conditions of borrowings

Regular repayments are interest only and are to be met from cash flow or other internal cash resources. The average interest rate is 5.34%. The maturity date of the facility is 31 July 2024. This has been renewed in FY25, maturing 30 June 2026.

##### c Financial covenants

All covenants have been complied with as at reporting date.

##### d Facility limits

	2024	2023
	\$'000	\$'000
RAD facility limit	12,000	12,000
Drawn borrowings	-	-
Undrawn borrowings	<u>12,000</u>	<u>12,000</u>
Long term debt facility limit	4,900	4,900
Drawn borrowings	(4,900)	(4,900)
Undrawn borrowings	<u>-</u>	<u>-</u>

#### 12 Resident loans, accommodation bonds and RADs

Current		
Residents' accommodation bonds and RADs	86,752	87,098
Residents' loan accounts	126,681	117,943
	<u>213,433</u>	<u>205,041</u>

## SwanCare Group Inc

ABN: 20 680 689 922

### Notes to the Financial Statements

For the year ended 30 June 2024

#### 13 Provisions

	2024	2023
	\$'000	\$'000
Current		
Annual leave	3,635	3,048
Long service leave	1,749	1,441
	<u>5,384</u>	<u>4,489</u>
Non-current		
Long service leave	250	339
	<u>250</u>	<u>339</u>
	<u>5,634</u>	<u>4,828</u>

#### 14 The Association as lessee

The Association's photocopier lease has been accounted for by applying the low value lease exemption from AASB 16 *Leases*.

	2024	2023
	\$'000	\$'000
Low value lease expense	<u>27</u>	<u>29</u>

#### 15 Reserves

##### a Asset revaluation reserve

The revaluation surplus records revaluations of non-current assets.

##### b Maintenance reserve

The maintenance reserve records funds set aside for the future maintenance requirements.

#### 16 Key management personnel remuneration

The Association's only related parties are its key management personnel (KMP). The Association's KMP remuneration is as follows:

	2024	2023
	\$'000	\$'000
Total KMP remuneration	<u>1,816</u>	<u>1,821</u>

The Association has no other related party transactions or balances for the year ended 30 June 2024 (2023: \$nil).

#### 17 Auditor's remuneration

Remuneration of the auditor for:

- Auditing the financial statements	64	57
- Other engagements	-	52
	<u>64</u>	<u>109</u>

#### 18 Contingencies

The Association has no contingent liabilities or assets at 30 June 2024 (2023: Nil).



## **SwanCare Group Inc**

ABN: 20 680 689 922

### **Notes to the Financial Statements**

**For the year ended 30 June 2024**

#### **19 Commitments**

As at 30 June 2024, the Association had capital commitments of \$14.1m (30 June 2023: \$0) relating to the completion of the Waminda facility refurbishment capital project. The remaining costs are expected to be incurred in the year ended 30 June 2025 and 30 June 2026 respectively: \$6.6m and \$1.9m.

#### **20 Events after the reporting date**

Since 30 June 2024, the Association has entered into a new bank loan agreement for an amount of \$8.9m expiring 30 June 2028. This loan is intended to fund the Waminda facility refurbishment capital project. This subsequent event will be reflected in the Association's upcoming reporting period.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, of the Association's state of affairs in future financial years.

#### **21 Association details**

The Association's principal place of business is:

26 Plantation Drive  
Bentley WA 6102

The principal activity is the provision of accommodation for those persons who by reason of their age, ill health, accident or infirmity are wholly or in part unable to maintain themselves by their own exertion.

**SwanCare Group Inc**


ABN: 20 680 689 922


**Directors' Declaration**

**For the year ended 30 June 2024**

In accordance with a resolution of the directors of SwanCare Group Inc, the directors of the Association declare that:

- 1 The financial statements and notes, as set out on pages 2 to 15, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a comply with Australian Accounting Standards - Simplified Disclosures; and
  - b give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Association.
- 2 In the directors' opinion there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Director:   
\_\_\_\_\_   
Mr. John McLean

Director:   
\_\_\_\_\_   
Mr. Rob Wilton

Date: \_\_\_\_\_   
29<sup>th</sup> 2024

## Independent Auditor's Report

### To the Members of SwanCare Group Inc

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of SwanCare Group Inc (the "Entity"), which comprises the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Statement by the Members of Division Council.

In our opinion, the financial report of SwanCare Group Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*, the *Associations Incorporations Act 2015* and other statutory requirements including the *Accountability Principles 2014* pursuant to the *Aged Care Act 1997*.

##### 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 Registered Entity in accordance with 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.

##### Other information

Management are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Registered Entity'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 Registered Entity 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner – Audit & Assurance

Perth, 29 October 2024