The Argyle Trust
(Trustee: Chevron Corporation Pty Ltd)
Annual Report - 30 June 2024

ABN 37 347 620 876

Approved Provider for

Chevron Corporation Pty Ltd NAPS ID 536

RACS 3230 – The Argyle Court Hostel

The Argyle Trust
Contents
30 June 2024

General information

The financial statements cover The Argyle Trust as a group consisting of The Argyle Trust and the entities it controlled at the end of, or during, the year (collectively the 'Group'). The financial statements are presented in Australian dollars, which is The Argyle Trust's functional and presentation currency.

The Argyle Trust
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	2023 $
Revenue	4	8,393,015	6,755,667
Expenses			
Employee benefits expense		(4,120,855)	(3,002,435)
Resident expenses		(106,363)	(225,019)
Amortisation of bed licenses		(378,182)	(378,182)
Share of equity accounted losses	13	(229,447)	(228,106)
Finance costs - related entities	24	(641,412)	(442,453)
Finance costs - external entities	5	(1,326,118)	(1,107,458)
General and administrative expenses		(108,356)	(117,599)
Management fees charged by related parties	24	(1,191,729)	(1,244,051)
Occupancy expenses		(972,668)	(885,530)
Operating expenses		(400,395)	(418,159)
Total expenses		(9,475,525)	(8,048,992)
Loss before income tax expense		(1,082,510)	(1,293,325)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of The Argyle Trust		(1,082,510)	(1,293,325)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax	14	221,481	209,661
Other comprehensive income for the year, net of tax		221,481	209,661
Total comprehensive loss for the year attributable to the owners of The Argyle Trust		(861,029)	(1,083,664)

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

The Argyle Trust
Statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	6	228,927	213,391
Trade and other receivables	7	6,257	50,872
Other financial assets	8	15,962,559	15,456,769
Other assets	9	368,857	369,012
Total current assets		16,566,600	16,090,044
Non-current assets			
Property, plant and equipment	10	13,841,753	14,221,329
Right-of-use assets	11	2,809,125	3,105,631
Intangibles	12	-	378,182
Investments accounted for using the equity method	13	1,112,827	1,342,274
Financial assets at fair value through other comprehensive income	14	4,015,815	3,794,334
Total non-current assets		21,779,520	22,841,750
Total assets		38,346,120	38,931,794
Liabilities			
Current liabilities			
Trade and other payables	15	10,950,504	10,988,782
Lease liabilities	16	416,470	387,472
Employee benefits	17	517,095	477,984
Borrowings	18	21,311,670	20,777,151
Beneficiary loans payable to related parties	24	76,408	76,408
Total current liabilities		33,272,147	32,707,797
Non-current liabilities			
Lease liabilities	16	2,627,647	2,928,653
Employee benefits	17	68,785	56,774
Total non-current liabilities		2,696,432	2,985,427
Total liabilities		35,968,579	35,693,224
Net assets		2,377,541	3,238,570
Equity			
Issued units	19	3,697,643	3,697,643
Reserves	20	1,895,540	1,674,059
Accumulated losses		(3,215,642)	(2,133,132)
Total equity		2,377,541	3,238,570

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

The Argyle Trust
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued units $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	3,697,643	1,464,398	(839,807)	4,322,234
Loss after income tax expense for the year	-	-	(1,293,325)	(1,293,325)
Other comprehensive income for the year, net of tax	-	209,661	-	209,661
Total comprehensive income for the year	-	209,661	(1,293,325)	(1,083,664)
Balance at 30 June 2023	3,697,643	1,674,059	(2,133,132)	3,238,570

Consolidated	Issued units $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	3,697,643	1,674,059	(2,133,132)	3,238,570
Loss after income tax expense for the year	-	-	(1,082,510)	(1,082,510)
Other comprehensive income for the year, net of tax	-	221,481	-	221,481
Total comprehensive income for the year	-	221,481	(1,082,510)	(861,029)
Balance at 30 June 2024	3,697,643	1,895,540	(3,215,642)	2,377,541

The above statement of changes in equity should be read in conjunction with the accompanying notes

The Argyle Trust
Statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from residents and the Government		7,787,998	6,295,929
Payments to suppliers & employees		(5,137,178)	(4,364,119)
Interest received		1,744	598
Interest and other finance costs paid		(1,251,799)	(951,491)
Net cash from operating activities		1,400,765	980,917
Cash flows from investing activities			
Payments for investment		-	(120,000)
Payments for property, plant and equipment		(89,163)	(99,186)
Net cash used in investing activities		(89,163)	(219,186)
Cash flows from financing activities			
Net receipts of refundable accommodation deposits and accommodation bonds		(829,722)	718,860
Repayment of bank loans		(800,000)	(600,000)
Loans to other related parties		828,729	(214,885)
Repayment of director loans		-	-
Repayment of beneficiary loans		-	(60,960)
Repayment of lease liabilities		(495,073)	(465,299)
Net cash used in financing activities		(1,296,066)	(622,284)
Net increase in cash and cash equivalents		15,536	139,447
Cash and cash equivalents at the beginning of the financial year		213,391	73,944
Cash and cash equivalents at the end of the financial year	6	228,927	213,391

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

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, which had no impact on the financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The financial statements have 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 2024 the Group had a net working capital deficiency, being current assets less current liabilities, of $16,705,547 (2023: $16,617,753) and for the year ended 30 June 2024 recognised a loss after tax of $1,082,510 (2023: $1,293,325). In addition, the Group is dependent on subsidies from the Government for a significant portion of its revenues.

The Director of the Trustee Company has considered the performance and position of the Group and considers that the going concern basis is appropriate for the preparation of the financial report due to the following factors:
- The net working capital deficiency is significantly impacted by accommodation bonds/refundable accommodation deposits liabilities, totalling $8,927,465 (2023: $9,757,187) as at 30 June 2024 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 Director of the Trustee Company views the accommodation bonds/refundable accommodation deposit liabilities as part of the long term funding of the Group on the basis that the Director of the Trustee Company do not expect accommodation bonds/refundable accommodation deposit liabilities to reduce significantly on an annual basis;
- The net working capital deficiency is significantly impacted by loans owing to related parties, totalling $12,511,670 (2023: $11,177,151) as at 30 Juen 2024 note that current liabilities as at 30 June 2024. The related parties have confirmed that they will not call on the amounts outstanding for at least 12 months from the date of signing the financial report to an extent that would not enable the Trust to be able to pay its debts as and when they fall due;
- The Group had net assets at 30 June 2024 totalling $2,377,541 (2023: $3,238,570);
- For the year ended 30 June 2024 the Group had cash inflows from operations of $1,400,765 (2023: $980,917); and
- At the date of this report the Director of the Trustee Company has no reason to believe that Government funding will not continue to be received for the Group's provision of aged care services.

This 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 necessary should the Group not continue as a going concern.

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), as appropriate for for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
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 2.

Note 1. Material accounting policy information (continued)

Segment note
The Approved Provider residential aged care services only and this General-Purpose Financial Report therefore relates only to such operations.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The Argyle Trust ('Trust' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. The Argyle Trust and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries 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. Subsidiaries 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 subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries 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.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary 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.

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.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. 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.

Note 1. Material accounting policy information (continued)

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets
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.

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.

Income tax
All taxable income of the Group has been distributed from the trusts, as such there is no tax liability arising from the trusts.

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 2. 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.

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.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to 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 2. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Reconciliation of profit or loss to underlying EBITDA

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax	(1,082,510)	(1,293,325)
Add back / (deduct)		
Imputed revenue on refundable accommodation deposits and accommodations bonds under AASB 16	(609,082)	(484,278)
Depreciation and amortisation	1,259,844	1,265,384
Finance costs - related entities	641,412	442,453
Finance costs - external entities	1,326,118	1,107,458
Rent revenue - related entities	(1,296,063)	(1,097,740)
Share of equity accounted losses	229,447	228,106
Underlying EBITDA	469,166	168,058

Note 4. Revenue

	Consolidated 2024 $	Consolidated 2023 $
Government funding	5,023,236	3,785,182
Resident contributions	1,459,481	1,376,659
Other revenue	3,409	11,210
Interest revenue	1,744	598
Rent revenue - related entities	1,296,063	1,097,740
Imputed revenue on refundable accommodation deposits and accommodations bonds under AASB 16	609,082	484,278
	8,393,015	6,755,667

Accounting policy for revenue
The Group recognises revenue from aged care services over time as performance obligations are satisfied which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and nondiscretionary services, as agreed in a single contract with the resident.

Government funding - aged care
Government revenue reflects the Group’s entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents. Government revenue comprises of basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument (‘ACFI’) and the Australian National Aged Care Classification funding model ('AN-ACC'), accommodation supplements, funding for short-term ‘respite’ residents and other Government incomes. Revenue is recognised over time as services are provided and performance obligations fulfilled. Funding claims are submitted/updated daily and Government revenue is usually payable within approximately one month of services having been performed.

Note 4. Revenue (continued)

Resident contributions - aged care
Residents are charged a basic daily fee as a contribution to the provision of care, daily living and accommodation. The quantum of resident/client basic daily fees is regulated by the Government and typically increases in March and September each year. Resident/client basic daily fee revenue is recognised over time as services are provided and performance obligations fulfilled. Residents/clients are invoiced on a monthly basis and revenue is usually payable within 30 days. Other resident/client revenue represents other fees charged to residents/clients in respect of care and accommodation services provided by the Group and includes means tested care fees, Daily Accommodation Payment (DAP)/Daily Accommodation Contribution (DAC) revenue, additional services revenue and other income. Other resident/client revenue is recognised over time as services are provided and performance obligations fulfilled. Residents/clients are invoiced on a monthly basis and revenue is usually payable within 30 days.

Imputed revenue on refundable accommodation deposits and accommodation bonds - aged care
For residential aged care accommodation arrangements where the resident has elected to pay a Refundable Accommodation Deposit ('RAD') or Accommodation Bonds (prior to July 2014), the Group receives a financing benefit, being non-cash consideration, in the form of an interest free loan. The fair value of this non-cash consideration is required, under AASB 16 and AASB 9 to be recognised as rental income (to reflect the resident's occupancy of the room) and corresponding interest expense (to record the financial liability associated with RADs and bonds at fair value) with no net impact on profit or loss. Where residents have elected to pay a DAP, the DAP is recognised as resident/client fees as disclosed above. This is calculated based on average RAD / accommodation bond balances, excluding any RADs/accommodation bonds awaiting refund/probate divided by the Maximum Permissible Interest Rate (MPIR), which is a Commonwealth Government set interest rate used to calculate the Daily Accommodation Payment (DAP) to applicable residents.

Rent revenue
The Group earns rental income from tenants (both related party and other) under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the group may obtain bank guarantees for the term of the lease.

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

Other revenue
Other revenue is recognised when performance obligations are fulfilled or when it is received or when the right to receive payment if performance obligations do not exist.

Note 5. Expenses

	Consolidated 2024 $	Consolidated 2023 $
Loss before income tax includes the following specific expenses:		
Depreciation and amortisation		
Property, plant & equipment	468,739	502,877
Right-of-use assets	412,923	384,326
Intangible assets	378,182	378,182
	1,259,844	1,265,385
Finance costs - external		
Imputed interest on refundable accommodation deposits and accommodation bonds under AASB 16	609,082	484,278
Interest on lease liabilities	106,648	114,142
Interest on refundable accommodation deposits for departed residents	28,593	26,896
Interest on bank loans	581,795	482,142
	1,326,118	1,107,458
Superannuation expense		
Defined contribution superannuation expense	340,360	228,027

Note 6. Cash and cash equivalents

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Cash on hand and at bank	228,927	213,391

Accounting policy for 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.

Note 7. Trade and other receivables

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Trade receivables	-	1,679
GST receivables	6,217	625
Other receivables	40	48,568
	6,257	49,193
	6,257	50,872

Note 7. Trade and other receivables (continued)

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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, trade receivables have been grouped based on days overdue.

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

Note 8. Other financial assets

	Consolidated	
	2024	**2023**
	$	**$**
Current assets		
Related party loans	15,962,559	15,456,769

Accounting policy for other financial assets
Loans receivable from related parties have no documented terms and conditions. The loans are treated as receivable on demand. At initial recognition the loans are measured at fair value which equates to the transaction price, being the amount advanced, on the basis that the Group has the ability to demand repayment immediately after the loan was advanced.

Consequently no interest revenue on the loans have been recognised in the current and prior financial period.

Note 9. Other assets

	Consolidated	
	2024	**2023**
	$	**$**
Current assets		
Prepayments	18,857	19,012
Deposit	350,000	350,000
	368,857	369,012

On the 10 May 2017 the Trust executed an agreement with the vendor (Kameel Pty Ltd) to purchase 135 Duff St Cranbourne at a total purchase price of $7,000,000. A deposit of $350,000 was paid in May 2017. At reporting date the vendor and the Trust had not agreed a settlement date. The balance of $6,650,000 is payable at settlement.

At settlement all the rights and benefits held by Kameel Pty Ltd (Landlord) under the existing lease will be assigned to The Argyle Trust. The tenant under the existing lease is the Director related party Willow Wood Cranbourne Aged Services Trust. At reporting date no variation to the lease had been made to set out the monthly rental amounts payable to The Argyle Trust following settlement.

Note 10. Property, plant and equipment

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Land and buildings - at cost	14,975,105	14,975,105
Less: Accumulated depreciation	(1,825,568)	(1,527,487)
	13,149,537	13,447,618
Capital work in progress - at cost	524,350	484,812
Leasehold improvements - at cost	621,254	598,119
Less: Accumulated depreciation	(570,094)	(483,901)
	51,160	114,218
Plant and equipment - at cost	586,449	559,959
Less: Accumulated depreciation	(469,743)	(385,278)
	116,706	174,681
	13,841,753	14,221,329

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

Consolidated	Land & buildings $	Capital WIP $	Leasehold improvements $	Plant & equipment $	Total $
Balance at 1 July 2023	13,447,618	484,812	114,218	174,681	14,221,329
Additions (net of transfers)	-	39,538	23,134	26,491	89,163
Depreciation expense	(298,081)	-	(86,192)	(84,466)	(468,739)
Balance at 30 June 2024	13,149,537	524,350	51,160	116,706	13,841,753

Accounting policy for property, plant and equipment
Property, 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. Land is not depreciated.

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%
Leasehold improvements	10% - 33%
Plant and equipment	10% - 33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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.

Note 11. Right-of-use assets

	Consolidated	
	2024	**2023**
	$	**$**
Non-current assets		
Property leases - right-of-use	4,759,497	4,643,080
Less: Accumulated depreciation	(1,950,372)	(1,537,449)
	2,809,125	3,105,631

The current term of the property lease expires on 9 March 2026, with 1 further five year options to extend to February 2031. The Director confirmed it is reasonably certain the lessee would exercise the option to renew to the expiration of the lease in February 2031.

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

Consolidated	Property leases $
Balance at 1 July 2023	3,105,631
Remeasurement	116,417
Depreciation expense	(412,923)
Balance at 30 June 2024	2,809,125

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 12. Intangibles

	Consolidated	
	2024	**2023**
	$	**$**
Non-current assets		
Bed licences - at cost	1,040,000	1,040,000
Less: Accumulated amortisation	(1,040,000)	(661,818)
	-	378,182

Note 12. Intangibles (continued)

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

Consolidated	Bed licences $
Balance at 1 July 2023	378,182
Amortisation expense	(378,182)
Balance at 30 June 2024	-

Accounting policy for 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.

Bed licences
Bed licences are initially measured at cost and subsequently less any accumulated amortisation and impairment.

In September 2021, The Department of Health and Aged Care (DHAC) confirmed the Australian government's decision to discontinue the Aged Care Approval Rounds (ACAR). From 1 July 2024 residential aged care places will be assigned directly to senior Australians not to approved providers. In accordance with Accounting Standards and guidelines issues by the Australian Securities and Investment Commission ("ASIC") and the Trustees current understanding of the legislation, the Trust has reassessed the useful life of its bed licenses.

The Trust has amortised the bed licenses from 1 October 2021 on a straight line basis over the remaining economic life to 30 June 2024. This resulted in an amortisation expense in the profit and loss for the 2024 financial year of $378,182 (2023 : $378,182), with no impact on the cash flows of the Trust.

Note 13. Investments accounted for using the equity method

	Consolidated	
	2024 **$**	**2023** **$**
Non-current assets		
Investment in The Exotic Marigold Prahran Trust net of share of losses (gross investment: $2,600,000)	1,112,527	1,341,974
Investment in the Maview Property Trust	300	300
	1,112,827	1,342,274

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	2024	2023
Opening carrying amount	1,342,274	1,570,380
The Exotic Marigold Prahran Trust - share of losses	(229,447)	(228,106)
Closing carrying amount	1,112,827	1,342,274

The Trust has a 28.9% (2023: 28.9%) equity interest in The Exotic Marigold Prahran Trust.

Note 13. Investments accounted for using the equity method (continued)

Accounting policy for investments accounted for using the equity method
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. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals 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.

Note 14. Financial assets at fair value through other comprehensive income

	Consolidated	
	2024	2023
	$	$
Non-current assets		
498,182 ordinary shares (2023: 498,182) - Smart A.G.	3,975,787	3,738,214
4,000,000 ordinary shares (2023: 4,000,000) - Leaf Resources Ltd	40,000	56,000
1,000 ordinary shares (2023: 1,000) - Cann Group Ltd	28	120
	4,015,815	3,794,334

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2024	2023
Opening fair value	3,794,334	3,464,673
Additions	-	120,000
Revaluation increments through other comprehensive income	221,481	209,661
Closing fair value	4,015,815	3,794,334

In May 2017 the Trust acquired shares in Simavita Ltd (ASX listed company: SVA). During the 2021 year shareholders resolved to delist SVA from the ASX. Following voluntary delisting in September 2021 large shareholders including the Group were provided with an offer to exchange their shares held in SVA for shares held in Smartz A.G. (a private company registered in Switzerland). The Group took up the offer and exchanged all SVA for shares in Smartz A.G. at the offered exchange ratio [1 Smartz share for every 200 Simavita shares held was exchanged (1:200)].

In August 2022 Smartz A.G announced a capital raising via convertible notes. A pre-money valuation of the company was performed and incorporated into the note agreement as the basis for the conversion price of the notes. At reporting date the fair value of the Trust's investment in Smartz A.G was measured on the basis of the conversion price in the note agreement.

At reporting date, the fair value of the Trust's investment in Smartz A.G. was measured on the basis of the conversion price in the April-24 capital raise (€ 4.94 per share).

Note 14. Financial assets at fair value through other comprehensive income (continued)

Accounting policy for financial assets at fair value through other comprehensive income
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, its carrying value is written off.

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 15. Trade and other payables

	Consolidated	
	2024	2023
	$	$
Current liabilities		
Trade payables	1,517,025	606,283
Payroll liabilities	162,680	83,424
Sundry payables	343,334	541,888
Accommodation Bonds and Refundable Accommodation Deposits	8,927,465	9,757,187
	10,950,504	10,988,782

From 1 July 2007, pursuant to the Aged Care Act 1997, interest is paid on Refundable Accommodation Deposits ("RAD's") and Accommodation Bonds following departure (or death) of a resident until RAD repayment. Interest is required to be paid at two different rates, which are legislated on a quarterly basis:

- base interest rate for the period between the date of the refunding event and the earlier of the date the balance is refunded and the date the legislated timeframe for the refund of the balance expires; and
- the maximum permissible interest rate for the period after the end of the legislated timeframe (or the time set out in the Formal Agreement) until the balance is refunded.

Rates are amended quarterly. For the year ended 30 June 2024 base rates were 2.25% (2023: 2.25%) and the maximum permissible rate varied from 7.90% to 8.38% (2023 : 5.00% to 7.46%).

Accounting policy for 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.

Note 16. Lease liabilities

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Lease liability	416,470	387,472
Non-current liabilities		
Lease liability	2,627,647	2,928,653
	3,044,117	3,316,125
Future lease payments		
Future lease payments are due as follows:		
Within one year	507,458	491,635
One to five years	2,029,831	2,585,646
More than five years	845,763	910,128
	3,383,052	3,987,409

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

	Lease liabilities $
Balance at 1 July 2023	3,316,125
Remeasurements	116,417
Interest	106,648
Repayments	(495,073)
Balance at 30 June 2024	3,044,117

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 17. Employee benefits

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Employee benefits	517,095	477,984
Non-current liabilities		
Employee benefits	68,785	56,774
	585,880	534,758

Accounting policy for employee benefits

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

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

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

Note 18. Borrowings

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Bank loans	8,800,000	9,600,000
Related party loans	12,511,670	11,177,151
	21,311,670	20,777,151

On the 18th October 2019 the Trust agreed to refinance a loan owing to the National Australia Bank (NAB) in relation to the development at Prahran. The facility was originally taken out by the Exotic Marigold Prahran Trust in May 2015 with the proceeds used to purchase non-residential land and buildings in Prahran for a future aged care development. Interest rate on the loan is the BBSW rate (plus 2% margin) - at reporting date 6.3950%. Interest rate is floating and is adjusted quarterly.

Security has been provided in the form of a charge over all the present and future rights, property and undertaking of the Trust. Additional security has been provided by related parties in the form of a registered mortgage over the property held by the Exotic Marigold Prahran trust located at 42 Charles Street Prahran VIC, and 70-88 Greville Street Prahran Vic. Further security has also been provided by other members of the Lifeview Group.

Note 18. Borrowings (continued)

The Trust is required to make principal repayments of $200,000 per quarter. Accordingly $800,000 will be repaid to the National Australia Bank within the 12 months following reporting date. The loan is renewed annually so has been recognised as a current liability, however, the Director expects the loan to be rolled forward for another 12 months at the conclusion of the 2025 financial year.

Loans payable to related parties are on documented terms and conditions. Interest expense has been recognised on these loans at the BBSW + 2% margin - at reporting date 6.36%. Interest rate is floating and is adjusted half yearly.

Financing arrangements

	Consolidated	
	2024	**2023**
	$	**$**
Total facilities		
Bank loans	8,800,000	9,600,000
Used at the reporting date		
Bank loans	8,800,000	9,600,000
Unused at the reporting date		
Bank loans	-	-

Accounting policy for 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.

Note 19. Issued units

	Consolidated			
	2024	**2023**	**2024**	**2023**
	Units	**Units**	**$**	**$**
Issued units	3,697,643	3,697,643	3,697,643	3,697,643

Accounting policy for issued capital
Issued units are held at cost.

Note 20. Reserves

	Consolidated	
	2024	**2023**
	$	**$**
Financial assets at fair value through other comprehensive income reserve	1,895,540	1,674,059

Financial assets at fair value through other comprehensive income reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Note 20. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current financial year are set out below:

Consolidated	Fair value through OCI $
Balance at 1 July 2023	1,674,059
Revaluation - gross	221,481
Balance at 30 June 2024	1,895,540

Note 21. Key management personnel disclosures

The Trust provides no compensation to its director or other key management personnel. All such compensation is provided by Residential Aged Services Pty Ltd, a related party of the Trust.

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Trust:

	Consolidated	
	2024 $	**2023 $**
Audit services		
Audit of the financial statements	20,111	19,250
Other services		
Tax consulting services	-	16,500
	20,111	35,750

Note 23. Contingent liabilities and commitments

On 14 October 2019 The Trust agreed to provide a guarantee in respect of a loan owed by Residential Aged Services Nominees Pty Ltd to it's financiers (National Australia Bank). As at 30 June 2024, the amount Residential Aged Services Nominees Pty Ltd owed to National Australia Bank was $7,225,000.

The Group had no other contingent liabilities as at 30 June 2024.

On 10 May 2017 the Trust executed an agreement with Kameel Pty Ltd to purchase the property located at 135 Duff St Cranbourne A $350K deposit has been paid for the property. The balance of $6,650,000 is payable on settlement. At reporting date settlement date had not been agreed.

The Group had no commitments as at 30 June 2024 other than future lease payments as disclosed in note 16.

Note 24. Related party transactions

Parent entity
The Argyle Trust is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 25.

Note 24. Related party transactions (continued)

Associates
Interests in associates are set out in note 13.

Key management personnel
Disclosures relating to key management personnel are set out in note 21.

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

	Consolidated	
	2024	**2023**
	$	**$**
Revenue:		
Rent charged to related parties	1,296,063	1,097,077
Payment for goods and services:		
Management fees charged by related parties*	1,191,729	1,244,051
Payment for other expenses:		
Interest charged by related parties	641,412	442,453

*The Director of the Trust controls Residential Aged Services Pty Ltd ("RAS"). RAS provides management services to the entity. Amounts paid or payable to RAS are disclosed in the financial statements.

Total amounts charged by RAS are set out in an arms length Management Agreement and include a fixed management fee per bed operated by the Trust and recovery of corporate costs relating to annual financial management, sales and marketing, clinical governance and prudential compliance services overseen by the executive and finance teams in RAS.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

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

	Consolidated	
	2024	**2023**
	$	**$**
Current receivables:		
Loans receivable from related parties	15,962,559	15,456,769
Current borrowings:		
Beneficiary loans payable to related parties	76,408	76,408
Other loans payable to related parties	12,511,670	11,177,151

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

		Ownership interest	
	Principal place of business /	**2024**	**2023**
Name	**Country of incorporation**	**%**	**%**
Park Orchards Aged Services Property Trust	Australia	100.00%	100.00%

Note 26. Economic dependency

The Argyle Trust is dependent upon funding provided by the Commonwealth Government and Residents (including accommodation bonds and deposits).

Note 27. Events after the reporting period

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

The Argyle Trust
Directors' declaration
30 June 2024

In the director's opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of director of the trustee company.

On behalf of the director of the trustee company

Peter T Reilly
Director

18 October 2024

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Independent Auditor's Report

To the Beneficiaries of The Argyle Trust

Report on the audit of the financial report

Opinion

We have audited the financial report of The Argyle Trust (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors of the Trustee Company declaration.

In our opinion, the accompanying financial report of the Group:

a presents fairly, in all material respects, the Group's financial position as at 30 June 2024 and of its performance and cash flows for the year then ended; and

b complies with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

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 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.

Responsibilities of management and those charged with governance for the financial report

Management is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used. This responsibility also includes such internal control as management 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

J Vasiliou

J D Vasiliou
Partner – Audit & Assurance

Registration No. 538595

Melbourne, 18 October 2024