

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD
ABN 23 101 572 605
Trading As PEMBROKE LODGE

Financial Statements
For the year ended 30 June 2022

Prepared by: K. B. CHAN & CO., Chartered Accountant

Suite 6, Level 1, 153 Forest Road, Hurstville, NSW 2220

Liability limited by a scheme approved under Professional Standards Legislation

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

Trading As PEMBROKE LODGE

Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2022.

Directors

The names of the directors in office at any time during or since the end of the year are:

Chun Zhi Zhou

Helen Shih Chang

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Result

The profit of the company for the financial year after providing for income tax amounted to:

Year ended	Year ended
30 June 2022	30 June 2021
\$	\$
1,607,459	2,578,913

Principal Activities

The principal activities of the company during the course of the year were nursing home.
No significant change in the nature of these activities occurred during the year.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

After Balance Date Events

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

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

Share Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

Trading As PEMBROKE LODGE

Directors' Report

Signed in accordance with a resolution of the Board of Directors:



Chun Zhi Zhou

Director

Helen Shih Chang

Director

26 October, 2022

Sydney

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

Trading As PEMBROKE LODGE

Income Statement

For the year ended 30 June 2022

	2022	2021
	\$	\$
Income		
Resident fees	7,090,586	6,949,088
Commonwealth subsidies	20,180,007	19,530,464
Interest received	3,101	3,040
Other income	304,631	557,730
Total income	<u>27,578,325</u>	<u>27,040,322</u>
Expenses		
Residential care		
Labour costs	13,860,846	12,637,434
Other care expenses	1,638,982	1,934,579
Residential accommodation		
Labour costs	110,488	33,125
Repairs & maintenance	342,132	373,517
Other accommodation expenses	499,935	501,421
Hotel services		
Labour costs	2,585,522	2,253,107
Other hotel services expenses	1,526,745	1,974,939
Administration expenses		
Labour costs	1,263,099	1,145,752
Management fees		753
Other administration expenses	719,601	504,714
Other expenses	34,617	54,298
Depreciation expenses	2,324,061	2,055,839
Interest - Australia	556,242	967,176
Staff training	27,921	24,755
Total expenses	<u>25,490,192</u>	<u>24,461,409</u>
Profit from Ordinary Activities before income tax	<u>2,088,134</u>	<u>2,578,913</u>

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

Trading As PEMBROKE LODGE

Statement of Changes in Equity for the year ended 30/06/2022

	Notes	Retained Earnings	Issued & Paid Up Capital	Total
Balance at 01/07/2020		(849,722)	20,000	(829,722)
Comprehensive income				
Profit attributable to the members		2,578,913		2,578,913
Other comprehensive income for the year				
Total comprehensive income for the year attributable to members of the entity		2,578,913		2,578,913
Balance at 30/06/2021		1,729,191	20,000	1,749,191
Comprehensive income				
Profit attributable to the members		1,607,459		1,607,459
Other comprehensive income for the year				
Total comprehensive income for the year attributable to members of the entity		1,607,459		1,607,459
Balance at 30/06/2022		3,336,649	20,000	3,356,649

The accompanying notes form part of these financial statements.

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

Trading As PEMBROKE LODGE
Balance Sheet as at 30 June 2022

	Note	2022	2021
		\$	\$
Assets			
Current Assets			
Cash assets	4	2,233,440	3,520,712
Current tax assets	5	78,416	58,837
Other	6	222,939	127,159
Total Current Assets		2,534,794	3,706,708
Non-Current Assets			
Property, plant and equipment	7	54,162,534	53,668,284
Total Non-Current Assets		54,162,534	53,668,284
Total Assets		56,697,328	57,374,992
Liabilities			
Current Liabilities			
Payables	8	1,226,185	1,001,392
Current tax liabilities	10	639,601	113,135
Other	12	369,653	816,110
Total Current Liabilities		2,235,439	1,930,637
Non-Current Liabilities			
Financial liabilities	9	9,366,190	14,966,190
Provisions	11	41,739,050	38,728,975
Total Non-Current Liabilities		51,105,240	53,695,165
Total Liabilities		53,340,679	55,625,802
Net Assets		3,356,649	1,749,191
Equity			
Issued capital	13	20,000	20,000
Retained profits		3,336,649	1,729,191
Total Equity		3,356,649	1,749,191

The accompanying notes form part of these financial statements.

Trading As PEMBROKE LODGE
Statement of Cash Flows
For the year ended 30 June 2022

	2022 \$	2021 \$
Cash Flow From Operating Activities		
Receipts from fees, etc.	27,270,593	26,479,552
Payments to Suppliers and employees	(22,375,483)	(21,229,081)
Interest and other costs of finance	(556,242)	(967,176)
Interest income	3,101	3,040
Other income	304,631	557,730
Net cash provided by (used in) operating activities (note 2)	4,646,600	4,844,065
Cash Flow From Investing Activities		
Payment of property, plant and equipment	(2,818,310)	(268,246)
Proceeds from disposal of property, plant and equipment	-	54,707
Net cash provided by (used in) investing activities	(2,818,310)	(276,450)
Cash Flow From Financing Activities		
Proceeds from (repayments of) bond money	2,484,438	1,415,188
Proceeds from (repayments of) borrowings	(5,600,000)	(4,530,000)
Net cash provided by (used in) financing activities	(3,115,562)	(3,114,812)
Net increase (decrease) in cash held	(1,287,272)	1,515,714
Cash at the beginning of the year	3,520,712	2,004,998
Cash at the end of the year (note 1)	2,233,440	3,520,712

Trading As PEMBROKE LODGE
Statement of Cash Flows
For the year ended 30 June 2022

2022

2021

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash At Bank	2,233,440	3,520,712
	<u>2,233,440</u>	<u>3,520,712</u>

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	1,607,459	2,578,913
Depreciation	2,324,061	2,127,732
Increase/(decrease) in provision for dividends	-	-
Increase/(decrease) in provision for income tax and PAYG withholding	526,466	(2,127)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
Decrease (Increase) in trade debtors	(95,780)	(33,680)
Increase (decrease) in trade creditors and accruals	224,793	(324,261)
Increase (decrease) in other creditors	(446,457)	539,772
Increase (decrease) in sundry provisions	506,058	(42,284)
Net cash provided by operating activities	<u>4,646,600</u>	<u>4,844,065</u>

**Trading As PEMBROKE LODGE
Notes to the Financial Statements
For the year ended 30 June 2022**

This financial report covers The Sisters Of Our Lady Of China Health Care Pty Ltd as an individual entity. The Sisters Of Our Lady Of China Health Care Pty Ltd is a company limited by shares incorporated and domiciled in Australia. Its registered office is at 27 Jacques Avenue, Peakhurst, NSW 2210. Its principal place of business is at 57-61 Pembroke Road, Minto, NSW 2566.

The number of employees as at 30 June 2022 was 248.

A description of the nature of the company's operations and its principal activities is included in the director's report on pages 1 and 2.

Note 1: Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historic costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

Income tax expense represents the amount of tax payable for the reporting period calculated according to the provisions of the income tax legislation.

(b) Acquisition of assets

All assets are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

(c) Depreciation

Depreciation is calculated on a reducing balance basis to written-off the net cost of each item of property, plant and equipment (except land) over its expected useful life estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

**Trading As PEMBROKE LODGE
Notes to the Financial Statements
For the year ended 30 June 2022**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Revenue recognition

Revenue from the sale of good is recognised upon the delivery of goods to customers.

Revenue from the rendering of services is recognised upon the delivery of the services to customers.

Revenue from commissions is recognised upon delivery of services to customers.

All revenue is stated net of the amount of goods and service tax (GST).

(e) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

Trading As PEMBROKE LODGE
Notes to the Financial Statements
For the year ended 30 June 2022

2022

2021

Note 2: Revenue and Other Income

Revenue:

Interest revenue	3,101	3,040
Resident fees	7,090,586	6,949,088
Commonwealth subsidies	20,180,007	19,530,464
Other income	304,631	557,730
	27,578,325	27,040,322

Note 3: Profit before income tax

Profit (loss) from ordinary activities before
income tax has been determined after:

Charging as Expense:

Depreciation of non-current assets:		
- Plant and equipment	2,324,061	2,055,839
Total depreciation expenses	2,324,061	2,055,839

Note 4: Cash assets

Bank accounts:

Cash At Bank	2,233,440	3,520,712
	2,233,440	3,520,712

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

Trading As PEMBROKE LODGE

Notes to the Financial Statements

For the year ended 30 June 2022

2022

2021

Note 5: Tax Assets

Current

Input tax credit control account	78,416	58,837
	78,416	58,837

Note 6: Other Assets

Current

Other debtors and prepayments	222,939	127,159
	222,939	127,159

Note 7: Property, Plant and Equipment

Freehold land:

- At cost	19,335,230	17,451,335
	19,335,230	17,451,335

Buildings:

- At cost	38,811,213	38,097,895
- Less: Accumulated depreciation	(10,423,237)	(9,241,870)
	28,387,976	28,856,025

Plant and equipment:

- At cost	13,751,928	13,530,831
- Less: Accumulated depreciation	(7,312,600)	(6,169,907)
	6,439,328	7,360,925
	54,162,534	53,668,284

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

Trading As PEMBROKE LODGE
Notes to the Financial Statements
For the year ended 30 June 2022

	2022	2021

Note 8: Payables

Unsecured:

- Trade payables	1,226,185	1,001,392
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	1,226,185	1,001,392
	<hr/>	<hr/>
	1,226,185	1,001,392
	<hr/>	<hr/>

Note 9: Financial Liabilities

Non-Current

Unsecured:

- Loans from other persons	9,366,190	14,966,190
	<hr/>	<hr/>
	9,366,190	14,966,190
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	9,366,190	14,966,190
	<hr/>	<hr/>

Note 10: Tax Liabilities

Current

Taxation	480,675	
PAYG withholding	158,926	113,135
	<hr/>	<hr/>
	639,601	113,135
	<hr/>	<hr/>

Note 11: Provisions

Non Current

Sundry provisions	41,739,050	38,728,975
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	41,739,050	38,728,975
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THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

Trading As PEMBROKE LODGE
Notes to the Financial Statements
For the year ended 30 June 2022

	2022	2021
Current		
Sundry	369,653	816,110
	<u>369,653</u>	<u>816,110</u>

Note 13: Contributed Capital

20000 Ordinary shares at \$1.00 each fully paid	<u>20,000</u>	<u>20,000</u>
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Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

**Trading As PEMBROKE LODGE
Notes to the Financial Statements
For the year ended 30 June 2022**

2022

2021

Note 14: Segment Reporting

The approved provider delivers only residential aged care services and therefore this GPFR relates only to such operations.

Note 15: Events After the Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company.

The financial report was authorised for issue by the Board of Directors on 30 September 2022.

Note 16: Economic Dependence

The majority of the company's income is derived from the Federal Government's payments for the running of aged care facilities.

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

Trading As PEMBROKE LODGE
Directors' Declaration

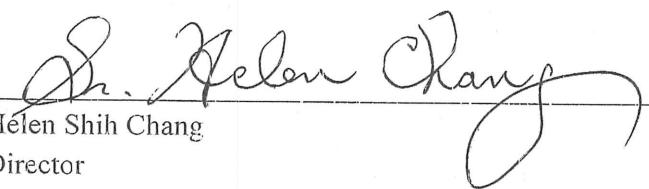
The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Chun Zhi Zhou
Director



Helen Shih Chang
Director

26 October, 2022
Sydney

THE SISTERS OF OUR LADY OF CHINA HEALTH CARE PTY LTD ABN 23 101 572 605

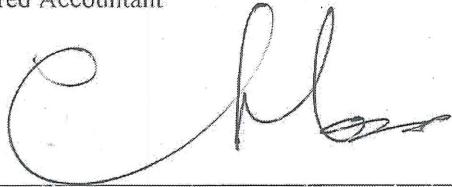
**Trading As PEMBROKE LODGE
Auditor's Independence Declaration**

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

K. B. CHAN & CO.
Chartered Accountant



Patrick Chan
FCA
ASIC Auditor Number 4566

26 October, 2022
Sydney

INDEPENDENT AUDITOR'S REPORT
to the members of The Sisters Of Our Lady Of China Health Care Pty Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of The Sisters Of Our Lady Of China Health Care Pty Ltd, which comprises the balance sheet as at 30 June 2022, and the income statement, statement of changes in equity and statement of cash flows for the year ended then, a summary of significant accounting policies, other explanatory notes and directors' declaration.

Directors' Responsibility for the Financial Report

The company's directors are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of The Sisters Of Our Lady Of China Health Care Pty Ltd on 26 October 2022, would be in the same terms if provided to the directors as at the date of this auditor's report.

INDEPENDENT AUDITOR'S REPORT

to the members of The Sisters Of Our Lady Of China Health Care Pty Ltd (continued)

Auditor's Opinion

In our opinion, the financial report of The Sisters Of Our Lady Of China Health Care Pty Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1 and the Corporations Regulations 2001.

K. B. CHAN & CO.
Chartered Accountant



Patrick Chan
FCA
ASIC Auditor Number 4556

Dated this 26 October 2022
Sydney