

Freedom Care Group Pty Ltd and its controlled entities

ABN 66 624 991 224

Annual Report - 30 June 2023

Freedom Care Group Pty Ltd and its controlled entities

Directors' report

30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

Directors

The names of the directors in office during the year and at the date of this report and their attendances at full board and other meetings held during the year were as follows:

Jamal Sabsabi
Walid Jamal-Eddine
Ahmad Al Sayed Ibrahim

Directors' Meeting

During the year directors' meetings were held which were attended by most directors.

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- Support services under Core Supports, Capital and Capacity Building, Supported Independent Living, Plan Management, Support Coordination and Day programs.
- Speech therapy, Occupational therapy, Psychology & Behaviour support, Physiotherapy, Podiatry, Dietetics, Exercise Physiology and Chiropractic.
- Capacity Building supports, Support Coordination, Social and Community participation and School Leaver Employment Supports.
- Supported Independent Living which includes numerous custom build accommodation options including respite, medium term accommodation and Long term accommodation.
- Custom build Day Program which is a learning centre designed for the participants to engage and to build confidence on their day to day living skills and social skills.

Review of operations

The Company was established on the 1st of January 2021 through the amalgamation of operation of 3 individual disability service providers:

AH Providers Pty Ltd
All Supports and Services Pty Ltd
Regional Disability Services Pty Ltd

The profit for the company after providing for income tax amounted to \$3,107,856 (30 June 2022: loss of \$114,955).

No significant changes occurred during the year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Likely developments and expected results of operations

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 regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Dividends

Dividends declared since the start of the financial year amounted to nil (after year-end: \$2,400,000).

Indemnity and insurance of officer and 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.

Freedom Care Group Pty Ltd and its controlled entities
Directors' report
30 June 2023

Proceedings on behalf of the 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Jamal Sabsabi
Group CEO

22 November 2023

**FREEDOM CARE GROUP PTY LTD
ABN 66 624 991 224
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
FREEDOM CARE GROUP PTY LTD**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Freedom Care Group Pty Ltd and its controlled entities. As the lead audit partner for the audit of the financial report of Freedom Care Group Pty Ltd and its controlled entities for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Hall Chadwick (NSW)

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Stewart Thompson

Stewart Thompson

Partner

Date: 22 November 2023

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Freedom Care Group Pty Ltd and its controlled entities

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General information

The financial statements cover Freedom Care Group Pty Ltd and its controlled entities as an individual entity. The financial statements are presented in Australian dollars, which is Freedom Care Group Pty Ltd and its controlled entities' functional and presentation currency.

Freedom Care Group Pty Ltd and its controlled entities is a for-profit unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

31 Edward Street Sylvania, NSW 2224

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 November 2023. The directors have the power to amend and reissue the financial statements.

Freedom Care Group Pty Ltd and its controlled entities
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Service Revenue	3	23,205,457	11,666,825
Other Revenue	3	314,906	491,024
Expenses			
Direct service costs		(1,260,987)	(1,294,848)
Employee benefits expense		(8,913,024)	(4,591,153)
Administration expenses		(7,957,581)	(5,321,264)
Office expenses		(764,725)	(896,516)
Other expenses		(576,117)	(96,192)
Profit/(loss) before income tax expense		4,047,929	(42,124)
Income tax expense	4	(940,073)	(72,831)
Profit/(loss) after income tax expense for the year attributable to the owners of Freedom Care Group Pty Ltd and its controlled entities		3,107,856	(114,955)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Freedom Care Group Pty Ltd and its controlled entities		<u>3,107,856</u>	<u>(114,955)</u>

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

Freedom Care Group Pty Ltd and its controlled entities
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	3,258,486	917,298
Trade and other receivables	6	1,204,488	696,268
Other assets	7	646,033	60,578
Total current assets		<u>5,109,007</u>	<u>1,674,144</u>
Non-current assets			
Property, plant and equipment	8	187,630	35,287
Right-of-use assets	9	505,357	93,765
Deferred tax	10	129,626	29,210
Total non-current assets		<u>822,613</u>	<u>158,262</u>
Total assets		<u>5,931,620</u>	<u>1,832,406</u>
Liabilities			
Current liabilities			
Trade and other payables	11	708,067	737,785
Borrowings	13	13,555	46,555
Lease liabilities	12	182,923	59,505
Provision for income tax	4	772,890	309,577
Total current liabilities		<u>1,677,435</u>	<u>1,153,422</u>
Non-current liabilities			
Lease liabilities	12	335,582	37,862
Deferred tax	14	126,339	28,130
Total non-current liabilities		<u>461,921</u>	<u>65,992</u>
Total liabilities		<u>2,139,356</u>	<u>1,219,414</u>
Net assets		<u>3,792,264</u>	<u>612,992</u>
Equity			
Issued capital	15	10,002	10,002
Retained profits		<u>3,782,262</u>	<u>602,990</u>
Total equity		<u>3,792,264</u>	<u>612,992</u>

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

Freedom Care Group Pty Ltd and its controlled entities
Statement of changes in equity
For the year ended 30 June 2023

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	2	717,945	717,947
Loss after income tax expense for the year	-	(114,955)	(114,955)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(114,955)	(114,955)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 15)	10,000	-	10,000
Balance at 30 June 2022	<u>10,002</u>	<u>602,990</u>	<u>612,992</u>
	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	10,002	602,990	612,992
Adjustment from prior year	-	71,416	71,416
Balance at 1 July 2022 - restated	10,002	674,406	684,408
Profit after income tax expense for the year	-	3,107,856	3,107,856
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	3,107,856	3,107,856
Balance at 30 June 2023	<u>10,002</u>	<u>3,782,262</u>	<u>3,792,264</u>

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

Freedom Care Group Pty Ltd and its controlled entities
Statement of cash flows
For the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from customers		22,924,105	12,063,569
Payments to suppliers and employees		<u>(19,199,233)</u>	<u>(11,470,705)</u>
		3,724,872	592,864
Income taxes paid		<u>(478,967)</u>	<u>(1,187)</u>
Net cash from operating activities	19	<u>3,245,905</u>	<u>591,677</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(204,765)</u>	<u>(35,813)</u>
Net cash used in investing activities		<u>(204,765)</u>	<u>(35,813)</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	10,000
Proceeds from borrowings		-	46,555
Payment of borrowings		(530,417)	(40,395)
Repayment of lease liabilities		<u>(169,535)</u>	<u>(53,964)</u>
Net cash used in financing activities		<u>(699,952)</u>	<u>(37,804)</u>
Net increase in cash and cash equivalents		2,341,188	518,060
Cash and cash equivalents at the beginning of the financial year		<u>917,298</u>	<u>399,238</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>3,258,486</u></u>	<u><u>917,298</u></u>

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

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies

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

New Accounting standards Implemented

The Group has implemented one new Accounting Standard that is applicable for the current reporting period.
AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities has been applied in the current year.

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

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board and the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

Revenue recognition

The company recognises revenue as follows:

The company receives NDIS funding from NDIS for employment and activities performed by each participant. The company invoices either NDIS or the 3rd party for the service provided by the participants on weekly basis at the end of each week.

Sale of goods

Revenue from sale of goods is recognised to the extent control of goods has passed to the buyer.

Rendering of services

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Grant Income

Grant income is recognised when the company obtains control over the funds, which is generally at the time of receipt. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions fulfilled.

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Property, Plant and Equipment

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

Plant and equipment:

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation:

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use:

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

Plant and equipment	5 years
Motor vehicle	7 years

Note 1. Significant accounting policies (continued)

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

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 company 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 company 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.

Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts

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.

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 company'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.

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

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.

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.

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Goods and Services 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 (ATO).

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 ATO is included with other receivables or 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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Critical Accounting Estimates and Judgements

The directors 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 company.

Key estimates

(i) Impairment – general

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 2. Parent Information

	2023	2022
	\$	\$
Statement of Financial Position		
ASSETS		
Current assets	4,276,880	1,635,944
Non-current assets	<u>822,614</u>	<u>158,262</u>
TOTAL ASSETS	<u>5,099,494</u>	<u>1,794,206</u>
	2023	2022
	\$	\$
LIABILITIES		
Current liabilities	1,548,301	1,109,749
Non-current liabilities	<u>461,921</u>	<u>65,992</u>
TOTAL LIABILITIES	<u>2,010,222</u>	<u>1,175,741</u>
	2023	2022
	\$	\$
EQUITY		
Issued capital	10,002	10,002
Retained earnings	<u>3,079,270</u>	<u>608,463</u>
TOTAL EQUITY	<u>3,089,272</u>	<u>618,465</u>
	2023	2022
	\$	\$
Statement of Profit or Loss and Other Comprehensive Income		
Total (income)/loss	<u>(2,399,392)</u>	<u>98,517</u>

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023.

Contractual commitments

The parent entity had no capital commitments as at 30 June 2023.

Note 3. Revenue

	2023	2022
	\$	\$
Service revenue	<u>23,205,457</u>	<u>11,666,825</u>

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 3. Revenue (continued)

	2023	2022
	\$	\$
Government grants	-	226,320
NDIS grants	248,745	255,871
Other income	66,161	8,833
	<u>314,906</u>	<u>491,024</u>
Other Revenue	<u><u>314,906</u></u>	<u><u>491,024</u></u>

Note 4. Income tax expense

	2023	2022
	\$	\$
<i>Income tax expense</i>		
Current tax	942,280	73,520
Deferred tax	(2,207)	(688)
	<u>940,073</u>	<u>72,832</u>
Aggregate income tax expense	<u><u>940,073</u></u>	<u><u>72,832</u></u>

	2023	2022
	\$	\$
Provision for income tax	<u>772,890</u>	<u>309,577</u>

Note 5. Current assets - cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank	<u>3,258,486</u>	<u>917,298</u>

Note 6. Current assets - trade and other receivables

	2023	2022
	\$	\$
Trade receivables	1,467,174	721,420
Less: Provision for doubtful accounts	(263,688)	(263,688)
	<u>1,203,486</u>	<u>457,732</u>
Other receivables	<u>1,002</u>	<u>238,536</u>
	<u><u>1,204,488</u></u>	<u><u>696,268</u></u>

Credit Risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 7. Current assets - other assets

	2023	2022
	\$	\$
Rental bond	95,221	7,183
Loans	550,812	53,395
	<u>646,033</u>	<u>60,578</u>

Note 8. Non-current assets - property, plant and equipment

	2023	2022
	\$	\$
Plant and equipment - at cost	157,829	16,363
Less: Accumulated depreciation	(42,710)	(838)
	<u>115,119</u>	<u>15,525</u>
Motor vehicles - at cost	81,964	20,000
Less: Accumulated depreciation	(9,453)	(238)
	<u>72,511</u>	<u>19,762</u>
	<u>187,630</u>	<u>35,287</u>

Reconciliations

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

	Plant and Equipment \$	Motor Vehicle \$	Total \$
Balance at 1 July 2021	550	-	550
Additions	15,813	20,000	35,813
Depreciation expense	(838)	(238)	(1,076)
	<u>15,525</u>	<u>19,762</u>	<u>35,287</u>
Balance at 30 June 2022	15,525	19,762	35,287
Additions	141,467	61,963	203,430
Depreciation expense	(41,872)	(9,215)	(51,087)
	<u>115,120</u>	<u>72,510</u>	<u>187,630</u>

Note 9. Non-current assets - right-of-use assets

	2023	2022
	\$	\$
Land and buildings - right-of-use	759,450	168,776
Less: Accumulated depreciation	(254,093)	(75,011)
	<u>505,357</u>	<u>93,765</u>

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 10. Non-current assets - deferred tax

	2023	2022
	\$	\$
Deferred tax asset	<u>129,626</u>	<u>29,210</u>

Note 11. Current liabilities - trade and other payables

	2023	2022
	\$	\$
Trade payables	70,080	99,468
BAS payable	492,358	290,770
Other payables	<u>145,629</u>	<u>347,547</u>
	<u>708,067</u>	<u>737,785</u>

Note 12. Current liabilities - lease liabilities

Current	2023	2022
	\$	\$
Lease liability	<u>182,923</u>	<u>59,505</u>
Non-current	2023	2022
	\$	\$
Lease liability	<u>335,582</u>	<u>37,862</u>

Note 13. Current liabilities - borrowings

	2023	2022
	\$	\$
Loans	<u>13,555</u>	<u>46,555</u>

Note 14. Non-current liabilities - deferred tax

	2023	2022
	\$	\$
Deferred tax liability	<u>126,339</u>	<u>28,130</u>

Note 15. Equity - issued capital

	2023	2022	2023	2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>10,002</u>	<u>10,002</u>	<u>10,002</u>	<u>10,002</u>

Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 15. Equity - issued capital (continued)

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

Note 16. Key management personnel disclosures

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

	2023	2022
	\$	\$
Key management personnel compensation:		
Short-term employee benefits	341,635	380,000
Post-employee benefit	<u>20,693</u>	<u>27,300</u>
	<u><u>362,328</u></u>	<u><u>407,300</u></u>

The above includes payments to key management personnel amounting to \$100,693 (2022: \$147,300 that are discretionary in nature and are not contractual payments).

Note 17. Events after the reporting period

On 21 November 2023, the company's directors decided to declare fully franked dividends amounting to \$1,500,000 and an unfranked dividend of \$900,000.

The Company is in the process of listing the Group via a reverse takeover of Resources Generation Limited with an expected listing on the Australian Securities Exchange on 30 November 2023.

The Company has paid \$1,450,000 for a 29% investment in Koala Disability Care Pty Limited, a NDIS Service Provider that operates on the Central Coast of New South Wales.

Note 18. Financial risk management

The company's financial instruments consist mainly of deposits with banks, receivables and payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and measurement* as detailed in the accounting policies to these financial statements, are as follows:

	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents	3,258,486	917,298
Trade and other receivables	<u>1,204,488</u>	<u>696,268</u>
	<u><u>4,462,974</u></u>	<u><u>1,613,566</u></u>
	2023	2022
Financial Liability		
Trade and other payables	<u><u>708,067</u></u>	<u><u>737,785</u></u>

Note 18. Financial risk management (continued)

Financial Risk Management Policies:

The Directors are responsible for monitoring and managing the company's compliance with its risk management strategy. The Directors' overall risk management strategy is to assist the company in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Directors on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

The company has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 5

b. Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

c. Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 18. Financial risk management (continued)

The financial instruments that expose the company to interest rate risk are limited to lease liabilities, listed shares, government and fixed interest securities, and cash on hand.

The company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

Note 19. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	2023	2022
	\$	\$
Profit/(loss) after income tax expense for the year	3,107,856	(114,955)
Adjustments for:		
Depreciation and amortisation	231,503	57,334
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(508,220)	(87,097)
(Increase)/Decrease in other assets	(90,245)	(7,871)
Increase/(Decrease) in trade and other payables	505,011	744,266
Net cash from operating activities	<u>3,245,905</u>	<u>591,677</u>

Note 20. 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 2:

Name of subsidiary	Place of incorporation and operation	Ownership interest	
		2023	2022
		%	%
All Supports and Services Pty Ltd	Australia	100.00%	100.00%
Regional Disability Services Pty Ltd	Australia	50.00%	50.00%
Freedom Endeavour Services Pty Ltd	Australia	50.00%	-

During the year, the Company acquired 50% interest of Freedom Endeavour Services Pty Ltd which was registered to operate on 28 December 2021.

Note 21. Fair value measurement

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Note 22. Auditor's remuneration

	2023	2022
	\$	\$
Remuneration of the Auditor:		
- auditing or reviewing financial report	<u>22,000</u>	<u>19,000</u>

Freedom Care Group Pty Ltd and its controlled entities
Notes to the financial statements
30 June 2023

Note 23. Entity details

The registered office of the entity is:
Freedom Care Group Pty Ltd
31 Edward Street
Sylvania, NSW 2224

The principal place of business is:
Freedom Care Group Pty Ltd
Shop 3/886 Woodville Road
Villawood, NSW 2163

Freedom Care Group Pty Ltd and its controlled entities
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Jamal Sabsabi
Group CEO

22 November 2023

FREEDOM CARE GROUP PTY LTD
ABN 66 624 991 224
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FREEDOM CARE GROUP PTY LTD

Opinion

We have audited the financial report of Freedom Care Group Pty Ltd (the Company and its and controlled entities(the Group)),, which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated 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 directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9	Level 4	Level 1	Level 14	Level 11	Level 40
50 Pirie Street	240 Queen Street	48-50 Smith Street	440 Collins Street	77 St Georges Tce	2 Park Street
Adelaide SA 5000	Brisbane QLD 4000	Darwin NT 0800	Melbourne VIC 3000	Perth WA 6000	Sydney NSW 2000
+61 8 7093 8283	+61 7 2111 7000	+61 8 8943 0645	+61 3 9820 6400	+61 8 6557 6200	+61 2 9263 2600

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. 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.

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.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company's 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

Hall Chadwick (NSW)

HALL CHADWICK (NSW)

Level 40, 2 Park Street

Sydney NSW 2000

Stewart Thompson

Stewart Thompson

Partner

Date: 22 November 2023