

Freedom Care Group Pty Ltd and its controlled entities

ABN 66 624 991 224

Half Yearly Report - 31 December 2022

Freedom Care Group Pty Ltd and its controlled entities

Directors' report

31 December 2022

The directors present their report, together with the consolidated financial statements, on the company for the half year ended 31 December 2022.

Directors

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

Jamal Sabsabi
Walid Jamal-Eddine
Ahmad Al Sayed Ibrahim

Directors' Meeting

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

Principal activities

During the financial period 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 \$1,324,970 (31 December 2021: loss of \$239,404).

No significant changes occurred during the period.

Significant changes in the state of affairs

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

Matters subsequent to the end of the period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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

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

Freedom Care Group Pty Ltd and its controlled entities
Directors' report
31 December 2022

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 period, to any person who is or has been an officer or auditor of the company.

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 period.

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

30th June 2023

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

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

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
Fx: (612) 9263 2800

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. As the lead audit partner for the audit of the financial report of Freedom Care Group Pty Ltd for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in 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


Sandeep Kumar

Partner
Dated: 30 June 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 as an individual entity. The consolidated financial statements are presented in Australian dollars, which is Freedom Care Group Pty Ltd's functional and presentation currency.

Freedom Care Group Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

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 30 June 2023. The directors have the power to amend and reissue the financial statements.

Freedom Care Group Pty Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half year ended 31 December 2022

	Note	Dec 2022 \$	Dec 2021 \$
Revenue			
Service Revenue		10,378,668	4,911,568
Other Revenue	2	261,056	231,820
Expenses			
Direct service costs		(745,964)	(490,870)
Employee benefits expense		(3,880,809)	(1,795,084)
Administration expenses		(3,222,050)	(2,490,892)
Office expenses		(559,077)	(580,334)
Other expenses		(340,657)	(25,612)
Profit/(loss) before income tax expense		1,891,167	(239,404)
Income tax expense	3	(566,197)	-
Profit/(loss) after income tax expense for the period attributable to the owners of Freedom Care Group Pty Ltd and its controlled entities	17	1,324,970	(239,404)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period attributable to the owners of Freedom Care Group Pty Ltd and its controlled entities		<u>1,324,970</u>	<u>(239,404)</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
Consolidated statement of financial position
As at 31 December 2022

	Note	Dec 2022 \$	Jun 2022 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,876,795	924,161
Trade and other receivables	5	1,012,191	528,217
Other	6	609,601	28,078
Total current assets		<u>3,498,587</u>	<u>1,480,456</u>
Non-current assets			
Property, plant and equipment	7	167,320	35,287
Right-of-use assets	8	612,243	93,765
Deferred tax	9	185,906	29,210
Total non-current assets		<u>965,469</u>	<u>158,262</u>
Total assets		<u>4,464,056</u>	<u>1,638,718</u>
Liabilities			
Current liabilities			
Trade and other payables	10	1,052,645	734,903
Borrowings	11	34,220	34,220
Lease liabilities	12	109,847	59,505
Income tax		667,589	310,764
Total current liabilities		<u>1,864,301</u>	<u>1,139,392</u>
Non-current liabilities			
Lease liabilities	14	509,839	37,862
Deferred tax	15	183,673	28,130
Total non-current liabilities		<u>693,512</u>	<u>65,992</u>
Total liabilities		<u>2,557,813</u>	<u>1,205,384</u>
Net assets		<u>1,906,243</u>	<u>433,334</u>
Equity			
Issued capital	16	10,002	10,002
Retained profits	17	1,896,241	423,332
Total equity		<u>1,906,243</u>	<u>433,334</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
Consolidated statement of changes in equity
For the half year ended 31 December 2022

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	2	956,107	956,109
Loss after income tax expense for the period	-	(239,404)	(239,404)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(239,404)	(239,404)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 16)	-	-	-
Balance at 31 December 2021	<u>2</u>	<u>716,703</u>	<u>716,705</u>
	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	10,002	423,332	433,334
Adjustment from prior period	-	147,939	147,939
Balance at 1 July 2022 - restated	10,002	571,271	581,273
Profit after income tax expense for the period	-	1,324,970	1,324,970
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	1,324,970	1,324,970
Balance at 31 December 2022	<u>10,002</u>	<u>1,896,241</u>	<u>1,906,243</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
Consolidated statement of cash flows
For the half year ended 31 December 2022

	Note	Dec 2022 \$	Dec 2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,211,797	5,342,268
Payments to suppliers (inclusive of GST)		<u>(8,342,143)</u>	<u>(5,543,090)</u>
		1,869,654	(200,822)
Income taxes paid		<u>(210,525)</u>	<u>-</u>
Net cash from operating activities	21	<u>1,659,129</u>	<u>(200,822)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	7	<u>(135,481)</u>	<u>-</u>
Net cash used in investing activities		<u>(135,481)</u>	<u>(35,813)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(68,356)	(26,495)
Advances to employees		<u>(502,658)</u>	<u>-</u>
Net cash used in financing activities		<u>(571,014)</u>	<u>(26,495)</u>
Net increase/(decrease) in cash and cash equivalents		952,634	(227,317)
Cash and cash equivalents at the beginning of the period		<u>924,161</u>	<u>399,238</u>
Cash and cash equivalents at the end of the period	4	<u><u>1,876,795</u></u>	<u><u>171,921</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 consolidated financial statements
31 December 2022

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 or amended Accounting Standards and Interpretations adopted

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

These general purpose interim financial statements for half-year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

This interim financial report is intended to provide users with an update on the latest annual financial statements Freedom Care Group Pty Ltd and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the following half-year.

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.

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).

Freedom Care Group Pty Ltd and its controlled entities
Notes to the consolidated financial statements
31 December 2022

Note 1. Significant accounting policies (continued)

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
Motor vehicle

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.

Freedom Care Group Pty Ltd and its controlled entities
Notes to the consolidated financial statements
31 December 2022

Note 1. Significant accounting policies (continued)

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.

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.

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 consolidated financial statements
31 December 2022

Note 1. Significant accounting policies (continued)

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

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

Income Tax

The income tax expense (income) for the period 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 period 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 .

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.

Freedom Care Group Pty Ltd and its controlled entities
Notes to the consolidated financial statements
31 December 2022

Note 1. Significant accounting policies (continued)

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.

Note 2. Other income

	Dec 2022	Dec 2021
	\$	\$
Service revenue	10,365,641	4,911,568
	Dec 2022	Dec 2021
	\$	\$
Government grants	-	226,320
NDIS grants	248,745	5,500
Other income	12,311	-
Other income	261,056	231,820

Note 3. Income tax expense/(benefit)

	Dec 2022	Jun 2022
	\$	\$
<i>Income tax expense/(benefit)</i>		
Current tax	567,350	73,520
Deferred tax	(1,153)	(689)
Aggregate income tax expense	566,197	72,831
	Dec 2022	Jun 2022
	\$	\$
Provision for income tax	667,589	310,764

Note 4. Current assets - cash and cash equivalents

	Dec 2022	Jun 2022
	\$	\$
Cash at bank	1,876,795	924,161

Freedom Care Group Pty Ltd
Notes to the consolidated financial statements
31 December 2022

Note 5. Current assets - trade and other receivables

	Dec 2022	Jun 2022
	\$	\$
Trade receivables	1,037,343	553,369
Less: Allowance for expected credit losses	(263,688)	(263,688)
	<u>773,655</u>	<u>289,681</u>
Other receivables	<u>238,536</u>	<u>238,536</u>
	<u><u>1,012,191</u></u>	<u><u>528,217</u></u>

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.

Note 6. Current assets - other

	Dec 2022	Jun 2022
	\$	\$
Rental bond	88,548	9,683
Advances to employees and directors	<u>521,053</u>	<u>18,395</u>
	<u><u>609,601</u></u>	<u><u>28,078</u></u>

Note 7. Non-current assets - property, plant and equipment

	Dec 2022	Jun 2022
	\$	\$
Plant and equipment - at cost	109,309	16,363
Less: Accumulated depreciation	(2,926)	(838)
	<u>106,383</u>	<u>15,525</u>
Motor vehicles - at cost	62,536	20,000
Less: Accumulated depreciation	(1,599)	(238)
	<u>60,937</u>	<u>19,762</u>
	<u><u>167,320</u></u>	<u><u>35,287</u></u>

Note 8. Non-current assets - right-of-use assets

	Dec 2022	Jun 2022
	\$	\$
Land and buildings - right-of-use	759,450	168,776
Less: Accumulated depreciation	(147,207)	(75,011)
	<u>612,243</u>	<u>93,765</u>

Note 9. Non-current assets - deferred tax

	Dec 2022	Jun 2022
	\$	\$
Deferred tax asset	<u>185,906</u>	<u>29,210</u>

Freedom Care Group Pty Ltd
Notes to the consolidated financial statements
31 December 2022

Note 10. Current liabilities - trade and other payables

	Dec 2022	Jun 2022
	\$	\$
Trade payables	216,775	99,468
BAS payable	427,457	274,072
Other payables	408,413	361,363
	<u>1,052,645</u>	<u>734,903</u>

Note 11. Current liabilities - borrowings

	Dec 2022	Jun 2022
	\$	\$
Bank loans	<u>34,220</u>	<u>34,220</u>

Note 12. Current liabilities - lease liabilities

	Dec 2022	Jun 2022
	\$	\$
Lease liability	<u>109,847</u>	<u>59,505</u>

Note 13. Non-current liabilities - borrowings

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Dec 2022	Jun 2022
	\$	\$
Bank loans	<u>34,220</u>	<u>34,220</u>

Assets pledged as security

The bank overdraft and loans are secured by first mortgages over the company's land and buildings.

Note 14. Non-current liabilities - lease liabilities

	Dec 2022	Jun 2022
	\$	\$
Lease liability	<u>509,839</u>	<u>37,862</u>

Note 15. Non-current liabilities - deferred tax

	Dec 2022	Jun 2022
	\$	\$
Deferred tax liability	<u>183,673</u>	<u>28,130</u>

Note 16. Equity - issued capital

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

Freedom Care Group Pty Ltd
Notes to the consolidated financial statements
31 December 2022

Note 16. Equity - issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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.

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 17. Equity - retained profits

	Dec 2022	Jun 2022
	\$	\$
Retained profits at the beginning of the financial year	423,332	562,945
Adjustment from prior year	147,939	-
Retained profits at the beginning of the financial year - restated	571,271	562,945
Profit/(loss) after income tax expense for the year	1,324,970	(139,613)
Retained profits at the end of the financial year	<u>1,896,241</u>	<u>423,332</u>

Note 18. 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.

	Dec 2022	Jun 2022
	\$	\$
Short-term employee benefits	190,000	380,000
Post-employment benefits	13,650	27,300
	<u>203,650</u>	<u>407,300</u>

The above includes payments to key management personnel amounting to \$73,650 (Jun 2022: \$147,300 that are discretionary in nature and are not contractual payments).

Note 19. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Freedom Care Group Pty Ltd
Notes to the consolidated financial statements
31 December 2022

Note 20. 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:

	Dec 2022 \$	Jun 2022 \$
Financial Assets		
Cash and cash equivalents	1,876,795	924,161
Trade and other receivables	1,012,191	528,217
	<u>2,888,986</u>	<u>1,452,378</u>
	Dec 2022	Jun 2022
Financial Liability		
Trade and other payables	<u>1,052,645</u>	<u>734,903</u>

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 6

Freedom Care Group Pty Ltd and its controlled entities
Notes to the consolidated financial statements
31 December 2022

Note 20. Financial risk management (continued)

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.

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

	Dec 2022	Dec 2021
	\$	\$
Profit/(loss) after income tax expense for the period	1,324,970	(239,404)
Adjustments for:		
Depreciation and amortisation	75,645	28,129
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(336,035)	201,892
(Increase)/Decrease in other assets	(78,865)	(3,012)
Increase/(Decrease) in trade and other payables	317,742	(188,427)
Increase/(Decrease) in income tax payable	355,672	-
Net cash from operating activities	<u>1,659,129</u>	<u>200,822</u>

Freedom Care Group Pty Ltd
Notes to the consolidated financial statements
31 December 2022

Note 22. 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 23. Related party transactions

During the half-year, the Group has a receivable from its employees and directors amounting to \$521,053.

Refer to Note 6 for further details.

Note 24. Auditor's remuneration

	Dec 2022	Dec 2021
	\$	\$
Remuneration of the Auditor:		
- auditing or reviewing financial report	<u>21,000</u>	<u>-</u>

Note 25. 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
31 December 2022

In accordance with a resolution of the directors of Freedom Care Group Pty Ltd, the directors of the Group declare that:

1. The financial statements and notes, as set out on pages 4 to 19, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the Consolidated Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

On behalf of the directors



Jamal Sabsabi
Group CEO
30th
_____ June 2023

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

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

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Freedom Care Group Pty Ltd, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Freedom Care Group Pty Ltd does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Freedom Care Group Pty Ltd's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities 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 annual 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* has been provided to the directors of the Company.

Directors' Responsibility for the Half-Year Financial Report

The directors of Freedom Care Group Pty Ltd are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

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

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick (NSW)

Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney NSW 2000


Sandeep Kumar

Partner
Dated: 30 June 2023