

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Appendix 4D
Half-year report**

1. Company details

Name of entity:	Freedom Care Group Holdings Ltd
ABN:	91 059 950 337
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 30 June 2023

2. Results for announcement to the market

				\$
Revenue from ordinary activities	Increase	90%	to	19,719,525
Profit from ordinary activities after tax attributable to members	Decrease	144%	to	(589,395)
Profit from ordinary activities after tax attributable to owners of Freedom Care Group Holdings Ltd	Decrease	72%	to	(345,132)

The previous half year end period is based on the results of Freedom Care Corporation Pty Ltd, which was acquired by Freedom Care Group Holdings Ltd during the current half year end (in November 2023). This treatment is in accordance with reverse acquisition accounting and is consistent with the presentation of the accompanying interim financial report.

The loss for the consolidated entity after providing for income tax amounted to \$589,395.

The operating loss for the group was higher due to recognition of the cost of acquisition of Freedom Care Corporation Pty Ltd of approximately \$1.2 million, which represents the deemed excess of the acquired net assets of Freedom Care Group Holdings Ltd over the deemed transaction consideration in accordance with reverse acquisition accounting.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.04</u>	<u>379.15</u>

4. Dividends

Current period

\$2,899,229 dividends were declared and paid by Freedom Care Corporation Pty Ltd to their former shareholders immediately prior to the completion of acquisition.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

**Freedom Care Group Holdings Limited and controlled entities
(Formerly known as Resource Generation Ltd)
Appendix 4D
Half-year report**

5. Details of associates and joint venture entities

Details	Country of incorporation	Principal activities	Ownership %
Controlled entities			
Freedom Care Corporation Pty Ltd	Australia	Holding company	100%
Freedom Health Care Services Pty Ltd	Australia	NDIS service provider	100%
Freedom Care Group Pty Ltd	Australia	NDIS service provider	100%
All Supports and Services Pty Ltd	Australia	NDIS service provider	100%
Freedom Endeavour Services Pty Ltd	Australia	NDIS service provider	50%
Freedom Care Melbourne Pty Ltd	Australia	Dormant	65%
Regional Disability Services Group Pty Ltd	Australia	NDIS service provider	50%
Associates			
Koala Disability Care Pty Ltd	Australia	NDIS service provider	29%

6. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

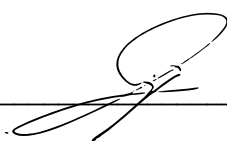
7. Attachments

Details of attachments (if any):

The Interim Report of Freedom Care Group Holdings Ltd for the half-year ended 31 December 2023 is attached.

8. Signed

Signed _____



Zoran Grujic
Chairman
Sydney

Date: 29 February 2024

Freedom Care Group Holdings Ltd and controlled entities

(Formerly known as Resource Generation Ltd)

ABN 91 059 950 337

Interim Report - 31 December 2023

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)**

Contents

31 December 2023

Directors' report	2
Auditor's independence declaration	4
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	16
Independent auditor's review report to the members of Freedom Care Group Holdings Ltd	17

General information

The financial statements cover Freedom Care Group Holdings Ltd as a consolidated entity consisting of Freedom Care Group Holdings Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Freedom Care Group Holdings Ltd's functional and presentation currency.

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

Registered office

Suite 706, Level 7
89 York Street, Sydney NSW 2000

Principal place of business

Shop 3, 886
Woodville Road, Villawood NSW 2163

A description of the nature of the consolidated entity'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 29 February 2024.

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Directors' report
31 December 2023**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group' or 'consolidated entity') consisting of Freedom Care Group Holdings Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

On 27 November 2023, Freedom Care Group Holdings Ltd acquired 100% of the share capital of Freedom Care Corporation Pty Ltd and its controlled entities. Under the Australian Accounting Standards, Freedom Care Corporation Pty Ltd, was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share-based payment by which Freedom Care Corporation Pty Ltd acquired the net assets and listing status of Freedom Care Group Holdings Ltd.

Accordingly, the consolidated financial statements of Freedom Care Group Holdings Ltd have been prepared as a continuation of the business and operations of Freedom Care Corporation Pty Ltd. As the deemed acquirer, Freedom Care Corporation Pty Ltd, has accounted for the acquisition of Freedom Care Group Holdings Ltd from 27 November 2023. The comparative information presented in the consolidated financial statements is that of Freedom Care Corporation Pty Ltd. Refer to Note 5 for further details of the transaction.

Directors

The following persons were directors of Freedom Care Group Holdings Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Zoran Grujic - Non Executive Chairman (appointed 17 October 2023)

Ola El Helu - Non Executive Director (appointed 17 October 2023)

Jamal Sabsabi - Executive Director (appointed 27 November 2023)

Keith Glennan - Non Executive Director

Campbell Welch – Director (resigned 17 October 2023)

Peter Ziegler – Director (resigned 17 October 2023)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity changed from not having any operational businesses to :

- 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 consolidated entity has performed well increasing revenue to \$19,719,525 million for the half-year to 31 December 2023 which is an increase of 54% over the prior period and 90% higher than the December 2022 amount.

The loss for the consolidated entity after providing for income tax amounted to \$589,395.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the financial half-year.

Environmental regulation

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


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.

**Freedom Care Group Holdings Limited and controlled entities
(Formerly known as Resource Generation Ltd)
Directors' report
31 December 2023**

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Zoran Grujic
Chairman

29 February 2024
Sydney

FREEDOM CARE GROUP HOLDINGS LIMITED
ACN 059 950 337

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FREEDOM CARE GROUP HOLDINGS LIMITED

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 Holdings Limited. As the lead audit partner for the review of the financial report of Freedom Care Group Holdings Limited for the half-year ended 31 December 2023, 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)
Level 40, 2 Park Street
Sydney NSW 2000



Stewart Thompson
Partner

Dated: 29 February 2024

A Member of PrimeGlobal
An Association of Independent
Accounting Firms



**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023**

	Note	Consolidated Dec 2023 \$	Dec 2022 \$
Revenue			
Service revenue	2	19,719,525	10,378,668
Other revenue		65,098	261,056
Expenses			
Administration expenses		(7,351,442)	(3,222,050)
Direct service costs		(272,557)	(745,964)
Employee benefits expense		(6,408,409)	(3,880,809)
Listing expense	5	(1,235,533)	-
Office expenses		(4,077,048)	(559,077)
Professional fees		(299,929)	-
Share-based payment expense		(198,365)	-
Other expenses		(128,102)	(340,657)
(Loss) profit before income tax expense		(186,762)	1,891,167
Income tax expense		(402,633)	(566,197)
(Loss) profit after income tax expense for the period		(589,395)	1,324,970
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		<u>(589,395)</u>	<u>1,324,970</u>
(Loss) profit and total comprehensive income attributable to:			
- Owners of Freedom Care Group Holdings Ltd		(345,132)	1,254,153
- Non-controlling interests		(244,263)	70,817
		<u>(589,395)</u>	<u>1,324,970</u>
		Cents	Cents
Basic earnings per share		(0.02)	125.39
Diluted earnings per share		(0.02)	125.39

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

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Consolidated statement of financial position
As at 31 December 2023**

	Note	Consolidated Dec 2023 \$	Jun 2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	3,781,277	3,258,486
Trade and other receivables	7	821,025	1,204,488
Other assets		366,241	646,033
Total current assets		<u>4,968,543</u>	<u>5,109,007</u>
Non-current assets			
Property, plant and equipment		256,793	187,630
Right-of-use assets	8	547,097	505,357
Deferred tax		134,842	129,626
Equity-accounted investment	9	1,450,000	-
Total non-current assets		<u>2,388,732</u>	<u>822,613</u>
Total assets		<u>7,357,275</u>	<u>5,931,620</u>
Liabilities			
Current liabilities			
Trade and other payables		795,515	708,067
Current tax liabilities		1,096,526	772,890
Borrowings		-	13,555
Lease liabilities	10	115,845	182,923
Total current liabilities		<u>2,007,886</u>	<u>1,677,435</u>
Non-current liabilities			
Lease liabilities	10	423,523	335,582
Deferred tax		136,774	126,339
Total non-current liabilities		<u>560,297</u>	<u>461,921</u>
Total liabilities		<u>2,568,183</u>	<u>2,139,356</u>
Net assets		<u>4,789,092</u>	<u>3,792,264</u>
Equity			
Issued capital	11	4,334,125	10,002
Retained profits		268,695	3,513,056
Options reserve	12	161,329	-
Equity attributable to owners of Freedom Care Group Holdings Ltd		4,764,149	3,523,058
Non-controlling interests		24,943	269,206
Total equity		<u>4,789,092</u>	<u>3,792,264</u>

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

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Consolidated statement of changes in equity
For the half-year ended 31 December 2023**

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2022	10,002	-	448,843	(25,511)	433,334
Adjustment from prior period	-	-	147,939	-	147,939
Balance at 1 July 2022 – restated	10,002	-	596,782	(25,511)	581,273
Profit after income tax expense for the period	-	-	1,254,153	70,817	1,324,970
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,254,153	70,817	1,324,970
Balance at 31 December 2022	<u>10,002</u>	<u>-</u>	<u>1,850,935</u>	<u>45,306</u>	<u>1,906,243</u>
Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2023	10,002	-	3,513,056	269,206	3,792,264
Loss after income tax expense for the period	-	-	(345,132)	(244,263)	(589,395)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(345,132)	(244,263)	(589,395)
Transactions with owners in their capacity as owners:					
Issue of share capital, net of transaction costs	3,682,689	100,964	-	-	3,783,653
Conversion of convertible notes	503,434	-	-	-	503,434
Share-based payment	138,000	60,365	-	-	198,365
Dividends paid	-	-	(2,899,229)	-	(2,899,229)
Balance at 31 December 2023	<u>4,334,125</u>	<u>161,329</u>	<u>268,695</u>	<u>24,943</u>	<u>4,789,092</u>

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

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Consolidated statement of cash flows
For the half-year ended 31 December 2023**

	Note	Consolidated Dec 2023 \$	Dec 2022 \$
Cash flows from operating activities			
Receipts from customers		20,185,635	10,211,797
Payments to suppliers and employees		(18,179,701)	(8,342,143)
Income taxes paid		(73,778)	(210,525)
Interest received		1,911	-
Net cash from operating activities		<u>1,934,067</u>	<u>1,659,129</u>
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	5	379,917	-
Purchase of property, plant & equipment		(97,112)	(135,481)
Payment for equity-accounted investment		(1,450,000)	-
Net cash (used in) investing activities		<u>(1,167,195)</u>	<u>(135,481)</u>
Cash flows from financing activities			
Advances to employees		-	(502,658)
Proceeds from borrowings		21,224	-
Repayment of lease liabilities		(148,995)	(68,356)
Proceeds from issue of shares, net of transaction costs		2,782,919	-
Dividends paid		(2,899,229)	-
Net cash (used in) financing activities		<u>(244,081)</u>	<u>(571,014)</u>
Net increase in cash and cash equivalents		522,791	952,634
Cash and cash equivalents at the beginning of the period		<u>3,258,486</u>	<u>924,161</u>
Cash and cash equivalents at the end of the period		<u><u>3,781,277</u></u>	<u><u>1,876,795</u></u>

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

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Notes to the financial statements
31 December 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 during the period unless otherwise stated.

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Freedom Care Group Holdings Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The financial statements are presented in Australian dollars, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Acquisition Accounting

On 27 November 2023, Freedom Care Group Holdings Ltd, the legal parent and legal acquirer, completed the acquisition of Freedom Care Corporation Pty Ltd and its controlled entities. The acquisition did not meet the definition of a business combination in accordance with AASB 3 'Business Combinations', with Freedom Care Corporation Pty Ltd deemed to be the accounting acquirer. The acquisition has been treated using the principles of reverse acquisition accounting. Effectively Freedom Care Corporation Pty Ltd has acquired the net assets and listing status of Freedom Care Group Holdings Ltd.

Accordingly the consolidated financial statements of the Freedom Care Group Holdings Ltd have been prepared as a continuation of the business and operations of Freedom Care Corporation Pty Ltd and the transaction measured at the fair value of the equity instruments that would have been given by the controlled entity, Freedom Care Corporation Pty Ltd, to have exactly the same percentage holding in the new structure at the date of acquisition.

The implications of the acquisition on the financial statements are as follows;

Consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows

- The 31 December 2023 statements comprise of 6 months of Freedom Care Corporation Pty Ltd and its controlled entities and 1 month of Freedom Care Group Holdings Ltd.
- The 31 December 2022 comparative statements comprise of 6 months of Freedom Care Corporation Pty Ltd and its controlled entities.

Consolidated statement of financial position

- The statement of financial position as at 31 December 2023 comprises of Freedom Care Corporation Pty Ltd and its controlled entities and Freedom Care Group Holdings Ltd.
- The comparative statement of financial position at 31 December 2022 comprises of Freedom Care Corporation Pty Ltd and its controlled entities.

Refer to Note 5 for further details of the transaction.

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Notes to the financial statements
31 December 2023**

Note 2. Revenue

	Consolidated	
	Dec 2023	Dec 2022
	\$	\$
Service revenue	19,719,525	10,378,668
NDIS grants	-	248,745
Other income	65,098	12,311
	<u>65,098</u>	<u>261,056</u>

Accounting policy for revenue

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

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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.

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 3. Operating Segment

The group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The reportable segment is represented by the primary statements forming this financial report.

Note 4. Dividends

Pursuant to the agreement for the acquisition of Freedom Care Corporation Pty Ltd by the company, \$2,899,229 dividends were declared and paid by Freedom Care Corporation Pty Ltd to their former shareholders immediately prior to the completion of acquisition.

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Notes to the financial statements
31 December 2023**

Note 5. Acquisition accounting

On 27 November 2023, the company issued 82,500,000 fully paid ordinary shares to the shareholders of Freedom Care Corporation Pty Ltd pursuant to an acquisition agreement to acquire the entire issued capital of Freedom Care Corporation Pty Ltd.

Under Australian Accounting Standards, Freedom Care Corporation Pty Ltd was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share-based payment in which Freedom Care Corporation Pty Ltd acquires the net assets and listing status of Freedom Care Corporation Pty Ltd.

	\$
Fair value of consideration transferred	1,000,734
Fair value of assets and liabilities held at acquisition date:	
– Cash and cash equivalents	379,917
– Trade and other receivables	19,460
– Trade and other payables	(165,521)
– Borrowings	(468,655)
Identifiable assets and liabilities assumed	<u>(234,799)</u>
Listing expense	<u>1,235,533</u>

Note 6. Cash and cash equivalents

	Consolidated	
	Dec 2023	Jun 2023
	\$	\$
Cash at bank	3,781,077	3,258,486
Cash on hand	<u>200</u>	<u>-</u>
	<u>3,781,277</u>	<u>3,258,486</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Trade and other receivables

	Consolidated	
	Dec 2023	Jun 2023
	\$	\$
Trade receivables	923,227	1,467,174
Less: Provision for doubtful accounts	<u>(263,688)</u>	<u>(263,688)</u>
	<u>659,539</u>	<u>1,203,486</u>
Other receivables	<u>161,486</u>	<u>1,002</u>
	<u>821,025</u>	<u>1,204,488</u>

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Notes to the financial statements
31 December 2023**

Note 7. Trade and other receivables

Accounting policy for trade and other receivables

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

Note 8. Right-of-use assets

	Consolidated	
	Dec 2023	Jun 2023
	\$	\$
Land and buildings - right-of-use	929,308	759,450
Less: accumulated depreciation	<u>(382,211)</u>	<u>(254,093)</u>
	<u><u>547,097</u></u>	<u><u>505,357</u></u>

Accounting policy for right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity 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 consolidated entity 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.

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Notes to the financial statements
31 December 2023**

Note 9. Equity-accounted investments

In November 2023, the group has completed an acquisition of 29% equity interest in Koala Disability Care Pty Ltd for cash consideration of \$1,450,000.

The group also entered into:

- a call option deed to acquire additional 10% equity interest in the company for cash consideration of \$500,000 (first call option). The call option expiring by 30 June 2024.
- a call option deed to acquire additional 10% equity interest in the company for cash consideration of \$500,000 subject to completion of the first call option and the company had achieve an average \$260,000 revenue target directly attributable by referrals from Freedom Care Corporation Pty Ltd within the twelve months period. The option is exercisable at any time from 31 December 2023 to 31 March 2025.

Note 10. Lease liabilities

	Consolidated	
	Dec 2023	Jun 2023
	\$	\$
Current		
Lease liabilities	115,845	182,923
Non-current		
Lease liabilities	423,523	335,582

Accounting policy for lease liabilities

At inception of a contract, the group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the group where the group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Notes to the financial statements
31 December 2023**

Note 11. Issued capital

	Consolidated			
	Dec 2023 Shares	Jun 2023 Shares	Dec 2023 \$	Jun 2023 \$
Ordinary shares - fully paid	<u>108,318,453</u>	<u>10,002</u>	<u>3,907,089</u>	<u>10,002</u>

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2023	10,002	10,002
Elimination of Freedom Care Group Pty Ltd	27 November 2023	(10,002)	-
Shares of Freedom Care Group Holdings Ltd (formerly Resource Generation Ltd)	27 November 2023	100,073,381	-
Shares on issue post consolidation (1:20)	27 November 2023	<u>5,003,669</u>	<u>10,002</u>
Shares issued to former shareholders of Freedom Care Corporation Pty Ltd	27 November 2023	82,500,000	1,000,734
Shares issued pursuant to the public offer	27 November 2023	16,000,000	3,200,100
Shares issued to employees	27 November 2023	210,000	48,000
Shares issued on conversion of convertible notes	27 November 2023	3,571,429	503,434
Shares issued to director	27 November 2023	450,000	90,000
Shares issued to lead manager	27 November 2023	583,355	116,667
Less: transaction costs		<u>-</u>	<u>(634,812)</u>
Balance	31 December 2023	<u>108,318,453</u>	<u>4,334,125</u>

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.

**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Notes to the financial statements
31 December 2023**

Note 12. Options reserve

	Consolidated	
	Dec 2023	Jun 2023
	\$	\$
Options reserve	556,698	-
	<u>556,698</u>	<u>-</u>

Movements in options reserve

Details	Date	Shares	\$
Balance	1 July 2023	-	-
Options issued to former shareholders of Freedom Care Corporation Pty Ltd	27 November 2023	15,000,000	-
Options issued pursuant to the public offer	27 November 2023	3,200,000	-
Options issued to directors	27 November 2023	896,825	28,698
Options issued to lead manager	27 November 2023	1,500,000	132,631
Balance	31 December 2023	<u>20,596,825</u>	<u>161,329</u>

On 27 November 2023, the company issued:

- 1 option for every 5.5 ordinary shares issued to the former shareholders of Freedom Care Corporation Pty Ltd totalling 15,000,000 options being issued pursuant to an acquisition agreement.
- 1 option for every 5 ordinary shares subscribed in the public offering totalling 3,200,000 options being issued.
- 396,825 options issued to Keith Glennan and 500,000 options issued to Zoran Grujic.
- 1,500,000 options issued to Novus Capital Limited being the lead manager to the public offering.

These options were issued under the Prospectus and are having exercise price at \$0.25 each, expiring by 27 November 2025.

Note 13. Contingent assets and liabilities

There are no contingent assets and or liabilities at the date of this report.

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 to the date of this report that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the Group's state of affairs in future financial years.

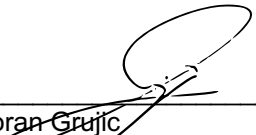
**Freedom Care Group Holdings Ltd and controlled entities
(Formerly known as Resource Generation Ltd)
Directors' declaration
31 December 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-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 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Zoran Grujic
Chairman

29 February 2024
Sydney

**FREEDOM CARE GROUP HOLDINGS LIMITED
ACN 059 950 337****INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
FREEDOM CARE GROUP HOLDINGS LIMITED****SYDNEY**Level 40
2 Park Street
Sydney NSW 2000
AustraliaPh: (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 Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2023, 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 Holdings Limited does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Freedom Care Group Holdings Limited's financial position as at 31 December 2023 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 2023 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*.

A Member of PrimeGlobal
An Association of Independent
Accounting Firms

FREEDOM CARE GROUP HOLDINGS LIMITED
ACN 059 950 337

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
FREEDOM CARE GROUP HOLDINGS LIMITED

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)

Level 40, 2 Park Street

Sydney NSW 2000



Stewart Thompson

Partner

Dated: 29 February 2024