

# **Provectus Care Pty Limited**

**ABN 27 105 655 034**

**NAPS ID: 2562**

## **Financial Statements**

**For the Year Ended 30 June 2023**

# Provectus Care Pty Limited

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For the Year Ended 30 June 2023

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## **Provectus Care Pty Limited**

# **Directors' Report**

**30 June 2023**

The directors present their report on Provectus Care Pty Limited for the financial year ended 30 June 2023.

### **Information on directors**

The names of each person who has been a director during the year and to the date of this report are:

Shane Moran

Penelope Moran

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

### **Principal activities**

The principal activity of Provectus Care Pty Limited during the financial year was the provision of residential aged cared services.

No significant changes in the nature of the Company's activity occurred during the financial year.

### **Operating results**

The profit of the Company after providing for income tax amounted to \$ 40,825 (2022: \$ 42,820).

### **Dividends paid or recommended**

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

### **Review of operations**

A review of the operations of the Company and its aged care entities ("Group") during the financial year and the results of those operations are set out below.

### **Significant changes in state of affairs**

There have been no significant changes in the state of affairs of the Company during the year.

### **Events after the reporting date**

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

### **Future developments and results**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

### **Environmental issues**

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

**Provectus Care Pty Limited**

**Directors' Report**

**30 June 2023**

**Indemnification and insurance of officers and auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Provectus Care Pty Limited.

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2023 has been received and can be found on page 3 of the financial report.

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



Director: .....  
Dr Shane Moran

Date: 26 / 10 / 2023

**Provectus Care Pty Limited**

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Provectus Care Pty Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

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

**KMB AUDITING PTY LIMITED**



**IAN KELLAWAY**

Director

North Sydney

Date: 27 / 10 / 2023



## Provectus Care Pty Limited

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	4	35,526,261	30,152,632
Other income	4	1,155,421	528,244
	4	<u>36,681,682</u>	30,680,876
Facility fees paid		(16,621,728)	(15,576,360)
Facility subsidies paid		(18,280,854)	(14,576,272)
Grant income paid to to the Facilities		(623,679)	-
Other expenses		(5,620)	(7,141)
Finance expenses		(1,095,368)	(464,009)
		<u>54,433</u>	57,094
<b>Profit before income tax</b>		<b>54,433</b>	57,094
Income tax expense	5	(13,608)	(14,274)
		<u>40,825</u>	42,820
<b>Profit for the year</b>		<b>40,825</b>	42,820
<b>Other comprehensive income for the year, net of tax</b>		<u>-</u>	-
<b>Total comprehensive income for the year</b>		<u><b>40,825</b></u>	<u>42,820</u>

The accompanying notes form part of these financial statements.

## Provectus Care Pty Limited

### Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	266,661	285,336
Trade and other receivables	8	26,706	26,706
Loans and advances	9	169,545,263	165,839,442
TOTAL CURRENT ASSETS		<u>169,838,630</u>	<u>166,151,484</u>
TOTAL ASSETS		<u>169,838,630</u>	<u>166,151,484</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	34,296	27,954
Borrowings	11	16,604,958	18,257,508
Current tax liabilities	12	13,608	2,664
Refundable Accommodation Deposits & Bonds	13	153,050,850	147,769,265
TOTAL CURRENT LIABILITIES		<u>169,703,712</u>	<u>166,057,391</u>
TOTAL LIABILITIES		<u>169,703,712</u>	<u>166,057,391</u>
NET ASSETS		<u>134,918</u>	<u>94,093</u>
<b>EQUITY</b>			
Issued capital	14	1,000	1,000
Retained earnings		133,918	93,093
TOTAL EQUITY		<u>134,918</u>	<u>94,093</u>

The accompanying notes form part of these financial statements.

**Provectus Care Pty Limited**

**Statement of Changes in Equity**  
**For the Year Ended 30 June 2023**

**2023**

	<b>Ordinary Shares</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2022</b>	<b>1,000</b>	<b>93,093</b>	<b>94,093</b>
Profit/(loss) attributable to members of the parent entity	-	40,825	40,825
<b>Balance at 30 June 2023</b>	<b>1,000</b>	<b>133,918</b>	<b>134,918</b>

**2022**

	<b>Ordinary Shares</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2021</b>	<b>1,000</b>	<b>50,273</b>	<b>51,273</b>
Profit/(loss) attributable to members of the parent entity	-	42,820	42,820
<b>Balance at 30 June 2022</b>	<b>1,000</b>	<b>93,093</b>	<b>94,093</b>

The accompanying notes form part of these financial statements.



**Provectus Care Pty Limited**

**Statement of Cash Flows**  
**For the Year Ended 30 June 2023**

	<b>2023</b>	<b>2022</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	<b>35,586,296</b>	30,212,676
Payments to suppliers and employees	<b>(35,525,538)</b>	(30,152,943)
Interest received	<b>1,095,386</b>	468,200
Finance costs	<b>(1,095,368)</b>	(464,199)
Income taxes paid	<b>(2,664)</b>	(14,573)
Net movement in refundable accommodation deposits and bonds	<b>5,281,585</b>	1,322,570
Net cash provided by/(used in) operating activities	<b>5,339,697</b>	1,371,731
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net advances to related parties	<b>(3,735,822)</b>	(6,957,787)
Net movement in borrowings	<b>(1,622,550)</b>	5,556,024
Net cash provided by/(used in) financing activities	<b>(5,358,372)</b>	(1,401,763)
Net increase/(decrease) in cash and cash equivalents held	<b>(18,675)</b>	(30,032)
Cash and cash equivalents at beginning of year	<b>285,336</b>	315,368
Cash and cash equivalents at end of financial year	<b>7 266,661</b>	<b>285,336</b>

The accompanying notes form part of these financial statements.

## Provectus Care Pty Limited

# Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers Provectus Care Pty Limited as an individual entity. Provectus Care Pty Limited is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of Provectus Care Pty Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

### 2 Summary of Significant Accounting Policies

#### (a) Going concern

The Company is in a net current asset deficiency position. Notwithstanding the Company's deficiency in net current assets, the financial report has been prepared on a going concern basis. This deficiency principally arises due to the recognition of refundable accommodation deposits ('RADs') being recorded as current liabilities as required under Australian Accounting Standards. However, in practice, RADs / accommodation bonds that are repaid are generally replaced by RADs from incoming residents in a short timeframe.

The Company currently has a debt facility of \$24,000,000 with its bankers, National Australia Bank Ltd, of which \$6,835,377 remains undrawn at 30 June 2023. This debt facility can be drawn down to repay RADs should the Company encounter net cash outflows. In addition, the Company has the ability to refinance its existing borrowings and raise new external debt if required. Based on the current budget estimates for the next 12 months, the Company will be able to pay its debts as and when they become due and payable.

Accordingly, the financial report has been prepared on a going concern basis. The impact of COVID-19 has been taken into consideration in preparing the financial report on a going concern basis.

#### (b) Revenue and other income

##### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

##### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

##### Department of Health Funding (Government subsidies)

The Federal Government assesses the company's entitlement to revenue in accordance with the provisions of the Aged Care Act 1997. The subsidy received is based on the Aged Care Funding Instrument ("ACFI")

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2023**

### **2 Summary of Significant Accounting Policies**

#### **(b) Revenue and other income**

##### **Specific revenue streams**

assessment and recognised on an ongoing daily basis. The amount of Government revenue received is determined by Federal Government regulation rather than a direct contract with the customer. The funding is determined by a range of factors, including the resident's care needs; whether the home has been significantly refurbished; levels of supported resident ratios at the home; and the financial means of the resident.

##### **Resident basic daily fee**

The basic daily fee is a daily living expense paid by all residents as a contribution towards the provision of care and accommodation in accordance with the Aged Care Act 1997. This fee is calculated daily in accordance with the rates set by Federal Government, and invoiced on a monthly basis. In addition to the basic daily fee, if the resident has been assessed by the Federal Government as having the financial means, an additional means tested care fee is payable by the resident as a contribution to their care fees. This is also calculated on a daily basis and invoiced monthly.

For each resident, a single performance obligation that reflects a series of distinct services that are substantially the same and have the same pattern of transfer has been identified, being the ongoing daily delivery of care to the resident. The Group recognises revenue on a daily basis in line with the care given to residents. Residents are invoiced on a monthly basis for services provided, with payment due upon invoicing.

##### **Other resident fees**

These include fees recognised by the company for additional services to residents, charged to residents under mutually agreed terms and conditions, depending upon the agreed room price and additional services requested.

##### **Other income**

Other income is recognised on an accruals basis when the Company is entitled to it.

#### **(c) Income Tax**

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **2 Summary of Significant Accounting Policies**

**(c) Income Tax**

probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

**(d) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(e) Impairment of non-financial assets**

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

**(f) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2023**

### **2 Summary of Significant Accounting Policies**

#### **(g) New accounting standards for application in future periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

### **3 Critical Accounting Estimates and Judgments**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key estimates - Loan receivables from related parties**

The loan receivables from related parties at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. The directors have concluded that the entire balances are considered collectible.

## Provectus Care Pty Limited

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 4 Revenue and Other Income

	2023	2022
	\$	\$
Revenue		
- Resident fees received	16,621,728	15,576,360
- Commonwealth subsidies received	18,280,854	14,576,272
- Grant income received	623,679	-
- Interest income from related parties	1,095,386	468,200
- Administration & Management fees	60,035	60,000
	<u>36,681,682</u>	<u>30,680,832</u>

#### 5 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2023	2022
	\$	\$
Current tax expense		
Current tax	13,608	14,274
Deferred tax expense		
<b>Total income tax expense</b>	<u>13,608</u>	<u>14,274</u>

(b) Reconciliation of income tax to accounting profit:

	2023	2022
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%)	<u>13,608</u>	14,273
Income tax expense	<u>13,608</u>	<u>14,273</u>
Weighted average effective tax rate	-	25 %

#### 6 Segment Information

The approved provider delivers only residential aged care services and this General Purpose Financial Report - Simplified Disclosures therefore relates only to such operations.

#### 7 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	<u>266,661</u>	285,336
	<u>266,661</u>	<u>285,336</u>

## Provectus Care Pty Limited

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 8 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Other receivables	26,706	26,706
<b>Total current trade and other receivables</b>	<b>26,706</b>	<b>26,706</b>

#### 9 Loans and Advances

	2023	2022
	\$	\$
CURRENT		
Loans to related parties	169,545,263	165,839,442
	<b>169,545,263</b>	<b>165,839,442</b>

The Directors have assessed that the loans to related parties constitute a permitted use of RAD funds under the Aged Care Act 1997. The loans are secured, interest-free and repayable at call.

#### 10 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
GST payable	24,764	15,800
Other payables	9,532	12,154
	<b>34,296</b>	<b>27,954</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**11 Borrowings**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Bank loan - secured	<b>15,542,073</b>	17,164,623
Loans from other related parties - unsecured	<b>1,062,885</b>	1,092,885
<b>Total current borrowings</b>	<b>16,604,958</b>	<b>18,257,508</b>

Loans from related parties are secured, interest-free and repayable at call.

**Bank loan**

On 12 January 2023, the Company renewed its bank loan facilities and updated its covenant ratios. There has been no change in the loan facility amount, which remains at \$24,000,000. The bank loan is secured by a registered first mortgage over certain freehold properties and bed licences owned by the Company. The financial assets used as collateral are subject to a floating charge and cannot be disposed of without the consent of the financier. Since the renewal date, there have been no breaches of the bank covenants. As of 30 June 2023, the amount of undrawn bank facilities is \$8,457,927.

**12 Tax assets and liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Income tax payable	<b>13,608</b>	2,664
<b>Current tax liabilities</b>	<b>13,608</b>	<b>2,664</b>

**13 Refundable Accommodation Deposits and Bonds**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
RADs - Beresford Hall Pty Ltd	<b>95,466,774</b>	91,532,649
RADs - Harbour Quays Pty Ltd	<b>30,737,861</b>	28,169,196
RADs - Victoria By The Park Pty Ltd	<b>26,846,215</b>	28,067,420
<b>Total</b>	<b>153,050,850</b>	<b>147,769,265</b>



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 14 Issued Capital

	2023	2022
	\$	\$
1000 (2022: 1000) Ordinary shares	1,000	1,000
<b>Total</b>	<b>1,000</b>	<b>1,000</b>

#### Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

#### 15 Related Parties

##### (a) The Company's main related parties are as follows:

The ultimate parent entity, which exercises control over the Company, is Shapen Holdings Pty Limited which is incorporated in Australia and owns 100% of Provectus Care Pty Limited.

##### (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Company incurred interest expense \$1,095,368 during the year. This was re-charged to directors related entities owning the aged care building facilities.

During the year the Company received administration fees of \$60,000 (2022: \$60,000) from director-related entities.

##### (c) Loans to/from related parties

Loans to/(from) related parties - refer notes 9 and 11.

#### 16 Events Occurring After the Reporting Date

The financial report was authorised for issue on 26 October 2023 by the board of directors.

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

#### 17 Bed Licences - Resident Places

Bed licences are issued by the Federal Government to Approved Providers, and can also be purchased and transferred from third parties with the approval of the Department of Health.

Bed licences are stated at directors valuation, or at fair value at acquisition, less any accumulated impairment losses. All resident places held by the Company have been applied for through the relevant Government approval rounds, and

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2023**

### **17 Bed Licences - Resident Places**

as such there are no direct costs of acquisition applicable.

The Company is the Approved Provider, and holds the following bed licences on behalf of the relevant operating aged care facilities:

Beresford Hall (NSW)	81
Drayton House (NSW)	60
Victoria By The Park (VIC)	70
Harbour Quays (QLD)	131
Deakin (ACT)	90
Darling House (NSW)	10

The Directors have ascertained that the above bed licences would be worth not less than \$11,970,000, should they be made available for sale as stand-alone assets – as opposed to any value that may be recognised or attributable to the sale of any of the aforementioned facilities.

### **18 Statutory Information**

The registered office and principal place of business of the company is:

Provectus Care Pty Limited  
Suite 1005  
6A Glen Street  
MILSONS POINT NSW 2061

## Provectus Care Pty Limited

### Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 16, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Simplified Disclosures; and
  - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director .....

Dr Shane Moran

Date: 26 / 10 / 2023

## Provectus Care Pty Limited

### Independent Audit Report to the members of Provectus Care Pty Limited

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Provectus Care Pty Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Company is in accordance with the *Corporations Act 2001*, including:

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

##### 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 the 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.

##### 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 - Simplified Disclosures 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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 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 the 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 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.

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.

**KMB AUDITING PTY LIMITED**



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**IAN KELLAWAY**

Director

North Sydney

Date: 27 / 10 / 2023

## Provectus Care Pty Limited

### Disclaimer

The additional financial data presented on page 21 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2023. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Provectus Care Pty Limited) in respect of such data, including any errors or omissions therein however caused.

#### KMB AUDITING PTY LIMITED



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**IAN KELLAWAY**

Director

North Sydney

Date: 27 / 10 / 2023

