The Argyle Trust
(Trustee: Chevron Corporation Pty Ltd)
ABN 37 347 620 876

Audited Financial Statements
For the year ended 30 June 2021

Approved Provider:
Chevron Corporation Pty Ltd
NAPS ID 536

RACS 3230 - The Argyle Court Hostel

The Argyle Trust
ABN 37 347 620 876

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Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	Consolidated Group 2021 $	2020 $
Revenue	2	5,966,811	6,457,545
General & Administrative Expenses - external entities		90,962	122,498
General & Administrative Expenses - related entities	22 (b)	1,183,180	1,135,032
Occupancy Expenses - external entities		985,570	947,820
Operating Expenses - external entities		399,710	351,962
Employee Benefit Expenses - external entities		2,239,632	2,268,675
Resident Expenses - external entities		258,510	297,493
Financing Costs - external entities	3	771,500	828,359
Financing Costs - related entities	22(c)	181,135	353,800
Share of Equity Accounted Losses	1(o) & 9(a)	119,209	169,142
Total Expenses		6,229,408	6,474,781
Profit / (Loss) for the year before Income Tax		**(262,597)**	**(17,236)**
Income tax expense	1(b)	-	-
Net Profit / (Loss) after Income tax		**(262,597)**	**(17,236)**
Other Comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net fair value gain / (loss) on other financial assets	1(i)/10	547,153	(228,333)
Total Comprehensive income / (Loss) for the period		**284,556**	**(245,569)**

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	Consolidated Group 2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	90,127	1,368,571
Trade and Other Receivables	5	14,696,642	14,651,797
Other Current Assets	6	355,268	373,169
TOTAL CURRENT ASSETS		15,142,037	16,393,537
NON-CURRENT ASSETS			
Property, Plant, Equipment & Capital Work In Progress	7	15,006,907	15,140,593
Right of Use Assets	21	3,759,619	4,175,875
Intangible Assets	8	1,040,000	1,040,000
Investments accounted for using the equity method	9	1,759,970	1,879,179
Other financial assets	10	1,693,820	746,667
Investments accounted for at Amortised Cost	11	-	600,000
TOTAL NON-CURRENT ASSETS		23,260,316	23,582,314
TOTAL ASSETS		38,402,353	39,975,851
CURRENT LIABILITIES			
Trade and Other Payables	12	19,518,326	20,272,424
Short Term Provisions	13	431,301	414,998
Non Interest Bearing Liabilities	15	318,509	318,508
Lease Liabilities	21 (a)	365,791	432,230
Financial Liabilities	16	11,200,000	800,000
TOTAL CURRENT LIABILITIES		31,833,927	22,238,160
NON-CURRENT LIABILITIES			
Long Term Provisions	14	42,286	29,597
Lease Liabilities	21 (b)	3,591,940	3,858,450
Financial Liabilities	16	-	11,200,000
TOTAL NON-CURRENT LIABILITIES		3,634,226	15,088,047
TOTAL LIABILITIES		35,468,153	37,326,207
NET ASSETS		2,934,200	2,649,644
EQUITY			
Issued Units		3,697,643	3,697,643
Fair value through OCI reserve	1(i)	(306,180)	(853,333)
Accumulated Profit/(losses)		(457,263)	(194,666)
		2,934,200	2,649,644

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The accompanying notes form an integral part of these financial statements

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2021

		Issued Units		Retained Earnings	Asset Revaluation Reserve	Total
		Units	**$**	**$**	$	**$**
Balance at 30 June 2019		3,697,643	3,697,643	-	(625,000)	3,072,643
Gain attributable to Trust		-	-	(17,236)	-	(17,236)
Other Comprehensive Income		-	-	-	(228,333)	(228,333)
Distribution to beneficiaries	22(b)	-	-	(177,430)	-	(177,430)
Balance at 30 June 2020		3,697,643	3,697,643	(194,666)	(853,333)	2,649,644
Gain (Loss) attributable to Trust		-	-	(262,597)	-	(262,597)
Other Comprehensive Income		-	-	-	547,153	547,153
Distribution to beneficiaries	22(b)	-	-	-	-	-
Balance at 30 June 2021		3,697,643	3,697,643	(457,263)	(306,180)	2,934,200

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
Cash Flows from Operating Activities			
Receipts from Residents		5,483,506	5,903,594
Payments to Suppliers & Employees		(3,799,538)	(4,356,445)
Finance Costs paid		(510,598)	(633,974)
Interest Received		58,668	182,319
Net Operating Cash Flows		1,232,038	1,095,494
Cash Flows from Investing Activities			
Payment for Property, Plant, Equipment and Capital Work in Progress	7	(377,818)	(519,098)
Payment for Investment in Simavita Ltd - Notes	11	(200,000)	(100,000)
Proceeds on sale of Investment in Cann Ltd		455,221	(400,000)
Net Investing Cash Flows		(122,597)	(1,019,098)
Cash Flows from / (payments for) Financing Activities			
Receipts / (payments) of accommodation bonds and deposits		(147,424)	612,840
Proceeds / (repayment) of Bank Loans	16	(800,000)	12,000,000
Loans to other related parties		(1,201,044)	(12,776,072)
Loans from Unitholders	22(h)	200,000	-
Repayment of Lease Liabilities (AASB 16)	21	(439,417)	(432,735)
Net Financing Cash Flows		(2,387,885)	(595,967)
Net Increase / (decrease) in Cash Held		(1,278,444)	(519,571)
Cash at Beginning of Financial Year		1,368,571	1,888,142
Cash at End of Financial Year	4	90,127	1,368,571

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements and notes represent those of Argyle Trust and Controlled Entity (the "Group"). The separate financial statements of the parent entity, Argyle Trust, have not been presented within these financial statements.

The Argyle Trust has elected to adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board, Australian Accounting Interpretations, and the Aged Care Act 1997. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

These financial statements cover The Argyle Trust which is a unit trust, established and domiciled in Australia. The approved provider is Chevron Corporation Pty Ltd.

Reporting Basis and Conventions

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest Australian dollar.

Going Concern Basis

The Group recorded a loss for the year ended 30 June 2021 of $262,597 (2020: $17,236 loss). As at 30 June 2021 the Group had a net asset position of $2,934,200 (2020: $2,649,644) .

The group is in a net current asset deficiency position. This position principally arises due to refundable accommodation deposits (RADs) and accommodation bonds being recorded as a current liability as required under accounting standards. However, in practice, deposits and bonds that are repaid are generally replaced from incoming residents in a short timeframe. The groups net receipt / (repayment) of bonds and deposits over a financial year represents a small portion of the groups total bond and deposit liability. In the year ended 30 Jun 21 the group recorded a net outflow of bonds and deposits (toal receipts less total refunds) of $147,424 (refer to Consolidated Statement of Cash Flows 'Accommodation Bonds'). Therefore it is not anticipated that the accommodation bond and deposit liabilities will cause future cash flow concerns. Additionally, the Group has positive operating cash flow, maintains a minimum liquidity level and has access to undrawn credit facilities.

In addition, The Group has a facility of $11,200,00 (Refer note 16) classified as a current liability. Following reporting date this facility was extended to October 2022.

After making reasonable enquires, the Director has a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of these financial statements without any intention or necessity to liquidate or wind up operations. Accordingly the financial statements have been prepared on a going concern basis.

Assets and liabilities have been recorded on the basis that the Group will be able to generate sufficient positive cash flows to meet its financial obligations and realise its assets and discharge its liabilities in the normal course of business.

Notes to the Financial Statements
For the Year Ended 30 June 2021

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New or amended Accounting Standards and Interpretations adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Acounting Standards Board ('AASB') that are mandatory for the current reporting period.

IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (AASB 138 Intangible Assets)
The Group has adopted the IFRIC Agenda Decision from 1 July 2020. The Agenda Decision provides clarification on the elements of expenditure that meet the definition of an Intangible Asset as defined by AASB 138 Intangible Assets. There was no material impact on the Trust as a result of the adoption of the AFRIC Agenda Decision

Accounting Policies

a) Principles of Consolidation

The consolidated financial statements comprise the financial statements of The Argyle Trust and its subsidiaries (as outlined in note 22) as at 30 June each year. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the group. Investments in subsidiaries held by the Argyle Trust are accounted for at cost in the separate financial statements of the parent entity less any impairment charges.

b) Income tax

Under current legislation, the trust is not fully liable for income tax provided its taxable income is fully distributed to beneficiaries.

c) Revenue

Aged Care
The group recognises revenue from aged care services over time as performance obligations are satisfied which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and nondiscretionary services, as agreed in a single contract with the resident.

Government Contributions - aged care

Government revenue reflects the Group's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents. Government revenue comprises of basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument ('ACFI'), accommodation supplements, funding for short-term 'respite' residents, HCP subsidies and other Government incomes. Revenue is recognised over time as services are provided and performance obligations fulfilled. Funding claims are submitted/updated daily and Government revenue is usually payable within approximately one month of services having been performed.

Resident and client fees - aged care

Residents are charged a basic daily fee as a contribution to the provision of care and accommodation. The quantum of resident/client basic daily fees is regulated by the Government and typically increases in March and September each year. Resident/client basic daily fee revenue is recognised over time as services are provided and performance obligations fulfilled. Residents/clients are invoiced on a monthly basis and revenue is usually payable within 30 days. Other resident/client revenue represents other fees charged to residents/clients in respect of care and accommodation services provided by the Group and includes means tested care fees, Daily Accommodation Payment (DAP)/Daily Accommodation Contribution (DAC) revenue, additional services revenue and other income. Other resident/client revenue is recognised over time as services are provided and performance obligations fulfilled. Residents/clients are invoiced on a monthly basis and revenue is usually payable within 30 days.

Other operating revenue - aged care

For residential aged care accommodation arrangements where the resident has elected to pay a Refundable Accommodation Deposit ('RAD') or Accommodation Bonds (prior to July 2014), the Group receives a financing benefit, being non-cash consideration, in the form of an interest free loan. The fair value of this non-cash consideration is required, under AASB 16 and AASB 9 to be recognised as rental income (to reflect the resident's occupancy of the room) and corresponding interest expense (to record the financial liability associated with RADs and bonds at fair value) with no net impact on profit or loss. Where residents have elected to pay a DAP, the DAP is recognised as resident/client fees as disclosed above. This is calculated based on average RAD / accommodation bond balances, excluding any RADs/accommodation bonds awaiting refund/probate divided by the Maximum Permissible Interest Rate (MPIR), which is a Commonwealth Government set interest rate used to calculate the Daily Accommodation Payment (DAP) to applicable residents.

Rental Income

The Group earns rental income from tenants (both related party and other) under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the group may obtain bank guarantees for the term of the lease.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when performance obligations are fulfilled or when it is received or when the right to receive payment if performance obligations do not exist.

d) Cash and Cash Equivalents

Cash and cash equivalents included cash on hand, in banks and deposits at call.

e) Goods and Services Tax

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

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

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Property, Plant & Equipment

Property, Plant and equipment are measured on the cost basis, less accumulated depreciation. The carrying amount of property, plant and equipment is reviewed annually by the director to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Land & Buildings

Land and Buildings are stated at cost less where applicable, any accumulated depreciation or amortisation and impairment losses.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	10% - 33%
Plant & Equipment	10% - 33%
Buildings	2.50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss & Other Comprehensive Income.

g) Impairment of Assets

At each reporting date, the Group reviews the carrying values 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 cost to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to Profit or Loss. Impairment testing is performed annually for intangible assets with indefinite lives, intangible assets with definite lives are tested if there is an indication of impairment in accordance with AASB 136 impairment of assets.

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

h) AASB 16 - 'Leases'

Right of Use Assets

The Trust recognises right-of-use assets at the commencement of the lease (that is the date the asset becomes available for use). Right of Use Assets are measured at cost, less any accumulated depreciation and adjusted for any subsequent remeasurement of the lease liability. Unless the Trust is reasonably certain to obtain ownership of the leased asset at the end of the lease term the right-of-use asset is depreciated on a straight line basis over the lease term.

Lease Liabilities

At the commencement date of the lease, the Trust measures lease liabilities as equal to the net present value of lease payments to be made over the life of the lease. Lease payments include fixed payments and variable payments which depend on an index or a rate.

To calculate the present value of current and future lease payments at the commencement of the lease the Trustee elected to use an incremental borrowing rate equivalent to the rate provided by financiers for funding of other long term assets. In adopting this approach, the Trustee viewed that an interest rate implicit in the lease was not readily determinable. After the lease commencement date the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of the lease liability is re-measured if there is a modification, a significant re-assessment of the incremental borrowing rate, re-assessment of future lease payments, change in the lease term or reassessment of probability of exercising options to renew over the life of the lease.

Significant Accounting Judgements and Assumptions

In applying AASB 16 the Trustee has made the following judgements:

In determining the lease term used to ascertain lease payments the Trustee considers all facts and circumstances that create an economic benefit to exercise an extension option.

It is the Director's judgement that it is reasonably certain that all renewal options will be exercised to extend the lease term until the expiration of the lease. Thus the Trust has included renewal periods in the term of the lease for calculating the lease liability.

In the absence of a readibly determinable interest rate implicit in the lease the Trustee has applied an incremental borrowing rate (IBR) being a weighted average of the interest rate the lessee would have to pay to fund long term assets on an unsecured and secured commercial basis. This has been measured with reference to the actual interest rate paid on secured commercial borrowings (see note 16) and an estimated interest rate on unsecured borrowings given the Trusts expected credit rating. These rates have been applied at the commencement of the lease and at reporting date.

To estimate increases in future lease payments the Trustee has applied a long-term growth rate equivalent to long-term CPI.

At reporting date:	Assumption
Trusts Incremental Borrowing Rate (IBR)	3.23%
Trust's long term growth rate (long-term CPI)	1.69%
Expiration date	Feb-31

Impact on the profit and loss during the 2021 financial year has been noted at note 21

At reporting date the carrying value of the lease liability and right-of-use asset have been measured taking into consideration all circumstances which are within the control of the Trust and all information which is available to the Director with respect to current and future lease payments.

Notes to the Financial Statements
For the Year Ended 30 June 2021

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Financial Instruments

Equity instruments at fair value through other comprehensive income (Equity FVTOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVTOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

The Trust's investment in Simavita Ltd is considered an investment in an equity instrument at fair value through other comprehensive income (Equity FVTOCI) . During the year the security was delisted from the ASX. The Trustee has calculate the instruments fair value using the closing share price on the day of delisting 23 February 2021

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.
The Trust's investment in convertible notes issued by Simavita Ltd is considered a held to maturity investment in a debt instrument. At reporting date the asset was recognised at amortised cost
The Trust's investment in convertible notes issued by Cann Group Ltd is considered a held to maturity investment in a debt instrument. At reporting date the asset was recognised at amortised cost

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment of financial assets

The Expected Credit Loss (ECL) impairment model is forward looking and depends on whether there has been a significant increase in credit risk for loan recivables since initial recognition. Where there is no signifciant increase in credit risk, impairment is based on possible loss events for the next 12 months. Where there is a significant increase in credit risk impairment is based on possible loss events for the lives of the loans.

At reporting date the groups investments in investments measured at amortised cost were reviewed for impairment. All investments at amortised cost were not impaired as at 30 June 2021

Reconciliation of financial instruments measured in accordance with AASB 9

The table below shows the classification of each class of financial asset and financial liability under AASB 9 as at 30 June 2021

	AASB 9 classification	AASB 9 carrying amount
Financial assets		
Trade and other receivables	Amortised cost	14,696,642
Unlisted shares	Equity FVTOCI	1,693,820
Convertible notes held to maturity	Amortised cost	-
Other receivables	Amortised cost	355,266
Financial liabilities		
Trade and other payables	Amortised cost	19,518,326

j) Accommodation Bonds and Refundable Accommodation Deposits

Provision is made for the Group's liability to repay resident entry bonds & Refundable Accommodation Deposits. Bonds and Refundable Accommodation Deposits paid by residents less any retention amounts payable to the Group are payable to residents when they leave the facility or their estate upon the grant of probate. Bonds and Refundable Accommodation Deposits are measured at their nominal amounts.

k) Accommodation Bonds and Refundable Accommodation Deposits

Effective 1 October 2011 clearer and stronger arrangements exist regarding the use of accommodation bonds and refundable accommodation Deposits. These changes limit the permitted uses for accommodation bonds and refundable Accommodation Deposit such that approved providers may only use accommodation bonds and refundable accommodation Deposits for capital works, investment in particular financial products, loans for these purposes and refunding accommodation bonds and Refundable Accommodation Deposits. Effective 1st July 2014, accommodation bonds are known as Refundable Accommodation Deposits ('RAD').

l) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Long Service Leave is accrued pro rata in respect of all employees based on the probability of the employee reaching eligibility. Probability of reaching elibibility has been calculated based on seven years historical data.

m) Related Parties

The director of the entity controls Residential Aged Services Pty Ltd ("RAS"). RAS provides management services to the entity. Amounts paid or payable to RAS are disclosed in the financial statements.

Total amounts charged by RAS are set out in a Management Agreement and include (see note 22 b):

1) A fixed management fee per bed licence held by The Trust

2) Recovery of Corporate costs relating to annual financial management, clinical governance and prudential compliance services overseen by the Executive and Finance Teams in RAS.

The director also controls a number of other entities that operate in the aged care sector. Loans have been made between the entity and RAS or the other as controlled by this director and are disclosed in the notes to the accounts.
The Argyle Trust provides no compensation to its director or other key management personnel. All such compensation is provided by RAS.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Intangibles

Bed Licences

Bed licences have been initially recognised at fair value upon issue from the Federal Government which is deemed to represent cost under AASB 138 Intangible Assets. The Group considers the licences to have an indefinite life and as such does not amortise them. The licences are reviewed annually to assess whether there has been any impairment in their value. Where the carrying amount exceeds the value of the expected future benefits, the difference is charged to profit and loss. Impairment losses can be reversed in subsequent periods to the extent previously recognised. The recoverable amount of bed licences represents the higher of the asset's fair value less costs to sell and its value in use. Judgements and estimates have been made in determining fair value and value in use of bed licences.

The current Government has stated its intention to abolish bed licence restrictions and the Aged Care Approval Rounds ("ACAR") from 1 July 2024. This proposal has the potential to impact the accounting value of bed licences. At 30 June 2021, the Group recognises bed licences at a book value of $1,040,000. Legislation has not yet been drafted or passed to give effect to this intention and the exact nature of any changes to the licencing regime remains uncertain at the date of this report. Until such time as any legislation is passed, Approved Providers will still be required to own bed licences to be eligible for Government subsidies under the Aged Care Act. As a result, the Group has determined that bed licences continue to have an indefinite life and the carrying value remains appropriate at the date of this report.

o) Investments in Associates

Associates are those entities over which the trust is able to exert significant influence but which are not subsidiaries. The trust holds 2,600,000 units in Exotic Marigold Prahran Trust, constituting 28.88% of total unit holdings and therefore investment is considered an investment in associates. In accordance with AASB 128 investment in associates and Joint ventures, the trust is considered to have significant influence over the operations,strategy and direction of Exotic Marigold Prahran trust due to the common directorship of Peter Reilly who is a director on the board of all other entities that are unit holders in the Exotic Marigold Prahran Trust.

Investments in Associates are accounted for using the equity method

Any goodwill or fair value adjustment attributable to the Trust's share in the associate is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates is increased or decreased to recognise the trust's share of the profit or loss and other comprehensive income of the associate adjusted where necessary to ensure consistency with the accounting policies of the trust.

p) Investments in Joint Arrangements

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. The Trust's investment in The Maview Property Trust, constituting 50% of total unit holdings, is considered an investment in a joint venture. The venturers have a contractual obligation establishing joint control over the operations, strategy and direction of The Maview Property Trust. Joint control exists with one other partner, The Maeven Property Trust (see 9b).

Investments in joint ventures are accounted for using the equity method.

The carrying amount of the investment in joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

q) Critical Accounting Estimates and Judgements

The trustees evaluate estimates and judgements incorporated into the financial report 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 trust.

r) Financial Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs.
They are subsequently remeasured at amortised cost using the effective interest method.

s) 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.

t) Critical Accounting Estimates and Judgements

Key estimates — Provisions

A provision has been calculated for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon six years of historical data. The measurement and recognition criteria for employee benefits has been included in Note 14.

Key estimates — Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, and for unamortised intangibles, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key estimate – Coronavirus (COVID-19)

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. During the 2021 year there were further outbreaks in Victoria which is the State in which the Argyle Trust operates. The spread of COVID-19 has caused significant volatility in Australia and International markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australia and international economies. The longer term impacts of COVID-19 on the operations of the Trust remain uncertain and cannot be quantified at this time
The financial statements were authorised for issue by a resolution of the director of the trustee company on 30th September 2021

Notes to the Financial Statements

For the Year Ended 30 June 2021

		Note	Consolidated Group 2021 $	2020 $
2	**REVENUE**			
	Commonwealth Funding		3,390,258	3,810,795
	Resident Contributions		1,083,212	1,048,592
	Other Income		3,819	5,574
	Interest from Other Persons		58,668	182,319
	Interest from related entities	22(d)	-	-
	Rental Income from related parties	22(b)	1,064,417	1,036,284
	Rental Income from other persons		1,236	1,491
	Imputed revenue on RAD and Bond balances under AASB 16		309,980	372,490
	Capital Gain on Sale of Shares		55,221	-
	Total Revenue		5,966,811	6,457,545
	Revenues received from both internal and external entities.			
3	**PROFIT AND LOSS ITEMS**			
	Profit from ordinary activities has been determined after:			
	Depreciation			
	Depreciation of Property, Plant & Equipment	7	511,504	479,604
	Depreciation of Right of Use Assets (AASB 16)	21	390,667	371,845
			902,171	851,449
	Other Expenses Items			
	Employee Entitlements		473,587	444,595
	Finance Costs - External entities			
	Imputed Interest Cost on RAD and Bond Balances under AASB 16		309,980	372,490
	Interest Expense on leases under AASB 16	21	132,057	175,695
	Interest Expense on RADs for departed residents		27,719	34,715
	Interest Expense on Bank Loans		301,744	245,459
	Total Finance Costs - External entities		771,500	828,359
	Superannuation expense			
	Superannuation		184,028	184,522
4	**CASH AND CASH EQUIVALENTS**			
	Cash and cash equivalents		90,127	1,368,571
5	**TRADE AND OTHER RECEIVABLES**			
	Trade debtors		58,426	-
	Net Trade debtors		58,426	-
	GST receivable		8,365	7,606
	Other receivables		40	29,380
	Related parties	22(e)	14,629,811	14,614,811
	Net related parties		14,629,811	14,614,811
	Total Trade and Other Receivables		14,696,642	14,651,797
6	**OTHER CURRENT ASSETS**			
	Prepayments		5,268	23,169
	Deposit On Property Located at 135 Duff St Cranbourne	(a)	350,000	350,000
	Total Other Current Assets		355,268	373,169

a) On the 10 May 2017 the Trust executed an agreement with the vendor (Kameel Pty Ltd) to purchase 135 Duff St Cranbourne at a total purchase price of $7,000,000. A deposit of $350,000 was paid in May 2017. At reporting date the vendor and the Trust had not agreed a settlement date. The balance of $6,650,000 is payable at settlement.

At Settlement all the rights and benefits held by Kameel Pty Ltd (Landlord) under the existing lease will be assigned to The Argyle Trust. The tenant under the existing lease is the Director related party Willow Wood Cranbourne Aged Services Trust. At reporting date no variation to the lease had been made to set out the monthly rental amounts payable to The Argyle Trust following settlement

Notes to the Financial Statements
For the Year Ended 30 June 2021

		Note	Consolidated Group 2021 $	2020 $
7	**PROPERTY, PLANT & EQUIPMENT**			
	LAND & BUILDINGS			
	At Cost		14,975,105	14,975,105
	Accumulated Depreciation		(931,324)	(633,242)
	Total Land & Buildings		14,043,781	14,341,863
	CAPITAL WORK IN PROGRESS		440,001	208,254
	LEASEHOLD IMPROVEMENTS			
	At cost		587,237	582,816
	Accumulated Depreciation		(262,220)	(136,035)
	Total Leasehold Improvements		325,017	446,781
	PLANT & EQUIPMENT			
	At cost		382,888	241,238
	Accumulated Depreciation		(184,780)	(97,543)
	Total Plant & Equipment		198,108	143,695
	Total Property, Plant, Equipment & Capital Work in Progress		15,006,907	15,140,593
	(a) Movements in Carrying Amounts:			
	Land & Buildings			
	Opening Carrying Amount		14,341,863	14,574,400
	Additions		-	62,586
	Depreciation		(298,082)	(295,123)
	Closing Carrying Amount		14,043,781	14,341,863
	Capital Work in progress			
	Opening Carrying Amount		208,254	197,575
	Additions / (Completions)		231,747	10,679
	Closing Carrying Amount		440,001	208,254
	Leasehold Improvements			
	Cost			
	Opening Carrying Amount		446,781	152,651
	Additions		4,422	400,984
	Disposals		-	(136,585)
	Accumulated Depreciation on Disposals		-	136,585
	Depreciation for the year		(126,186)	(106,854)
	Closing Carrying Amount		325,017	446,781
	Plant & Equipment			
	Cost			
	Opening Carrying Amount		143,695	176,474
	Additions		141,650	44,849
	Disposals		-	(451,211)
	Accumulated Depreciation on Disposals		-	451,211
	Depreciation for the year		(87,236)	(77,627)
	Closing Carrying Amount		198,108	143,695
	Total Property, Plant, Equipment & Capital Work in Progress Movements			
	Cost			
	Opening Carrying Amounts		15,140,593	15,101,100
	Additions		377,818	519,098
	Disposals		-	(587,796)
	Accumulated Depreciation on Disposals		-	587,796
	Depreciation for the year		(511,504)	(479,604)
	TOTAL PROPERTY, PLANT, EQUIPMENT & CAPITAL WORK IN PROGRESS		15,006,907	15,140,594
8	**INTANGIBLE ASSETS**			
	Bed Licences		1,040,000	1,040,000
	Net carrying amount		1,040,000	1,040,000

Bed Licences have an indefinite useful life. The indefinite useful life exists because the licence is expected to be perpetually renewed without substantial expenditure that is significant compared to future economic benefits that the licence can generate.

Value in use of the bed licences was determined by discounting the future cash flows generated from the continuing use and was based on the following assumptions:

- Cash flows were projected based on a projected cash flow range of five (5) years, before a terminal value is calculated;
- A growth rate in the cash flow projections of 2.5% p.a. for all revenues and expenses other than wages (1.75% growth rate);
- A terminal growth rate of 2.5%; and
- An after-tax discount rate of 5.08% was used in discounting the projected future cash flows.

Reconciliation of Bed licences		
Opening Balance	1,040,000	1,040,000
Closing Balance	1,040,000	1,040,000

Notes to the Financial Statements

For the Year Ended 30 June 2021

		Note	Consolidated Group 2021 $	2020 $
9	**INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**			
a)	Investment In Associates - The Exotic Marigold Prahran Trust		2,600,000	2,600,000
	Share of net losses from associates accounted for using the equity method	1(o)	(840,330)	(721,121)
			1,759,670	1,878,879
	Reconciliation of Equity Accounted Investments			
	Balance at beginning of year		1,878,879	2,048,021
	Investment in Equity Accounted Investments		-	-
	Equity Accounted Losses in Year	1(o)	(119,209)	(169,142)
	Closing Carrying Value		1,759,670	1,878,879
b)	Investment in The Maview Property Trust	1(p)	300	300
	Carrying Amount of Investments Accounted For Using The Equity Method		1,759,970	1,879,179

On 1 July 2017 the Trust acquired an additional 1,600,000 units in the Exotic Marigold Prahran Trust (increasing their unitholding to 28.89%).

In May 2016 the Trust acquired units in The Maview Property Trust. The Maview Property Trust has been established to develop a property located at 161 - 169 Jells Rd Wheelers Hill, with the intention of leasing for the purposes of providing residential aged care places. The Trust has invested as an equal partner with an external investor and holds a 50% equity interest in the Property Trust (see note 22a)

		Note	2021 $	2020 $
10	**INVESTMENTS IN EQUITY INVESTMENTS**			
	Fair value through other comprehensive income investments		1,693,820	746,667
	Reconciliation of Investments in Financial Assets			
	Balance at beginning of year		746,667	875,000
	Additions - Purchases	1(i)	-	100,000
	Additions - Conversion of Convertible Notes - Simavita Ltd		400,000	-
	Additions - Conversion of Convertible Notes - CANN Ltd		400,000	-
	Disposals - Sale of CANN Group Ltd shares		(400,000)	-
	Fair Value Gain / (Loss) - Equity FV - OCI		547,153	(228,333)
	Closing Carrying Value		1,693,820	746,667

In May 2017 the Trust acquired shares in Simavita Ltd (ASX listed company: SVA). At reporting date the asset was recognised at fair value with reference to the assets quoted price at close of trading. Fair value losses were taken to a separate component of equity ('Available for sale Reserve') in prior year and (FV OCI reserve) in current year (refer to note 1(j)) . The Trust has elected to early adopt the pronouncements in AASB 9: Financial Instruments, Trust has elected to classify the equity investment as fair value through other comprehensive income (FV OCI).

In Oct 2018 the Trust made a further investment, acquiring additional shares in Simavita Ltd at a cost of $500,000 issued as CDI's (3c p/s).
In Feb 2020 the Trust made a further investment acquiring additional shares at a cost of $100,000 issued as CDI's (2c p/s)
In Feb 2020 the Trust converted notes issued in April-19 to shares at a total cost of $200,000. 37,585,209 shares were issues (.0053c p/s) on conversion
In Jan 2021 the Trust converted notes issued in Dec-20 to shares at a total cost of $200,000. 15,384,615 shares were issued (.013c p/s) on conversion.

Historical summary of investments at cost

Date	Tranche	#	Votes	Per Share ($)	Total Cost ($)
May-17	1	25,000,000		$0.0400	$1,000,000.00
Oct-18	2	16,666,667		$0.0300	$500,000.00
Feb-20	3	5,000,000		$0.0200	$100,000.00
Jul-20	4	37,585,209		$0.0053	$200,000.00
Jan-21	5	15,384,615		$0.0130	$200,000.00
At Reporting date		99,636,491	7.15%	$0.0201	$2,000,000.00

a) During the 2021 year the company was delisted from the Australian Stock Exchange (ASX). At reporting date the entity was an unlisted private company registered in Canada. To calculate the instruments fair value at reporting date the Trustee has referred to the closing price as of the day of delisting being 22 February 2021. On 22 February 2021 the closing price for the share was $0.017

At reporting date the Trust held approximately 7.15% votes in the company

		Note	2021 $	2020 $
11	**INVESTMENTS ACCOUNTED FOR AT AMORTISED COST**			
	Held to maturity debt investments		-	600,000
	Reconciliation of Investments in Held to maturity debt investments			
	Balance at the beginning of year		600,000	200,000
	Additions		200,000	400,000
	Disposals - Conversion to Ordinary Shares - Simavita Ltd		(400,000)	
	Disposals - Conversion to Ordinary Shares - CANN Group Ltd		(400,000)	
	Amortisation		-	-
	Closing Carrying Value		-	600,000
12	**TRADE AND OTHER PAYABLES**			
	Unsecured Liabilities			
	Trade Payables		359,726	133,229
	Payroll Liabilities		68,909	63,784
	Sundry Payables		412,523	264,775
	Director related parties	22(f)	9,545,002	10,731,046
	Unitholders	22(h)	200,000	-
	Accommodation Bonds & Deposits Payable		8,932,166	9,079,590
	Total Trade and Other Payables		19,518,326	20,272,424

Notes to the Financial Statements

For the Year Ended 30 June 2021

		Note	Consolidated Group 2021 $	2020 $
13	**SHORT TERM PROVISIONS**			
	Employee Benefits	1(l)	431,301	414,998
14	**LONG TERM PROVISIONS**			
	Employee Benefits	1(l)	42,286	29,597
a)	**Aggregate Employee Entitlements**		473,587	444,595

Provision for Long Term Employee Benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon seven years of historical data. The measurement and recognition criteria for employee benefits has been included in Note 1(l).

		Note	2021 $	2020 $
15	**NON INTEREST BEARING LIABILITIES**			
	Investor - Beneficiary loans	22(g)	318,509	318,508
	Total Non Interest Bearing Liabilities		318,509	318,508
16	**FINANCIAL LIABILITIES**			
	The National Australia Bank - Current Liability		11,200,000	800,000
	The National Australia Bank - Non-current Liability		-	11,200,000
	Total Financial Liabilities		11,200,000	12,000,000

On the 18th October 2019 the Trust agreed to refinance a loan owing to the National Australia Bank (NAB) in relation to the development at Prahran. The facility was originally taken out by the Exotic Marigold Prahran Trust in May 2015 with the proceeds used to purchase non-residential land and buildings in Prahran for a future aged care development. Interest rate on the loan is the BBSW rate (plus 2% margin) - at reporting date 2.0941%. Interest rate is floating and is adjusted quarterly.

Security has been provided in the form of a charge over all the present and future rights, property and undertaking of the Trust.
Additional security has been provided by related parties in the form of a registered mortgage over the property held by the Exotic Marigold Prahran trust located at 42 Charles Street Prahran VIC, and 70-88 Greville Street Prahran Vic. Further security has also been provided by other members of the Lifeview Group

The Trust is required to make principal repayments of $200,000 per quarter. Accordingly $800,000 will be repaid to the National Australia Bank within the 12 months after the end of the reporting date.

17 ECONOMIC DEPENDENCE

The Argyle Trust is dependent upon funding provided by the Commonwealth Government and Residents (including accommodation bonds and deposits).

18 CONTINGENT LIABILITIES

On 14 October 2019 The Trust agreed to provide a guarantee in respect of a loan owed by Residential Aged Services Nominees Pty Ltd to it's financiers (National Australia Bank). As at 30 June 2021 the amount Residential Aged Services Nominees Pty Ltd owed to National Australia Bank was $6,145,000

19 FINANCIAL INSTRUMENTS

Categories of financial instruments

	Consolidated Group 2020 $	2019 $
Financial Assets		
Cash and cash equivalents	90,127	1,368,571
Trade and other receivables	14,696,642	14,651,797
Total Financial Assets	14,786,769	16,020,368
Financial Liabilities:		
Trade and other payables	19,518,326	20,272,424
Beneficiary Loans	318,509	318,508
Total Financial Liabilities	19,836,835	20,590,932

Notes to the Financial Statements

For the Year Ended 30 June 2021

20 COMMITMENT TO PURCHASE WILLOW WOOD PROPERTY

On 10 May 2017 the Trust executed an agreement with Kameel Pty Ltd to purchase the property located at 135 Duff St Cranbourne
A $350K deposit has been paid for the property. The balance of $6,650,000 is payable on settlement. At reporting date settlement date had not been agreed.

Reconciliation of property commitment

		Consolidated Group 2021 $	Consolidated Group 2020 $
Sale price agreed for Property		7,000,000	7,000,000
Deposit Paid	6	(350,000)	(350,000)
Balance Payable		6,650,000	6,650,000

21 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Trust has a lease agreement in relation to the property located at 81-83 Argyle Avenue Chelsea 3196. The carrying amount of the Trust's Right of Use assets and lease liabilities in connection with this lease and the movement during the period are presented below.

Reconciliation of Lease Liability and Right of Use Asset	1	Property Leases (RUA) $	Lease Liabilities $
As at 1 Jul 2020		4,175,875	4,290,680
Depreciation Expense		(390,667)	-
Interest Expense		-	132,057
Lease Payments		-	(439,417)
Subsequent Re-measurements		(25,589)	(25,589)
Closing Carrying Value		3,759,619	3,957,731

The following table is provided to assist with an understanding of the impact of the adoption of AASB 16 on the profit and loss for the period:

Impact on Net Profit	1	2021 $	2020 $
Depreciation expense of right-of-use assets, now recognised		390,667	371,845
Interest expense on lease liabilities, now recognised		132,057	175,695
Lease payments under AASB 116		(439,417)	(432,735)
Net impact on the Profit and Loss		83,307	114,805

Lease Liabilities	1	2021 $	2020 $
a) Lease Liability - Current Liability		365,791	432,230
b) Lease Liability - Non-current Liability		3,591,940	3,858,450
Total Lease Liabilities		3,957,731	4,290,680

The current term of the property lease expires on 9 March 2026, with 1 further five year options to extend to February 2031.
The Director confirmed that it was resonably certain the lessee would exercise the option to renew to the the expiration of the lease in Feb 2031.
Accordingly at reporting date lease payments have been capitalised to Feb 2031 at the lessee's IBR of 3.23% with an assumed long term growth rate in future lease payments of 1.69% (long-term CPI)

Notes to the Financial Statements

For the Year Ended 30 June 2021

22 RELATED PARTY DISCLOSURE

a) Investments in Subsidiaries and Associated Entities

The consolidated financial report include the financial statements of the Argyle Trust and the subsidiaries and associated entities listed in the following table.

Subsidiaries & Associates	% Equity Interest		Investment ($)	
Name	2021	2020	2021	2020
Wholly owned				
Park Orchards Aged Services Property Trust	100	100	4,977	4,977
Dalecare Pty Ltd	100	100	-	-
Joint Ventures				
Maview Property Trust	50	50	300	300
Associates				
The Exotic Marigold Prahran Trust	28.9	28.9	1,759,670	2,048,022

b) Transactions with related parties

Transactions with related parties are on mutually agreed terms and conditions. Transactions with related parties are as follows:

Management fees paid to related party RAS Pty Ltd		1,183,180	1,135,032
Distributions to beneficiaries		-	177,430
Rental Income received from Willow Wood Cranbourne Aged Services Trust		1,064,417	1,036,284
c) Interest paid to related parties			
The Wheelers Hilll Aged Services Trust		17,705	66,793
Willow Wood Cranbourne Aged Services Trust		93,340	136,761
Emerald Glades Hostel Trust		56,221	109,081
The Emerald Glades Property Trust		13,860	41,165
		181,126	353,800
d) Interest received from related parties			
Willow Wood Cranbourne Aged Services Trust		-	-
Maview Property Trust		-	-
		-	-
e) Amounts receivable from director related parties			
Exotic Marigold Prahran Trust		14,629,811	14,614,811
	5	14,629,811	14,614,811
f) Amounts payable to Director related parties			
Wheelers Hill Aged Services Trust		1,354,793	1,515,219
Emerald Glades Hostel Trust		2,910,708	3,248,144
Emerald Property Trust		1,182,315	1,138,062
Willow Wood Cranbourne Aged Services Trust		4,097,186	4,829,455
Residential Aged Services Pty Ltd		-	166
	12	9,545,002	10,731,046
g) Amounts payable to Beneficiaries			
Reilly Family Trust		181,141	181,141
Lauraine Diggins Discretionary Trust		76,408	76,408
Residential Aged Services Pty Ltd		60,960	60,959
Investor - Beneficiary loans	15	318,509	318,508
h) Loans from Unitholders			
Reilly Family Trust	12	200,000	-
		200,000	-

23 MOVEMENT IN UNITHOLDERS FUNDS

	2021 $	2019 $
Opening Balance of Unitholders Funds	3,697,643	3,697,643
Units Issued	-	-
Closing Balance of Unitholders Funds	3,697,643	3,697,643

24 EVENTS SUBSEQUENT TO BALANCE DATE

During the financial year the Covid-19 pandemic has had a significant impact on the local and international economies. Subsequent to balance date, Victoria has experienced further outbreaks which is the jurisdiction in which The Argyle Trust operates. While the costs currently incurred by The Argyle Trust in relation to Covid-19 have not been significant, the longer term impacts on the operations of The Argyle Trust remain uncertain and cannot be quantified at this time.

In July 2021 the Trust invested a further $135,000 in ordinary shares (490,909 shares at 27.5c p/s) issued by ASX listed company CANN Group Ltd (ASX: CAN). 489,909 shares were later sold in August at 30.5c p/s for a capital gain of $14,967. As of 30th September 2021 the Trust held 1,000 shares in Cann Group Ltd.

In September 2021 the National Australia Bank agreed to extend the term of the loan owed from the Trust for a further 12 months to October-22.

Since the end of the financial year, the Director is unaware of any other events subsequent to balance date which could materially impact upon the financial position of the entity or any of its associates.

24 KEY MANAGEMENT PERSONNEL

The Trust provides no compensation to its director or other key management personnel. All such compensation is provided by Residential Aged Services Pty Ltd.

The Argyle Trust
ABN 37 347 620 876

Director's Declaration

The director of the Trustee Company, Chevron Corporation Pty Ltd, declares that:

1. The financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows and accompanying notes and director's declaration give a true and fair view of the Trust's financial position as at 30 June 2021 and of its performance for the year ended on that date in accordance with Australian Accounting Standard's Reduced Disclosure Requirements and other mandatory professional reporting requirements;

2. In the director's opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Peter T Reilly
Director

Dated this day 30th September 2021

Level 21, Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

T +61 2 8320 2222
F +61 2 9320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Unitholders of The Argyle Trust

Report on the audit of the financial report

Opinion

We have audited the financial report of The Argyle Trust (the Trust), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration of the Trustee Company.

In our opinion, the accompanying financial report of The Argyle Trust:

a presents fairly, in all material respects, the Trustee's financial position as at 30 June 2021 and of its performance and cash flows for the year then ended; and

b complies with Australian Accounting Standards – Reduced Disclosure Requirements

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 Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Director of the Trustee Company for the financial report

The Director of the Trustee Company of the Trust is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. This responsibility also includes such internal control as Director of the Trustee Company determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Trust'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 management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Director is responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A C Pitts
Partner – Audit & Assurance

Melbourne, 30 September 2021