

Freedom Care Group Holdings Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity: Freedom Care Group Holdings Limited
ABN: 91 059 950 337
Reporting period: For the year ended 30 June 2024
Previous period: For the year ended 30 June 2023

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	38.8% to	32,777
Profit for the year attributable to the owners of Freedom Care Group Holdings Limited	down	66.5% to	891
		2024	2023
		Cents	Cents
Basic earnings per share		1.41	26,554.69
Diluted earnings per share		1.20	26,554.69

Comments

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$891,000 (30 June 2023: \$2,656,000).

3. Net tangible assets

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	<u>4.70</u>	<u>33,833.23</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

\$3,091,051 in dividends were declared and paid by Freedom Care Corporation Pty Ltd to the former shareholders immediately prior to the completion of the acquisition. \$475,000 in dividends were declared by a subsidiary of Freedom Care Group Holdings Ltd in which it holds a 50% shareholding. Freedom Care Group received \$237,500 and was declared in the accounts.

Previous period

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

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7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

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

The financial statements have been audited and an unmodified opinion has been issued.

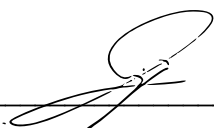
11. Attachments

Details of attachments (if any):

The Annual Report of Freedom Care Group Holdings Limited for the year ended 30 June 2024 is attached.

12. Signed

Signed _____



Zoran Grujic
Chairman
Sydney

Date: 30 September 2024

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FREEDOM CARE GROUP HOLDINGS LTD

ANNUAL REPORT

2024

Freedom Care Group Holdings Limited

Contents

30 June 2024

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General information

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

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

Registered office

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

Principal place of business

Shop 3, 886
Woodville Road, Villawood NSW 2163

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2024. The directors have the power to amend and reissue the financial statements.



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A WORD FROM OUR CHAIRMAN

Freedom Care Group Holdings has achieved much since its ASX listing in November 2023. It has already materially progressed a stated growth strategy that is now delivering a material upscaling in the Company's business operations. Looking ahead to FY25, Freedom Care Group Holdings is expected to report ongoing organic and inorganic growth across its business, fed by a further broadening of its service offering and an enlarged geographic footprint.

Dear shareholder,

On behalf of the Board of Directors of Freedom Care Group Holdings, I am pleased to report on our Company's achievements for the financial year ended 30 June 2024 (FY24).

This past year has been transformative for Freedom Care, as we became the first National Disability Insurance Scheme (NDIS) support services provider to be listed on the ASX. This milestone reflects our commitment to growth, underscored by several strategic initiatives we have implemented, with others in the pipeline poised to drive further expansion. Importantly, this strategy has been executed without compromising our exceptional Environmental, Social, and Governance (ESG) standards. Our recent and future growth efforts are and will not be based on broad market expansion. Rather, they are and will continue to be deliberately focused, premised on strengthening our dedication to serving "complex" NDIS participants. These are individuals with heightened vulnerabilities, risks, and support needs. Our specialised approach in this niche, which requires intensive assessment, planning, coordination, and monitoring, sets us apart in the market.

Freedom Care Group Holdings' revenue in FY24 was of exceptionally high quality, with 95% derived from the Australian Government. This income stream, supported by a low capital intensity business model, underscores the robustness of our financial foundation. Detailed insights into our financial performance for FY24 will be provided in the CEO's Letter following this. Despite some speculative media reports, I want to reassure our shareholders that sustained growth within Australia's NDIS is anticipated over the coming years. Particularly, the segment of complex cases that we specialize in is expected to expand, even if other parts of the NDIS experience some growth moderation as the Federal Government implements reforms to the scheme. The FY25 Federal Budget, announced in May 2024, reaffirmed the Australian Government's commitment to supporting people with disabilities. This includes working closely with the disability sector to implement the recommendations from the Independent NDIS Review published in late 2023. The goal is to evolve the NDIS into a more sustainable support ecosystem that will serve all Australians with disabilities, now and into the future.

The FY24 Budget projects the following levels of NDIS expenditure over the coming four years (with the accompanying annual increase in brackets): FY25: \$48.75b (+10%); FY26: \$52.32b (+7%); FY27: \$56.46b (+8%); and FY28: \$60.75b (+8%). Freedom Care Group Holdings is well-positioned to benefit from this sustained growth, particularly as expenditure on complex NDIS cases is expected to be shielded from any broader expenditure reductions in the longer term.

Looking ahead to FY25, we anticipate further strengthening our leading position in the complex cases segment of the NDIS market. Our growth strategy remains focused on replicating our successful model to build capacity and infrastructure, enabling us to enter new areas within our target Australian market. This expanded reach is expected to drive higher revenues, which should, in turn, enhance earnings.

Our expansion strategy will include both organic growth and strategic acquisitions. We have several new partnerships and value-accretive mergers and acquisitions (M&A) opportunities in the pipeline. It is important to note that we remain committed to only pursuing distinct value-add acquisitions that align with our business model and accelerate our growth into new markets, particularly in Greater Sydney, and interstate in Melbourne, Brisbane, and Perth. These M&A targets must meet strict criteria, including:

- A turnover of \$3m or more
- Ethical and geographical compatibility
- Identifiable scope for organic growth
- A need for management and administrative improvements
- Scope for ongoing owner/founder involvement

In closing, I would like to express my sincere gratitude to our management team and staff for their dedication to our growth strategy throughout FY24. Their ability to maintain operational excellence while successfully navigating the tasks required for our IPO was truly commendable. I also want to thank our loyal shareholders for their continued support as we scale our business. As we look forward to FY25, the Board remains confident that our leverage to NDIS expenditure growth, coupled with our strategic initiatives, will drive even stronger financial performance in the coming year.

Thank you for your continued trust and investment in Freedom Care Group Holdings.

Regards



Zoran Grujic

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CEO PERSPECTIVE



Freedom Care Group Holdings has hit the ground running following its successful initial public offering (IPO) and ASX listing in November 2023. Since becoming a listed entity, the Company has continued to penetrate its target market of complex NDIS clients. It has also brought to account a host of one-off expenditures relating to its IPO process that will not be repeated in future years.

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Dear shareholder,

Freedom Care Holdings has achieved much over the short time since its successful initial public offering (IPO) in November 2023. Over this circa seven-month period, the Company has proudly built on its reputation as a dedicated NDIS disability support services provider, and continued to add scale to its business operations - all while keeping a close eye on the cost line. This occurred as Freedom Care Holdings leveraged its two key competitive advantages, namely its:

- Robust network of contacts that extends beyond the Company's core services
- Comprehensive support network, which dovetails with the Company's training, educational and management systems and procedures.

Freedom Care Holdings' financial performance over its first seven months as an ASX-listed company was highly commendable on multiple fronts.

Despite some uncertainty surrounding the operation of the NDIS, Freedom Care Group Holdings remained cash flow positive over the second half of its FY24, its first full half year as a listed entity. I also want to emphasise that our cash flow performance would have been even stronger, but for almost \$0.7 million in one-off IPO-related expenses brought to book in the second half of our FY24. These expenditures will not be repeated in our future financial reports.

On the revenue front, Freedom Cares' recurring revenue base remained high, accounting for around 80% of its total revenues.

We reported a 41% increase in revenues over our FY24, largely on the back of ongoing organic growth opportunities. This impressive FY24 revenue growth number was underpinned by a 9.8% gain in the Home & Community Participation business, a 61% jump in the Accommodation business, a 10.9% increase in the Allied Health Business and a 146% surge in the diverse "Other" segment of our operations. With regard to the Accommodation business, Freedom Care Group Holdings undertook an active monitoring campaign of our sites, which specifically targeted improved setup quality at these sites.

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Freedom Care also hired an area manager on the mid North Coast of NSW during the second half of its FY24, which will expand our presence in that growing Australian region.

Freedom Care has continued to invest in its business and people over FY24. This commitment to enhancing our human capital included materially increased investment in staff development and training that has quickly fed through to improved quality in our service offering and enhanced compliance.

All this has been achieved while retaining a balance sheet that is unambiguously robust and debt free.

Looking ahead, Freedom Care Group Holdings' robust balance sheet provides the runway for the Company to further progress its stated growth plan over the course of FY25 and beyond. We remain confident that our current positive cashflow status will be retained over the coming 12 months, all while key revenue and earnings metrics report growth.

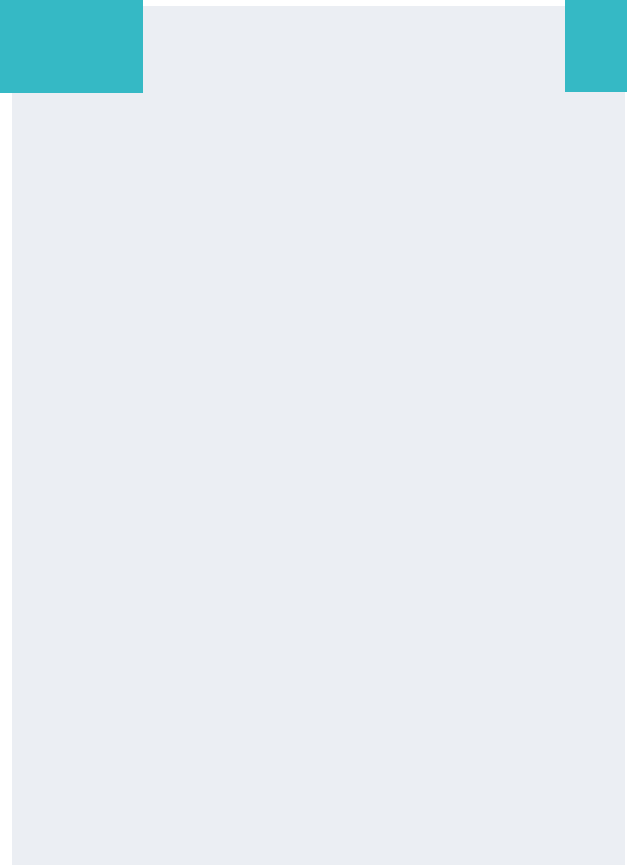
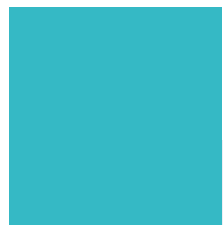
I want to personally thank the entire team at Freedom Care Group Holdings for their hard work over the past year. Their unwavering commitment did not just help the Company deliver a raft of strategic initiatives that continued to provide Australians living with a disability with first class compassionate care and position us for strong growth over the longer term. It additionally ensured the efficient completion of all tasks required to successfully transition Freedom Care Group Holdings from a private company to a listed entity. I also want to thank the Board of Directors and our loyal shareholders for their ongoing support as the Company's growth plans are implemented.

I now look forward updating shareholders on further value-enhancing growth initiatives over coming months that will clearly demonstrate the true worth and growth.

Regards



Jamal Sabsabi



Freedom Care Group Holdings Limited
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group' or 'consolidated entity') consisting of Freedom Care Group Holdings Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, on the company for the year ended 30 June 2024.

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

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

Directors

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

Zoran Grujic - Non Executive Chairman (appointed 17 October 2023)
Ola El Helu - Non Executive Director (appointed 17 October 2023)
Jamal Sabsabi - Executive Director (appointed 27 November 2023)
Keith Glennan - Non Executive Director
Campbell Welch – Director (resigned 17 October 2023)
Peter Ziegler – Director (resigned 17 October 2023)
Wayne Kernaghan - Company Secretary

Principal activities

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

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

Review of operations

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$891,000 (30 June 2023: \$2,656,000).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

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

Freedom Care Group Holdings Limited

Directors' report

30 June 2024

Information on directors

Name: Zoran Grujic
Title: Non Executive Chariman
Age: 49
Qualifications: B Com (Accounting), CA, AICD
Experience and expertise: Zoran has over 30 years experience in accounting, finance and a broad range of management roles across various industries. Zoran is currently the Company Secretary and CFO of 8common (ASX:8CO) and eBev.com Pty Ltd, a B2B digital marketplace for the distribution of beverages between Suppliers and Venues. Zoran was the CFO & Company Secretary for Dropsuite Ltd (ASX:DSE) from Feb 17 to Sept 18.

Other current directorships:
Former directorships (last 3 years):
Interests in shares: 450,000
Interests in options: 500,000

Name: Jamal Sabsabi
Title: Chief Executive Officer
Age: 63
Qualifications: B Sc. Doctor of Chiropractic
Experience and expertise: Jamal is a co-founder of FCG. Jamal has over 38 years of managerial experience, in various industries including hospitality, health and real estate. Prior to Freedom Care, Jamal was Head Chiropractor at The Back Doctor for over 25 years. Jamal holds a Bachelors Degree of Science and a Doctors degree in Chiropractic from UNSW.

Other current directorships:
Former directorships (last 3 years):
Interests in shares: 15,122,250
Interests in options: 5,000,000

Name: Keith Glennan
Title: Non Executive Director
Age: 61
Qualifications: B. Computing, AICD
Experience and expertise: Keith is an experienced company director, including as CEO and Managing Director of ASX-Listed Tesseract Ltd (ASX: TNT) from 2012 to 2017, when Tesseract listed on the ASX. He has been in the IT industry for over 30 years (starting with Hewlett-Packard and then moving to IBM) with a specialisation of managed security since 2002.

Other current directorships:
Former directorships (last 3 years):
Interests in shares: 300,000
Interests in options: 396,825

Freedom Care Group Holdings Limited

Directors' report

30 June 2024

Name: Ola El Helu
Title: Non Executive Director
Age: 46
Qualifications: B Applied Science (Medical Radiation Scientist), AICD, RACGO (Education Provider)
Experience and expertise: Ola El Helu is an accomplished and dynamic consultant with a passion for healthcare and a deep expertise in radiology operations management. With over 20 years of experience in the field, Ola has demonstrated exceptional leadership and exemplifies a perfect blend of technical expertise, leadership acumen, and a genuine commitment to patient well-being.

Ola has held roles in both the public and private healthcare sectors in Australia and overseas, along with a global health company, GE Healthcare. In recent years, Ola has been involved in numerous start-up companies in which she was instrumental in transforming radiology greenfield practices into efficient and cutting-edge facilities by streamlining workflows, optimizing resource allocation, and implementing state-of-the-art technologies to enhance diagnostic accuracy and patient outcomes. Ola holds a Bachelor of Applied Science (Medical Radiation Scientist) from the University of Sydney and is a member of the AICD.

Other current directorships:
Former directorships (last 3 years):
Interests in shares: 0
Interests in options: 0

Name: Campbell Welch
Title: Non-executive Chairman (resigned 17 October 2023)
Experience and expertise: Mr Welch has over 15 years of experience in accounting and financial markets, both in Australia and the UK. He is currently a senior advisor at Novus Capital Ltd, a boutique corporate advisory and share dealing firm headquartered in Sydney, Australia. His prior work experience includes appointments at AMP, Challenger Ltd and Royal London Asset Management.

Other current directorships:
Former directorships (last 3 years):
Interests in shares:

Name: Peter Ziegler
Title: Non-executive Director (resigned 17 October 2023)
Experience and expertise: Mr Ziegler is an experienced company director, solicitor and chartered accountant. He was partner at the accounting firm Ernst & Young, specialising in taxation and corporate structuring. Mr Ziegler is a principal of Ziegler Asset Partners, an asset management company.

Other current directorships:
Former directorships (last 3 years):
Interests in shares:

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

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Freedom Care Group Holdings Limited
Directors' report
30 June 2024

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Zoran Grujic	7	7	-	-	1	1
Jamal Sabsabi	7	7	-	-	1	1
Keith Glennan	7	7	-	-	1	1
Ola el Helu	6	7	-	-	1	1

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward.

The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board of Directors are responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

Freedom Care Group Holdings Limited
Directors' report
30 June 2024

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 24 January 2024, where the shareholders approved a maximum annual aggregate remuneration of \$500,000.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2024.

Details of remuneration

Amounts of remuneration

Details of the remuneration of the Directors and other key management personnel (as defined in AASB 124 Related Party Disclosures) of consolidated entity are set out in the following tables.

Freedom Care Group Holdings Limited
Directors' report
30 June 2024

2024	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
<i>Non-Executive Directors:</i>							
Zoran Grujic	29,166	-	-	-	-	-	29,166
Keith Glennan	39,579	-	12,698	-	-	-	52,277
Ola El Helu	17,500	-	-	-	-	-	17,500
<i>Executive Directors:</i>							
Jamal Sabsabi	178,461	-	-	19,630	-	-	198,091
<i>Other Key Management Personnel:</i>							
Walid Jamal Eddine	135,937	-	-	14,786	-	-	150,723
Ahmed Alsayed Ibrahim	136,680	-	-	14,744	-	-	151,424
	<u>537,323</u>	<u>-</u>	<u>12,698</u>	<u>49,160</u>	<u>-</u>	<u>-</u>	<u>599,181</u>

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Options

There were 396,825 options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2024.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Zoran Grujic	-	-	450,000	-	450,000
Jamal Sabsabi	-	-	15,122,250	-	15,122,250
Keith Glennan	-	-	300,000	-	300,000
Walid Jamal Eddine	-	-	27,497,250	-	27,497,250
Ahmed Alsayed Ibrahim	-	-	27,505,500	-	27,505,500
	<u>-</u>	<u>-</u>	<u>70,875,000</u>	<u>-</u>	<u>70,875,000</u>

Freedom Care Group Holdings Limited
Directors' report
30 June 2024

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Zoran Grujic	-	500,000	-	-	500,000
Jamal Sabsabi	-	5,000,000	-	-	5,000,000
Keith Glennan	-	396,825	-	-	396,825
Walid Jamal Eddine	-	5,000,000	-	-	5,000,000
Ahmed Alsayed Ibrahim	-	5,000,000	-	-	5,000,000
	-	15,896,825	-	-	15,896,825

This concludes the remuneration report, which has been audited.

Shares issued on the exercise of options

There were no ordinary shares of Freedom Care Group Holdings Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Corporate Governance Statement

Freedom Care Group Holdings Ltd, through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with Freedom Care Group. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

ASX Corporate Governance Principles and Recommendations

The fourth edition of ASX Corporate Governance Council Principles and Recommendations (the "Principles") sets out recommended corporate governance practices for entities listed on the ASX.

The Company has issued a Corporate Governance Statement which discloses the Company's corporate governance practices and the extent to which the Company has followed the recommendations set out in the Principles. The Corporate Governance Statement was approved by the Board on 26 September 2024 and is available on the Company's website: https://freedomcaregroup.com.au/wp-content/uploads/2024/08/Corporate-Governance-Plan_Freedom-Care-Group-Holdings.pdf

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Freedom Care Group Holdings Limited
Directors' report
30 June 2024

Officers of the company who are former partners of Hall Chadwick

There are no officers of the company who are former partners of Hall Chadwick.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

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

Auditor

Hall Chadwick continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Zoran Grujic
Chairman



Jamal Sabsabi
Director

30 September 2024
Sydney

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Freedom Care Group Holdings Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 \$'000	2023 \$'000
Service Revenue	4	32,539	23,371
Other Revenue	5	238	-
Other income	6	-	249
Expenses			
Service related costs	7	(24,906)	(15,727)
General costs	8	(2,401)	(766)
Depreciation and amortisation expense		(370)	(232)
Accounting & Audit costs		(60)	(75)
Marketing		(12)	(1)
Administration		(3,465)	(2,954)
Profit before income tax expense		1,563	3,865
Income tax expense	9	(651)	(940)
Profit after income tax expense for the year		912	2,925
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>912</u>	<u>2,925</u>
Profit for the year is attributable to:			
Non-controlling interest		21	269
Owners of Freedom Care Group Holdings Limited	23	891	2,656
		<u>912</u>	<u>2,925</u>
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	-
Owners of Freedom Care Group Holdings Limited		912	2,925
		<u>912</u>	<u>2,925</u>
		Cents	Cents
Basic earnings per share	32	1.41	26,554.69
Diluted earnings per share	32	1.20	26,554.69

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

Freedom Care Group Holdings Limited
Statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	11	4,142	3,649
Trade and other receivables	12	2,236	1,823
Right-of-use assets	13	359	188
Other	14	251	130
Total current assets		<u>6,988</u>	<u>5,790</u>
Non-current assets			
Investments accounted for using the equity method	15	1,450	-
Right-of-use assets	16	1,420	505
Total non-current assets		<u>2,870</u>	<u>505</u>
Total assets		<u>9,858</u>	<u>6,295</u>
Liabilities			
Current liabilities			
Trade and other payables	17	1,861	1,647
Borrowings	18	1,439	628
Total current liabilities		<u>3,300</u>	<u>2,275</u>
Non-current liabilities			
Borrowings	19	1,032	336
Deferred tax	20	101	126
Total non-current liabilities		<u>1,133</u>	<u>462</u>
Total liabilities		<u>4,433</u>	<u>2,737</u>
Net assets		<u>5,425</u>	<u>3,558</u>
Equity			
Issued capital	21	4,321	10
Reserves	22	161	-
Retained profits	23	840	3,280
Equity attributable to the owners of Freedom Care Group Holdings Limited		<u>5,322</u>	<u>3,290</u>
Non-controlling interest	24	103	268
Total equity		<u>5,425</u>	<u>3,558</u>

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

Freedom Care Group Holdings Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2022	10	-	603	-	613
Adjustment for prior year	-	-	20	-	20
Balance at 1 July 2022 - restated	10	-	623	-	633
Profit after income tax expense for the year	-	-	2,656	269	2,925
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	2,656	269	2,925
Balance at 30 June 2023	10	-	3,279	269	3,558

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2023	10	-	3,279	269	3,558
Profit after income tax expense for the year	-	-	891	21	912
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	891	21	912
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	138	60	-	-	198
Issue of shares capital, net of transaction costs	3,683	91	-	-	3,774
Conversion of convertible notes	503	-	-	-	503
Reallocation	(13)	10	236	(187)	46
Dividends paid (note 25)	-	-	(3,566)	-	(3,566)
Balance at 30 June 2024	4,321	161	840	103	5,425

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

Freedom Care Group Holdings Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		32,135	22,923
Payments to suppliers and employees (inclusive of GST)		(28,696)	(19,188)
Income taxes paid		(1,068)	(479)
		<u>2,371</u>	<u>3,256</u>
Dividends received		238	-
Interest received		2	-
		<u>2,611</u>	<u>3,256</u>
Net cash from operating activities	31	<u>2,611</u>	<u>3,256</u>
Cash flows from investing activities			
Payments for investments		(1,450)	-
Payments for property, plant and equipment		(172)	(205)
Acquisition of subsidiary, net of cash acquired		380	-
		<u>(1,242)</u>	<u>(205)</u>
Net cash used in investing activities		<u>(1,242)</u>	<u>(205)</u>
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs	21	2,783	-
Proceeds from borrowings		56	-
Dividends paid	25	(3,566)	-
Repayment of borrowings		-	(530)
Repayment of lease liabilities		(149)	(169)
		<u>(876)</u>	<u>(699)</u>
Net cash used in financing activities		<u>(876)</u>	<u>(699)</u>
Net increase in cash and cash equivalents		493	2,352
Cash and cash equivalents at the beginning of the financial year		<u>3,649</u>	<u>1,297</u>
Cash and cash equivalents at the end of the financial year	11	<u><u>4,142</u></u>	<u><u>3,649</u></u>

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

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Freedom Care Group Holdings Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Freedom Care Group Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 1. Material accounting policy information (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 1. Material accounting policy information (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment: Provision of NDIS services. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on a monthly basis.

Note 4. Service Revenue

	Consolidated	
	2024	2023
	\$'000	\$'000
Allied Health revenue	5,236	4,343
Accommodation revenue	13,568	11,903
HCP revenue	7,101	6,391
Other revenue	6,634	734
	<u>32,539</u>	<u>23,371</u>

Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 5. Other Revenue

	Consolidated	
	2024	2023
	\$'000	\$'000
Dividends received	238	-

Accounting policy for revenue recognition

The consolidated entity recognises revenue as follows:

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

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

Interest

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

Note 6. Other income

	Consolidated	
	2024	2023
	\$'000	\$'000
Government grants	-	249

Note 7. Service related costs

	Consolidated	
	2024	2023
	\$'000	\$'000
Accommodation costs	2,741	1,561
Commission paid	2	32
Compliance costs	210	55
Consulting charges	943	1,020
Contractor costs	6,806	4,053
Director fees	31	-
Entertainment	2	-
Salaries & wages	14,171	9,006
	<u>24,906</u>	<u>15,727</u>

Note 8. General costs

	Consolidated	
	2024	2023
	\$'000	\$'000
General expenses	249	10
Insurance costs	189	170
Interest paid	50	17
Listing costs	1,236	-
Legal fees	38	12
IPO costs	179	113
Office costs	281	429
Printing & stationery	3	-
Share based payment reserve expense	151	-
Travel costs	25	15
	<u>2,401</u>	<u>766</u>

Note 9. Income tax

	Consolidated	
	2024	2023
	\$'000	\$'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	1,563	3,865
Tax at the statutory tax rate of 25%	391	966
Adjustment on temporary differences	260	(26)
Income tax expense	651	940

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 10. Acquisition accounting

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

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

	\$'000
Fair value of consideration transferred	1,001
- Cash and cash equivalents	380
- Trade and other receivables	19
- Trade and other payables	(166)
Borrowings	(468)
Identifiable assets and liabilities assumed	<u>(235)</u>
Listing expense	<u>1,236</u>

Note 11. Current assets - cash and cash equivalents

	Consolidated	
	2024	2023
	\$'000	\$'000
Cash at Bank	<u>4,142</u>	<u>3,649</u>

Accounting policy for cash and cash equivalents

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

Note 12. Current assets - trade and other receivables

	Consolidated	
	2024	2023
	\$'000	\$'000
Trade receivables	2,793	1,457
Less: Allowance for expected credit losses	(830)	(264)
	<u>1,963</u>	<u>1,193</u>
Other receivables	73	535
Other receivables - Rental bond	200	95
	<u>273</u>	<u>630</u>
	<u>2,236</u>	<u>1,823</u>

Accounting policy for trade and other receivables

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

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Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 12. Current assets - trade and other receivables (continued)

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

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

Note 13. Current assets - right-of-use assets

	Consolidated	
	2024	2023
	\$'000	\$'000
Plant and equipment - right-of-use	110	78
Less: Accumulated depreciation	(31)	(22)
	<u>79</u>	<u>56</u>
Motor vehicles - right-of-use	147	82
Less: Accumulated depreciation	(28)	(9)
	<u>119</u>	<u>73</u>
Computer equipment - right-of-use	31	14
Less: Accumulated depreciation	(7)	(2)
	<u>24</u>	<u>12</u>
Office equipment - right-of-use	171	66
Less: Accumulated depreciation	(34)	(19)
	<u>137</u>	<u>47</u>
	<u><u>359</u></u>	<u><u>188</u></u>

Note 14. Current assets - other

	Consolidated	
	2024	2023
	\$'000	\$'000
Prepayments	251	130
	<u><u>251</u></u>	<u><u>130</u></u>

Note 15. Non-current assets - investments accounted for using the equity method

	Consolidated	
	2024	2023
	\$'000	\$'000
Investment in associate KDC	1,450	-
	<u><u>1,450</u></u>	<u><u>-</u></u>

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Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 15. Non-current assets - investments accounted for using the equity method (continued)

Refer to for further information on .

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

The group also entered into:

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

Note 16. Non-current assets - right-of-use assets

	Consolidated	
	2024	2023
	\$'000	\$'000
Land and buildings - right-of-use	1,697	759
Less: Accumulated depreciation	(277)	(254)
	<u>1,420</u>	<u>505</u>

Accounting policy for right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 17. Current liabilities - trade and other payables

	Consolidated	
	2024	2023
	\$'000	\$'000
Trade payables	737	287
Payable to ATO	282	1,867
BAS (Receivable) / payable	(110)	(621)
Other payables	952	114
	<u>1,861</u>	<u>1,647</u>

Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 17. Current liabilities - trade and other payables (continued)

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 18. Current liabilities - borrowings

	Consolidated	
	2024	2023
	\$'000	\$'000
Other borrowings	1,027	(24)
Convertible notes payable	-	469
Lease liability	412	183
	<u>1,439</u>	<u>628</u>

The convertible notes were converted into ordinary shares of the company in accordance with the deed executed at the time of listing on the ASX.

Note 19. Non-current liabilities - borrowings

	Consolidated	
	2024	2023
	\$'000	\$'000
Lease liability	<u>1,032</u>	<u>336</u>

Accounting policy for borrowings

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

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Note 20. Non-current liabilities - deferred tax

	Consolidated	
	2024	2023
	\$'000	\$'000
Deferred tax liability	<u>101</u>	<u>126</u>

Note 21. Equity - issued capital

	Consolidated			
	2024	2023	2024	2023
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>108,318,453</u>	<u>10,002</u>	<u>4,321</u>	<u>10</u>

Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 21. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2022	<u>10,002</u>		<u>10</u>
Balance	30 June 2023	10,002		10
Elimination of Freedom Care Group Pty Ltd Shares of Freedom Care Group Holdings Ltd (formerly Resource Generation Ltd)	27 November 2023	(10,002)	\$0.00	-
Reduction in shares due to consolidation of 20:1 Shares on issue post consolidation	27 November 2023	<u>100,073,381</u>	<u>\$0.00</u>	<u>-</u>
	27 November 2023	<u>(95,069,712)</u>	<u>\$0.00</u>	<u>-</u>
	27 November 2023	5,003,669	\$0.00	-
Shares issued to former shareholders of Freedom Care Corporation Pty Ltd	27 November 2023	82,500,000	\$0.00	1,001
Shares issued pursuant to the public offer	27 November 2023	16,000,000	\$0.00	3,200
Shares issued to employees	27 November 2023	210,000	\$0.00	48
Shares issued on conversion of convertible notes	27 November 2023	3,571,429	\$0.00	503
Shares issued to director	27 November 2023	450,000	\$0.00	90
Shares issued to lead manager	27 November 2023	583,355	\$0.00	117
Less: transaction costs	27 November 2023	<u>-</u>	<u>\$0.00</u>	<u>(648)</u>
Balance	30 June 2024	<u><u>108,318,453</u></u>		<u><u>4,321</u></u>

Ordinary shares

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

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

Capital risk management

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

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

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

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

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

The capital risk management policy remains unchanged from the 2023 Annual Report.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 22. Equity - reserves

	Consolidated	
	2024	2023
	\$'000	\$'000
Options reserve	161	-

Note 23. Equity - retained profits

	Consolidated	
	2024	2023
	\$'000	\$'000
Retained profits at the beginning of the financial year	3,280	624
Adjustment for reclassification	235	-
Retained profits at the beginning of the financial year - restated	3,515	624
Profit after income tax expense for the year	891	2,656
Dividends paid (note 25)	(3,566)	-
Retained profits at the end of the financial year	840	3,280

Note 24. Equity - non-controlling interest

	Consolidated	
	2024	2023
	\$'000	\$'000
Retained profits	103	268

Note 25. Equity - dividends

\$3,091,051 in dividends were declared and paid by Freedom Care Corporation Pty Ltd to the former shareholders immediately prior to the completion of the acquisition. \$475,000 in dividends were declared by a subsidiary of Freedom Care Group Holdings Ltd in which it holds a 50% shareholding. Freedom Care Group received \$237,500 and this was declared in the accounts.

Note 26. Fair value measurement

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 27. Key management personnel disclosures

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2024.

Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 27. Key management personnel disclosures (continued)

Directors

The following persons were directors of Freedom Care Group Holdings Limited during the financial year:

Zoran Grujic
 Jamal Sabsabi
 Keith Glennan
 Ola el Helu
 Campbell Welch
 Peter Ziegler

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Walid Jamal Eddine
 Ahmed Alsayed Ibrahim

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2024	2023
	\$'000	\$'000
Short-term employee benefits	537	342
Post-employment benefits	49	-
Share-based payments	13	20
	599	362
	599	362

Note 28. Related party transactions

Parent entity

Freedom Care Group Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 33.

Key management personnel

Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	\$'000	\$'000
Loss after income tax	(1,595)	(185)
Total comprehensive income	(1,595)	(185)

Statement of financial position

	Parent	
	2024	2023
	\$'000	\$'000
Total current assets	-	380
Total assets	-	380
Total current liabilities	(2,856)	886
Total liabilities	(2,856)	886
Equity		
Issued capital	4,311	-
Options reserve	171	9
Accumulated losses	(1,626)	(515)
Total equity/(deficiency)	<u>2,856</u>	<u>(506)</u>

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 30. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 31. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2024	2023
	\$'000	\$'000
Profit after income tax expense for the year	912	2,925
Adjustments for:		
Depreciation and amortisation	464	232
Change in operating assets and liabilities:		
Increase in trade and other receivables	(583)	(508)
(increase)/Decrease in other assets	661	103
Increase in trade and other payables	1,157	504
Net cash from operating activities	<u>2,611</u>	<u>3,256</u>

Note 32. Earnings per share

	Consolidated	
	2024	2023
	\$'000	\$'000
<i>Earnings per share for profit from continuing operations</i>		
Profit after income tax attributable to the owners of Freedom Care Group Holdings Limited	<u>912</u>	<u>2,925</u>

	Consolidated	
	2024	2023
	\$'000	\$'000
Profit after income tax	912	2,925
Non-controlling interest	<u>(21)</u>	<u>(269)</u>
Profit after income tax attributable to the owners of Freedom Care Group Holdings Limited	<u>891</u>	<u>2,656</u>

	Cents	Cents
Basic earnings per share	1.41	26,554.69
Diluted earnings per share	1.20	26,554.69

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	63,185,764	10,002
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>11,075,414</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>74,261,178</u>	<u>10,002</u>

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Freedom Care Group Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

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Freedom Care Group Holdings Limited
Notes to the financial statements
30 June 2024

Note 32. Earnings per share (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
All Supports and Services Pty Ltd	Australia	100.00%	100.00%
Regional Disability Services Pty Ltd	Australia	50.00%	50.00%
Freedom Endeavour Services Pty Ltd	Australia	50.00%	-
Freedom Care Group Pty Ltd	Australia	100.00%	100.00%
Freedom Care Corporation Pty Ltd	Australia	100.00%	100.00%
Freedom Health Care Services Pty Ltd	Australia	100.00%	100.00%
Freedom Care Melbourne Pty Ltd	Australia	65.00%	65.00%

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**Freedom Care Group Holdings Limited
Consolidated entity disclosure statement
As at 30 June 2024**

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Freedom Care Group Holdings Ltd	Body Corporate	Australia	100.00%	Australia
Freedom Care Group Pty Ltd	Body Corporate	Australia	100.00%	Australia
Regional Disability Services Group Pty Ltd	Body Corporate	Australia	50.00%	Australia
Freedom Health Care Services Pty Ltd	Body Corporate	Australia	100.00%	Australia
Freedom Care Melbourne Pty Ltd	Body Corporate	Australia	65.00%	Australia
Freedom Endeavour Services Pty Ltd	Body Corporate	Australia	50.00%	Australia
All Supports and Services Pty Ltd	Body Corporate	Australia	100.00%	Australia

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Freedom Care Group Holdings Limited
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors



Zoran Grujic
Chairman

30 September 2024
Sydney



Jamal Sabsabi
Director

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**FREEDOM CARE GROUP HOLDINGS LIMITED
ABN 91 059 950 337
AND ITS CONTROLLED ENTITIES**

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

Opinion

We have audited the financial report of Freedom Care Group Holdings Limited (the Company and its controlled entities (the Group)), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policy information, consolidated entity disclosure statement and the directors' declaration.

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

- (a) giving a true and fair view of the group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of 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 group 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* (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.

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FREEDOM CARE GROUP HOLDINGS LIMITED
 ABN 91 059 950 337
 AND ITS CONTROLLED ENTITIES

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Revenue recognition <i>Refer to Note 1 "Material accounting policy" and Note 4 "Service Revenue"</i></p> <p>The Group earns revenue from a number of streams. Accommodation revenue amounted to \$13,567,555 for the year ended 30 June 2024, being the significant component of the Group's revenue.</p> <p>We focused on this area as a key audit matter given the significance of the balance and that there is a risk that revenue may not be recognised in accordance with the revenue recognition principles set out in AASB 15: Revenue from Contracts with Customers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We obtained an understanding of the key controls in the revenue recognition cycle. • Obtained a sample of invoices and contracts, understand the terms and conditions and assess recognition of the revenue from these contracts and invoices against requirements of AASB 15 • Verified a sample of revenue to supporting documentation, including receipts and ensure that revenue has been recognised and measured in line with requirements of AASB 15; and • Assessed the appropriateness of the disclosures in the financial statements in relation to the revenue.

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FREEDOM CARE GROUP HOLDINGS LIMITED
 ABN 91 059 950 337
 AND ITS CONTROLLED ENTITIES

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
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Leases

Refer to Note 1 "Material accounting policy", Note 16 "Right-of-use asset"

A substantial amount of the group's non-current assets relates to right-of-use assets net totalling \$1,419,846.

We determined this to be a key audit matter because of:

- Several leases entered by the Group during the financial year; and
- The Risk that the initial recognition and subsequent measurement of right-of-use asset and lease liability may not be in accordance with Australian Accounting Standards - AASB 16 Leases.

Our procedures included, amongst others:

- We examined the lease agreements, summarised the key terms and conditions and assessed whether those agreements contain a lease.
- We ensured key information compiled by the Group, which relates to the lease contract, is consistent with source documentation.
- We reviewed the lease calculation prepared by the Group whether the key assumptions and judgments applied, including lease term, lease payments and discount rates, are appropriate.
- We ensured accounting entries made accurately reflect the lease calculations; and
- We assessed the appropriateness of the disclosures in the financial statements in relation to leases.

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FREEDOM CARE GROUP HOLDINGS LIMITED
 ABN 91 059 950 337
 AND ITS CONTROLLED ENTITIES

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

Acquisition Accounting

Refer to Note 1 "Material accounting policy"

On 27 November 2023, the Freedom Care Group Holdings Ltd, formerly Resource Generation Ltd (Group) issued 82,500,000 fully paid ordinary shares to the shareholders of Freedom Care Group Pty Ltd pursuant to the acquisition agreement to acquire the entire equity interests of the latter.

We focused our audit effort on the appropriate accounting treatment under Australian Accounting Standards. The transaction was accounted for as reverse acquisition under AASB 10 *Consolidated Financial Statements, paragraphs B19–B27*, where the Group which issued securities was identified to be the acquiree for accounting purposes, and Freedom Care Group Pty Ltd whose equity interests were acquired is the acquirer in this transaction.

Our procedures included, amongst others:

- We examined the acquisition agreement and assessed the nature of the transaction based on key terms and conditions of the agreement.
- We reviewed the calculation schedule prepared by the Group whether appropriate accounting treatment was applied
- We determined the fair value of net assets acquired and fair value of share consideration issued.
- We ensured accounting entries made accurately reflect the correct calculations; and
- We assessed the appropriateness of the disclosures in the financial statements in relation to AASB 10.

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

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**FREEDOM CARE GROUP HOLDINGS LIMITED
ABN 91 059 950 337
AND ITS CONTROLLED ENTITIES**

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group'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 group'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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

FREEDOM CARE GROUP HOLDINGS LIMITED
ABN 91 059 950 337
AND ITS CONTROLLED ENTITIES

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

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick (NSW)

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



ANTHONY TRAVERS

Partner

Dated: 30 September 2024

**FREEDOM CARE GROUP HOLDINGS LIMITED
ABN 91 059 950 337
AND CONTROLLED ENTITIES**

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

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Freedom Care Group Holdings Limited and its controlled entities. As the lead audit partner for the audit of the financial report of Freedom Care Group Holdings Limited and its controlled entities for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Hall Chadwick (NSW)

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



Anthony Travers
Partner

Date: 30 September 2024

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www.hallchadwick.com.au

Freedom Care Group Holdings Limited
Shareholder information
30 June 2024

The shareholder information set out below was applicable as at 23 September 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	51	0.01	-	-
1,001 to 5,000	17	0.06	235	2.98
5,001 to 10,000	138	1.24	47	2.12
10,001 to 100,000	136	4.88	36	6.12
100,001 and over	54	93.81	12	88.78
	<u>396</u>	<u>100.00</u>	<u>330</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>46</u>	<u>-</u>	<u>-</u>	<u>-</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
AILEMA HOLDING PTY LTD	27,505,500	25.39
W & N JAMAL-EDDINE HOLDINGS	27,497,250	25.39
JAMAL & DOHA HOLDINGS PTY LTD	15,122,250	13.96
FOOT CARE PODIATRY CLINIC PTY	12,375,000	11.42
CAPEKE PTY LTD	1,836,734	1.70
OCEANIC CAPITAL PTY LTD	1,250,000	1.15
OUAIDA PTY LTD	1,106,970	1.02
NAJMA TASNEEM	1,000,000	0.92
OMAR ALSAYED	850,000	0.78
OMAR JAMAL-EDDINE	850,000	0.78
SCHNAP PTY LIMITED	823,000	0.76
MS RANEEM AL QYSIE	675,000	0.62
MRS ERICA MAY BINNIE	600,000	0.55
MR MILES ANTHONY FOREST	575,714	0.53
FJP PTY LTD	500,000	0.46
PAYZONE PTY LTD	500,000	0.46
DIXTRU PTY LIMITED	500,000	0.46
CASTLEREAGH HOLDINGS PTY LTD	450,000	0.42
KUMAIL HUSSAIN	333,335	0.31
CITICORP NOMINEES PTY LIMITED	306,154	0.28
	<u>94,656,907</u>	<u>87.36</u>

Unquoted equity securities

There are no unquoted equity securities.

Freedom Care Group Holdings Limited
Shareholder information
30 June 2024

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
AILEMA HOLDING PTY LTD	27,505,500	25.39
W & N JAMAL-EDDINE HOLDINGS	27,497,250	25.39
JAMAL & DOHA HOLDINGS PTY LTD	15,122,250	13.96
FOOT CARE PODIATORY CLINIC PTY	12,375,000	11.42

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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

There are no other classes of equity securities.

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