

BALMORAL AGED CARE GROUP PTY LTD ATF BALMORAL AGED CARE TRUST

ABN: 56 491 920 734

**Financial Report For The Year Ended
30 June 2025**

BALMORAL AGED CARE GROUP PTY LTD ATF BALMORAL AGED CARE TRUST

ABN: 56 491 920 734

Financial Report For The Year Ended 30 June 2025

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BALMORAL AGED CARE GROUP PTY LTD ATF BALMORAL AGED CARE TRUST

ABN: 56 491 920 734

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2025**

| | Note | 2025 \$ | 2024 \$ |
|---------------------------------------|-------------|-------------------------|-------------------------|
| Revenue | | | |
| Revenue and other income | 2 | 41,329,340 | 39,840,476 |
| Total revenue and other income | | <u>41,329,340</u> | <u>39,840,476</u> |
| Expenses | | | |
| Employee benefits expense | 3 | 27,993,527 | 26,123,226 |
| Depreciation expense | 6 | 1,885,043 | 1,916,186 |
| Other expenses | | 4,616,367 | 5,118,211 |
| Administration fees | | 1,504,583 | 1,703,348 |
| Agency and contracted services | | 427,514 | 460,574 |
| Finance costs | | 488,719 | 1,044,440 |
| Insurance | | 565,755 | 578,434 |
| Resident accommodation | | 1,578,531 | 1,657,934 |
| Total Expenses | | <u>39,060,039</u> | <u>38,602,353</u> |
| Profit before Income Tax | | 2,269,301 | 1,238,123 |
| Income tax expense | | 0 | 0 |
| Profit for the year | | <u><u>2,269,301</u></u> | <u><u>1,238,123</u></u> |
| Profit attributable to unitholders | | <u><u>2,269,301</u></u> | <u><u>1,238,123</u></u> |

The accompanying notes form part of these financial statements.

BALMORAL AGED CARE GROUP PTY LTD ATF BALMORAL AGED CARE TRUST
ABN: 56 491 920 734
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

| | 2025 | 2024 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Profit for the year | 2,269,301 | 1,238,123 |
| Total other comprehensive income | 0 | 0 |
| Total comprehensive income for the year | <u>2,269,301</u> | <u>1,238,123</u> |
| Total comprehensive income attributable to unitholders | <u>2,269,301</u> | <u>1,238,123</u> |

The accompanying notes form part of these financial statements.

BALMORAL AGED CARE GROUP PTY LTD ATF BALMORAL AGED CARE TRUST

ABN: 56 491 920 734

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

| | Note | 2025 \$ | 2024 \$ |
|--------------------------------------|-------------|---------------------------|---------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 20,897,965 | 21,687,824 |
| Trade and other receivables | 5 | 17,018,595 | 17,010,252 |
| Inventories | | 44,763 | 27,486 |
| TOTAL CURRENT ASSETS | | <u>37,961,323</u> | <u>38,725,562</u> |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 6 | 107,141,933 | 109,667,734 |
| Investment property | 8 | 18,727,570 | 18,572,570 |
| TOTAL NON-CURRENT ASSETS | | <u>125,869,503</u> | <u>128,240,304</u> |
| TOTAL ASSETS | | <u><u>163,830,826</u></u> | <u><u>166,965,866</u></u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 111,456,111 | 106,106,934 |
| Borrowings | 10 | 10,943,427 | 13,799,356 |
| Provisions | 11 | 4,765,929 | 4,319,665 |
| TOTAL CURRENT LIABILITIES | | <u>127,165,467</u> | <u>124,225,955</u> |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 2,985,225 | 11,037,133 |
| Provisions | 11 | 386,750 | 324,445 |
| TOTAL NON-CURRENT LIABILITIES | | <u>3,371,975</u> | <u>11,361,578</u> |
| TOTAL LIABILITIES | | <u><u>130,537,442</u></u> | <u><u>135,587,533</u></u> |
| NET ASSETS | | <u><u>33,293,384</u></u> | <u><u>31,378,333</u></u> |
| EQUITY | | | |
| Issued units | 12 | 100 | 100 |
| Revaluation Surplus | 7 | 37,353,598 | 37,353,598 |
| Retained earnings | | (4,060,314) | (5,975,365) |
| TOTAL EQUITY | | <u><u>33,293,384</u></u> | <u><u>31,378,333</u></u> |

The accompanying notes form part of these financial statements.

BALMORAL AGED CARE GROUP PTY LTD ATF BALMORAL AGED CARE TRUST

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

| | Note | Issued Units \$ | Retained Earnings \$ | Revaluation Surplus \$ | Total \$ |
|--|-------------|---------------------------|--------------------------------|----------------------------------|--------------------|
| Balance at 1 July 2023 | | 100 | (7,213,488) | 37,353,598 | 30,140,210 |
| Comprehensive income | | | | | |
| Profit for the year | | 0 | 1,238,123 | 0 | 1,238,123 |
| Other comprehensive income | 7 | 0 | 0 | 0 | 0 |
| Total comprehensive income for the year attributable to unitholders | | 0 | 1,238,123 | 0 | 1,238,123 |
| Transactions with unitholders in their capacity as owners | | | | | |
| Distribution to unitholders | | 0 | 0 | 0 | 0 |
| Total transactions with unitholders | | 0 | 0 | 0 | 0 |
| Balance at 30 June 2024 | | 100 | (5,975,365) | 37,353,598 | 31,378,333 |
| Balance at 1 July 2024 | | 100 | (5,975,365) | 37,353,598 | 31,378,333 |
| Comprehensive income | | | | | |
| Profit for the year | | 0 | 2,269,301 | 0 | 2,269,301 |
| Other comprehensive income | 7 | 0 | 0 | 0 | 0 |
| Total comprehensive income for the year attributable to unitholders | | 0 | 2,269,301 | 0 | 2,269,301 |
| Transactions with unitholders in their capacity as owners | | | | | |
| Distribution to unitholders | | 0 | (354,250) | 0 | (354,250) |
| Total transactions with unitholders | | 0 | (354,250) | 0 | (354,250) |
| Balance at 30 June 2025 | | 100 | (4,060,314) | 37,353,598 | 33,293,384 |

The accompanying notes form part of these financial statements.

BALMORAL AGED CARE GROUP PTY LTD ATF BALMORAL AGED CARE TRUST

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

| | Note | 2025 | 2024 |
|--|-------------|-------------------------|-------------------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers and government grants | | 40,121,544 | 38,104,233 |
| Payments to suppliers and employees | | (34,823,421) | (33,698,899) |
| Interest received | | 1,264,992 | 1,880,423 |
| Finance costs | | (488,719) | (1,044,440) |
| Net cash provided by operating activities | 13 | <u>6,074,396</u> | <u>5,241,317</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant & Equipment | 6 | (188,667) | (198,231) |
| Purchase of Investment Property | 8 | (155,000) | (346,481) |
| Payments for Retirement Village Financial Liabilities | | (219,743) | (341,071) |
| Proceeds from Retirement Village Financial Liabilities | | 128,433 | 748,230 |
| Net cash used in investing activities | | <u>(434,977)</u> | <u>(137,553)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Distribution paid | | (354,250) | 0 |
| Receipts from related parties for operational funding | | 637,485 | 1,165,992 |
| Payments to related parties for operational funding | | (8,689,393) | (144,481) |
| Refundable Accommodation Deposit received | | 31,643,010 | 29,435,772 |
| Refundable Accommodation Deposit refunded | | (26,810,201) | (23,487,410) |
| Net cash provided by / (used in) financing activities | | <u>(3,573,349)</u> | <u>6,969,873</u> |
| Net increase in cash held | | 2,066,070 | 12,073,637 |
| Cash and cash equivalents at beginning of financial year | | 7,888,468 | (4,185,169) |
| Cash and cash equivalents at end of financial year | 4 | <u><u>9,954,538</u></u> | <u><u>7,888,468</u></u> |

The accompanying notes form part of these financial statements.

BALMORAL AGED CARE GROUP PTY LTD ATF BALMORAL AGED CARE TRUST
ABN: 56 491 920 734
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The financial statements cover the economic entity of Balmoral Aged Care Group Pty Ltd ATF Balmoral Aged Care Trust. Balmoral Aged Care Group Pty Ltd ATF Balmoral Aged Care Trust is a Unit Trust, established and domiciled in Australia.

The financial statements were authorised for issue on 29th October 2025 by the Directors of the Trustee Company.

Note 1 Material Accounting Policy Information

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Aged Care Act 1997, Retirement Villages Act 1992 (WA), Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Trust is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

(a) Fair Value of Assets and Liabilities

The Trust measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standards.

Fair value is the price the Trust would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie enforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Land and buildings

Land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by management or external independent valuers. At the date of revaluation, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset i.e. restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Plant and equipment and Buildings under construction (work in progress)

Plant and equipment and buildings under construction are carried at cost less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Trust includes the cost of materials, direct labour and borrowing costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, but excluding freehold land, is depreciated on a straight-line or reducing balance basis over the asset's useful life to the Trust commencing from the time the asset is held ready for use.

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

| Class of Fixed Asset | Depreciation Rate | Depreciation Method |
|------------------------|-------------------|------------------------------------|
| Buildings | 2.50% | Straight Line |
| Leasehold Improvements | 2.50% | Straight Line |
| Plant and Equipment | 1.50% - 50% | Straight Line and Reducing Balance |
| Furniture and Fittings | 1.00% - 40% | Straight Line and Reducing Balance |
| Low Value Pool | 18.75% - 37.52% | Straight Line and Reducing Balance |
| Solar Panel Project | 10% - 12.50% | Straight Line and Reducing Balance |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Investment Property

Investment property relates to interests in operating retirement villages (comprising independent living units) held to earn revenue and capital appreciation over time.

Investment property is initially measured at cost, including transaction costs and subsequently at fair value with any change therein recognised in the statement of profit or loss.

The fair value of an investment property is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction and is determined based on periodic valuations by management or external independent valuers.

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(d) Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

RADs/accommodation bond liabilities are non-interest bearing deposits made by aged care facility residents to the Trust upon admission. These deposits are liabilities which fall due and payable when the resident leaves the facility. As there is no unconditional rights to defer payment for 12 months, these liabilities are recorded as current liabilities.

RAD/accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the Aged Care Act 1997.

Independent living unit (ILU) resident loan liabilities

Independent Living Unit (ILU) resident loans are non-interest bearing payments made by retirement village residents to the Trust upon signing of a license agreement fee calculated in accordance with the license. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Trust commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at amortised cost, on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Trust no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Trust recognises a loss allowance for expected credit losses on contract assets (eg amount due from customers under contracts).

Loss allowance is not recognised for financial assets measured at fair value through profit or loss.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

The Directors of the Trustee Company believe that no impairment needs to be accounted as at 30 June 2025.

(f) Impairment of Non-Financial Assets

At the end of each reporting period, the Trust assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

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

(g) Employee Benefits

Short-term employee benefits

Provision is made for the Trust's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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Long-term employee benefits

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Trust's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Trust does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(h) Revenue and other Income

Revenue recognition

Government funded revenue

Government funded revenue comprises of basic subsidy amounts calculated in accordance with the Australian National Aged Care Classification (AN-ACC) accommodation supplements and funding for short term 'respite' residents.

Resident basic daily care fee revenue

Residents are charged a basic daily care fee to contribute to the cost of care and accommodation. This fee is regulated by the Government and usually increases in March and September each year.

Other resident revenue

This represents other fees charged to residents in respect of care and accommodation services and include means-tested care fees, Daily Accommodation Payments (DAP) or Daily Accommodation Contributions (DAC) revenue and additional services revenue.

All performance obligations are considered to be met on a daily basis and therefore the Trust does not have any outstanding performance obligations that have not been met at the reporting date.

Interest income

Interest income is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

(i) Economic Dependency

The Trust is dependent on the Department of Health for the majority of its revenue used to operate the business. At the date of this report, the Directors of the Trustee Company have no reason to believe the Department will not continue to provide such funding.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Trust has retrospectively applied an accounting policy, makes a retrospective restatement of items in the financial statements or reclassified items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements is presented.

(l) Critical Accounting Estimates and Judgements

The Trustees evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Trust.

Key estimates

(i) Impairment

The Trust assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Trust that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

Key judgements

(i) Provisions for employee benefits

As the Trust expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the following 12-month period, obligations for annual leave entitlements are required to be measured at the present value of the expected future payments to be made to employees.

(ii) Property, Plant and Equipment and Investment property: Measurement of fair value

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

| Level 1 | Level 2 | Level 3 |
|---|---|--|
| Measurements based on quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date. | Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly. | Measurements based on unobservable inputs for the asset. |

Valuation Techniques

The Trust selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset being measured.

Land and buildings have been valued by management and/or external independent valuation experts using the Market approach which involves the utilisation of level 2 inputs such as prices and other relevant information generated by market transactions for similar assets.

Investment property

Investment property has been valued by management and/or external independent valuation experts, using a direct comparison approach.

Where the investment property is a property in use as a retirement village, a gross asset value has been determined. In arriving at these values, sales of substitutable properties within the subject village and competing villages have been considered, with regard to their unique attributes including but not limited to proximity to community centre, village amenities and the village entrance, time of sale, ongoing residence agreements, floor plan configuration, accommodation condition and quality, and the level of amenity provided by communal facilities. Further consideration has been made for the local residential market trends for houses and units. The resulting indications of value lead to an estimate of the price expected to be realised upon the sale of the units.

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(iii) Provisions

Provisions are recognised when the Trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(iv) Back pay Provision

The provision for back pay involves significant judgement in assessing roster data, interpreting award conditions and determining entitlements including wages, overtime and leave.

(m) New and Amended Accounting Standards Adopted by the Trust

The Trust has adopted all amendments required for the year ended 30 June 2025. The adoption of these amendments did not have a material impact on the financial statements.

(n) New, Revised or Amended Accounting Standards and Interpretations for application in future periods

AASB 18: Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the "management-defined performance measures" to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of five categories – operating, investing, financing, income taxes and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information.

The Trust plans on adopting the amendment for the reporting period ending 30 June 2028 and is currently assessing the impact the amendment will have on the financial statements once adopted.

Note 2 Revenue and Other Income

| | Note | 2025 \$ | 2024 \$ |
|---|-------------|--------------------------|--------------------------|
| Other income: | | | |
| - Interest revenue - related parties | 17c | 0 | 711,167 |
| - Interest revenue - Bank | | 11,008 | 0 |
| - Rental Revenue | | 2,332,388 | 2,732,932 |
| - Sundry Income | | 301,561 | 250,728 |
| Total other income | | <u>2,644,957</u> | <u>3,694,827</u> |
| Service Revenue: | | | |
| - Services revenue | | 38,684,383 | 36,141,210 |
| - Covid -19 support supplement and recoveries | | 0 | 4,439 |
| Total service revenue | | <u>38,684,383</u> | <u>36,145,649</u> |
| Total revenue and other income | | <u><u>41,329,340</u></u> | <u><u>39,840,476</u></u> |

Note 3 Employee Benefits Expense

| | 2025 \$ | 2024 \$ |
|----------------|-------------------|-------------------|
| Salary & wages | 23,094,705 | 21,620,610 |
| Leave expenses | 784,388 | 895,714 |
| Superannuation | 2,700,093 | 2,349,257 |
| Payroll Tax | 1,414,341 | 1,257,645 |
| | <u>27,993,527</u> | <u>26,123,226</u> |

Note 4 Cash and Cash Equivalents

| | 2025 \$ | 2024 \$ |
|--------------|-------------------|-------------------|
| CURRENT | | |
| Cash at bank | 20,897,965 | 21,687,824 |
| | <u>20,897,965</u> | <u>21,687,824</u> |

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

| | 2025 \$ | 2024 \$ |
|---------------------------------|-------------------|-------------------|
| Bank Overdrafts | (10,943,427) | (13,799,356) |
| Cash at bank | 20,897,965 | 21,687,824 |
| Total cash and cash equivalents | <u>9,954,538</u> | <u>7,888,468</u> |

Note 5 Trade and Other Receivables

| | Note | 2025 \$ | 2024 \$ |
|---|-------------|-------------------|-------------------|
| CURRENT | | | |
| Trade receivables | * | 126,678 | 494,427 |
| Accommodation bonds and refundable accommodation deposits | * | 16,384,148 | 15,526,377 |
| Prepayments | | 441,399 | 913,779 |
| Other debtors | * | 66,370 | 75,669 |
| Total assets classified as trade and other receivables | | <u>17,018,595</u> | <u>17,010,252</u> |

Accommodation bonds and refundable accommodation deposits represent the unpaid portion of the amounts contractually owed to the Trust as per the resident agreement.

| | 2025 \$ | 2024 \$ |
|---|-------------------|-------------------|
| (a) Financial assets at amortised cost | | |
| Trade and other receivables | | |
| - Total Current | * | 16,577,196 |
| - Total Non-current | | 0 |
| Financial assets as trade and other receivables | 18 | <u>16,577,196</u> |

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Note 6 Property, Plant and Equipment

| | 2025 \$ | 2024 \$ |
|---|---------------------|---------------------|
| Land and buildings - at fair value | | |
| Freehold land | 36,830,965 | 36,830,965 |
| Total land | <u>36,830,965</u> | <u>36,830,965</u> |
| Buildings | 79,551,210 | 79,551,210 |
| Accumulated Depreciation - Buildings | <u>(16,513,557)</u> | <u>(14,850,621)</u> |
| Total buildings | <u>63,037,653</u> | <u>64,700,589</u> |
| Leasehold Improvements | 3,200 | 3,200 |
| Accumulated Depreciation - Leasehold Improvements | <u>(1,241)</u> | <u>(1,161)</u> |
| Total leasehold improvements | <u>1,959</u> | <u>2,039</u> |
| Total land and buildings | <u>99,870,577</u> | <u>101,533,593</u> |
| Plant and equipment - at cost | | |
| Plant & Equipment | 3,495,579 | 3,319,915 |
| Accumulated Depreciation - Plant & Equipment | <u>(2,884,575)</u> | <u>(2,765,075)</u> |
| Furniture & Fittings | 2,560,880 | 2,547,877 |
| Accumulated Depreciation - Furniture & Fittings | <u>(2,197,088)</u> | <u>(2,120,406)</u> |
| Low Value Pool | 120,982 | 120,982 |
| Accumulated Depreciation - Low Value Pool | <u>(119,672)</u> | <u>(118,216)</u> |
| Solar Panel Project | 529,643 | 529,643 |
| Accumulated Depreciation - Solar Panel | <u>(310,147)</u> | <u>(285,758)</u> |
| Total plant and equipment | <u>1,195,602</u> | <u>1,228,962</u> |
| Building Under Construction - at cost | | |
| Building Under Construction | <u>6,075,754</u> | <u>6,905,179</u> |
| Total Building Under Construction | <u>6,075,754</u> | <u>6,905,179</u> |
| Total property, plant and equipment | <u>107,141,933</u> | <u>109,667,734</u> |

Movement in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment the beginning and the end of the current financial year:

| | Freehold land \$ | Buildings \$ | Leasehold Improvements \$ | Plant and equipment \$ | Building Under Construction \$ | Total \$ |
|--|---------------------|-------------------|---------------------------------|------------------------------|---|--------------------|
| Balance as at 1 July 2023 | 36,830,965 | 66,353,061 | 2,119 | 1,314,558 | 8,033,546 | 112,534,249 |
| Net additions | 0 | 10,230 | 0 | 167,808 | 20,193 | 198,231 |
| Re-classification to statement of profit or loss * | 0 | 0 | 0 | 0 | (1,148,560) | (1,148,560) |
| Revaluation increments / (decrements) transferred to revaluation surplus | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation expense | 0 | (1,662,702) | (80) | (253,404) | 0 | (1,916,186) |
| Balance as at 30 June 2024 | <u>36,830,965</u> | <u>64,700,589</u> | <u>2,039</u> | <u>1,228,962</u> | <u>6,905,179</u> | <u>109,667,734</u> |
| Net additions | 0 | 0 | 0 | 188,667 | 0 | 188,667 |
| Re-classification to statement of profit or loss * | 0 | 0 | 0 | 0 | (829,425) | (829,425) |
| Depreciation expense | 0 | (1,662,936) | (80) | (222,027) | 0 | (1,885,043) |
| Balance as at 30 June 2025 | <u>36,830,965</u> | <u>63,037,653</u> | <u>1,959</u> | <u>1,195,602</u> | <u>6,075,754</u> | <u>107,141,933</u> |

* This balance represents the following in relation to the Mental Health Unit at St James:

- a. Capital works undertaken as lessor being expensed over the term of the lease in accordance with AASB 16; and
- b. Rental income which was incorrectly capitalised in a previous financial year (only impacts FY 2024).

Asset Revaluations

The Trust's land and buildings were last revalued by management as at 30 June 2023 and were based on benchmark fair values obtained from an external valuer. Refer to Note 19 for detailed disclosures regarding the fair value measurement of the Trust's freehold land and buildings.

At 30 June 2025, the Directors have reviewed the key assumptions adopted in FY 2023 and do not believe there has been a significant change. Therefore, the fair value land and buildings does not differ materially from its carrying amount as at 30 June 2025.

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Note 7 Revaluation Surplus

| | 2024 | 2024 | 2024 | Total | 2024 |
|-------------------------------------|-----------------|-----------------------|-------------------------|-------------------------|-----------------|
| | Opening Balance | Revaluation Increment | Revaluation (Decrement) | Movement on Revaluation | Closing Balance |
| | \$ | \$ | \$ | \$ | \$ |
| Revaluation Surplus | 37,353,598 | 0 | 0 | 0 | 37,353,598 |
| Revaluation Surplus as 30 June 2024 | 37,353,598 | 0 | 0 | 0 | 37,353,598 |

| | 2025 | 2025 | 2025 | Total | 2025 |
|-------------------------------------|-----------------|-----------------------|-------------------------|-------------------------|-----------------|
| | Opening Balance | Revaluation Increment | Revaluation (Decrement) | Movement on Revaluation | Closing Balance |
| | \$ | \$ | \$ | \$ | \$ |
| Revaluation Surplus | 37,353,598 | 0 | 0 | 0 | 37,353,598 |
| Revaluation Surplus as 30 June 2025 | 37,353,598 | 0 | 0 | 0 | 37,353,598 |

Note 8 Investment Property

| | 2025 | 2024 |
|---|------------|------------|
| | \$ | \$ |
| Balance at start of the period | 18,572,570 | 18,226,089 |
| Addition resulting from capitalised expenditure | 155,000 | 346,481 |
| Balance at end of the period | 18,727,570 | 18,572,570 |

Note 9 Trade and Other Payables

| | Note | 2025 | 2024 |
|---|------|--------------------|--------------------|
| | | \$ | \$ |
| CURRENT | | | |
| Sundry payables | | 718,554 | 857,985 |
| Trade payables | * | 90,167 | 14,388 |
| Accommodation bonds and refundable accommodation deposits | * | 98,154,721 | 92,783,993 |
| Accrued expenses | | 263,026 | 255,859 |
| Accrued salaries and wages | | 384,093 | 297,754 |
| Deferred revenue | | 282,688 | 242,783 |
| Retirement Village financial liabilities | * | 11,562,862 | 11,654,172 |
| | | <u>111,456,111</u> | <u>106,106,934</u> |
| NON-CURRENT | | | |
| Amounts payable to related parties | 9a | 2,985,225 | 11,037,133 |
| | | <u>2,985,225</u> | <u>11,037,133</u> |

a. Financial liabilities at amortised cost classified as trade and other payables:

| | | 2025 | 2024 |
|---|----|--------------------|--------------------|
| | | \$ | \$ |
| Trade and other payables | | | |
| - Total current | * | 109,807,750 | 104,452,553 |
| - Total non-current | | 2,985,225 | 11,037,133 |
| Financial liabilities as trade and other payables | 18 | <u>112,792,975</u> | <u>115,489,686</u> |

The Trust has significant levels of accommodation bonds and refundable accommodation deposits and they are classified as current liabilities as per Note 1(d). Notwithstanding this, due to their nature, the accommodation bonds and refundable accommodation deposits repaid are generally replaced with new refundable accommodation deposits and do not impact the liquidity of the Trust.

Note 10 Borrowings

| | Note | 2025 | 2024 |
|------------------|------|-------------------|-------------------|
| | | \$ | \$ |
| CURRENT | | | |
| Bank overdraft | | 10,943,427 | 13,799,356 |
| Total Borrowings | 18 | <u>10,943,427</u> | <u>13,799,356</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 11 Provisions

| | | |
|--|-------------------------|-------------------------|
| Analysis of Provisions | | |
| CURRENT | 2025 | 2024 |
| Annual and Sick Leave | \$ | \$ |
| Balance at start of the period | 3,050,137 | 2,531,928 |
| Additional provisions raised during year | 759,375 | 575,055 |
| Amounts used | (222,714) | (56,846) |
| Balance at end of the period | <u>3,586,798</u> | <u>3,050,137</u> |
| Long Service Leave | | |
| Balance at start of the period | 454,528 | 549,595 |
| Additional provisions raised during year | 97,640 | 0 |
| Amounts used | (67,169) | (95,067) |
| Balance at end of the period | <u>484,999</u> | <u>454,528</u> |
| Back Pay | | |
| Balance at start of the period | 815,000 | 0 |
| Additional provisions raised during year | 0 | 815,000 |
| Amounts used | (120,868) | 0 |
| Balance at end of the period | <u>694,132</u> | <u>815,000</u> |
| Total Current | <u>4,765,929</u> | <u>4,319,665</u> |
| NON-CURRENT | | |
| Long-term Employee Benefits | | |
| Balance at start of the period | 324,445 | 350,547 |
| Additional provisions raised during year | 62,305 | 0 |
| Amounts used | 0 | (26,102) |
| Balance at end of the period | <u>386,750</u> | <u>324,445</u> |
| | 2025 | 2024 |
| | \$ | \$ |
| Current | 4,765,929 | 4,319,665 |
| Non-current | 386,750 | 324,445 |
| | <u>5,152,679</u> | <u>4,644,110</u> |

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave, sick leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave and sick leave entitlements and long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Trust does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Trust does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Provision of sick leave is an accrual for full time and part time employees to be used to pay personal sick leave and carer leave. The provision is measured at 60% of sick leave balances based on historical review of sick leave taken. Liabilities recognised in respect of sick leave provision are expected to be settled in the foreseeable future.

The provision for employee entitlements includes an estimated amount of \$694,132 relating to back payments owed to former Staff West employees. This includes but is not limited to wages, overtime and leave entitlements, calculated over a six-year period ending 2 May 2023.

The provision reflects the trust's best estimate of the liability, based on re-calculations and reconciliations performed during the financial year 2025. This estimate may be subject to adjustment pending further investigation and reconciliation of outstanding amounts.

Any changes to the estimated liability will be recognised in the period when additional information becomes available. The trust remains committed to meeting all legal and contractual obligations and is actively working to ensure any entitlements are accurately determined and promptly settled.

Note 12 Issued Units

a. Units on Issue

| | | |
|--------------------------------------|-------------|-------------|
| | 2025 | 2024 |
| | No. | No. |
| Number of fully paid units | | |
| At beginning of the reporting period | 100 | 100 |
| Units issued during the year | 0 | 0 |
| At the end of the reporting period | <u>100</u> | <u>100</u> |

Units are of equal value and unit holders are entitled to share in the income of Balmoral Aged Care Group Pty Ltd ATF Balmoral Aged Care Trust in proportion to their unit holding. Upon liquidation each unit holder is entitled to a pro rata share of the trust's net assets.

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Note 13 Cash Flow Information

| | 2025 | 2024 |
|--|------------------|------------------|
| | \$ | \$ |
| (a) Reconciliation of profit attributable to unitholders with net cash provided by operating activities | | |
| Profit for the year | 2,269,301 | 1,238,123 |
| Depreciation | 1,885,043 | 1,916,186 |
| Back pay provision expense | (120,868) | 815,000 |
| Assets expensed | 829,425 | 1,148,560 |
| (Increase)/decrease in trade and other receivables | 529,576 | (422,919) |
| Increase/(decrease) in provisions | 629,437 | 397,040 |
| (Increase)/decrease in inventories | (17,277) | 2,917 |
| Increase/(decrease) in trade and other payables | 69,759 | 146,410 |
| Net cash provided by operating activities | <u>6,074,396</u> | <u>5,241,317</u> |

(b) Loan facilities and Bank guarantees

Aegis group has a bank facility limit of \$100,500,000 (unused limit of \$36,500,000) and group limit facility cap \$250,000,000 with Commonwealth Bank of Australia.

The core debt is secured by a registered fixed and floating charge over the assets of Aegis combined entities.

Note 14 Events After the Reporting Period

The directors are not aware of any event subsequent to the end of the financial year which requires disclosure in the financial report.

Note 15 Capital Commitments

The Trust does not have any capital commitments for the year ended 30 June 2024 and 30 June 2025.

Note 16 Contingent assets or liabilities

The Trust does not have any contingent assets or liabilities for the year ended 30 June 2025.

Note 17 Related Party Transactions

Transactions with related parties:

(a) Key Management Personnel:

The directors of Balmoral Aged Care Group Pty Ltd, being the Trustee of Balmoral Aged Care Trust, have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and are considered key management personnel (KMP) of the Trust. The directors are paid by Aegis Aged Care Management Pty Ltd. Directors appoint key facility management personnel to manage each facility in Aegis Group and report directly to the directors.

(b) Remuneration of Key Facility Management Personnel

The totals of remuneration paid to key management personnel of the Trust during the year are as follows:

| | 2025 | 2024 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Salaries and wages | 407,882 | 412,503 |
| Short-term employee benefits | 48,845 | 36,918 |
| Long-term employee benefits | 32,924 | 14,460 |
| | <u>489,651</u> | <u>463,881</u> |

(c) Other related parties

| | 2025 | 2024 |
|--|------------------|-------------------|
| | \$ | \$ |
| Trade and other payables | | |
| - Parent | 70,850 | 0 |
| - Key management personnel of its parent | 283,300 | 0 |
| - Other related parties | 2,631,075 | 11,037,133 |
| 9 | <u>2,985,225</u> | <u>11,037,133</u> |

Amounts payable to related parties are unsecured and do not have a fixed repayment term.

Transactions with Related Parties

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

| | 2025 | 2024 |
|---|-----------|-----------|
| | \$ | \$ |
| The following transactions occurred with related parties: | | |
| • Interest Received | 0 | 711,167 |
| • Interest Paid | 284,604 | 858,630 |
| • Admin Fees Paid | 1,264,085 | 1,424,910 |

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Note 18 Financial Risk Management

The Trust's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

| | Note | 2025 \$ | 2024 \$ |
|--|------|--------------------|--------------------|
| Financial assets at amortised cost | | | |
| Cash and cash equivalents | 4 | 20,897,965 | 21,687,824 |
| Trade and other receivables | 5a | 16,577,196 | 16,096,473 |
| Total financial assets | | 37,475,161 | 37,784,297 |
| Financial liabilities at amortised cost | | | |
| Trade and other payables | 9a | 112,792,975 | 115,489,686 |
| Borrowings | 10 | 10,943,427 | 13,799,356 |
| Total financial liabilities | | 123,736,402 | 129,289,042 |

Financial Risk Management Policies

Management's overall risk management strategy seeks to assist the Trust in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Directors of the Trustee on a regular basis. These include the credit risk policies and future cash flow requirements.

Risk management policies are approved and reviewed by the Directors on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Trust is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a. Credit risk

The majority of the Trade receivables balance are accommodation bonds and refundable accommodation deposits. These are refundable upon leaving the facility and as such there is no credit risk related to these assets and a corresponding liability is carried in the accounts. If bonds and deposits are not paid, the Trust are compensated with government mandated interest charge.

A less significant component of the Trade receivable balance relates to resident care fees outstanding. These fees are set by the government so they are easy covered by the lowest pension, with some funds to spare. The majority of these fees are automatically collected each month by direct debit or direct receipt of a resident pension. The current and potential exposure to bad debts is immaterial and as a result, the Trust have not reported a schedule of overdue receivables. The Trust does not have any material credit risk exposure to any single receivable under financial instruments entered into by the Trust.

b. Liquidity risk

Liquidity risk arises from the possibility that the Trust might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Trust manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Trust does not directly hold any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the tables to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

| | Within 1 Year | | 1 to 5 Years | | Over 5 Years | | Total | |
|---|---------------------|---------------------|--------------|------------|--------------------|---------------------|---------------------|---------------------|
| | 2025 \$ | 2024 \$ | 2025 \$ | 2024 \$ | 2025 \$ | 2024 \$ | 2025 \$ | 2024 \$ |
| Financial liabilities due for payment | | | | | | | | |
| Trade and other payables | 11,653,029 | 11,668,560 | 0 | 0 | 2,985,225 | 11,037,133 | 14,638,254 | 22,705,693 |
| Accommodation bonds and refundable accommodation deposits | 98,154,721 | 92,783,993 | 0 | 0 | 0 | 0 | 98,154,721 | 92,783,993 |
| Bank overdraft | 10,943,427 | 13,799,356 | 0 | 0 | 0 | 0 | 10,943,427 | 13,799,356 |
| Total contractual outflows | 120,751,177 | 118,251,909 | 0 | 0 | 2,985,225 | 11,037,133 | 123,736,402 | 129,289,042 |
| Financial assets - cash flows realisable | | | | | | | | |
| Cash and cash equivalents | 20,897,965 | 21,687,824 | 0 | 0 | 0 | 0 | 20,897,965 | 21,687,824 |
| Trade and other receivables | 193,048 | 570,096 | 0 | 0 | 0 | 0 | 193,048 | 570,096 |
| Accommodation bonds and refundable accommodation deposits | 16,384,148 | 15,526,377 | 0 | 0 | 0 | 0 | 16,384,148 | 15,526,377 |
| Total anticipated inflows | 37,475,161 | 37,784,297 | 0 | 0 | 0 | 0 | 37,475,161 | 37,784,297 |
| Net (outflow) / inflow of financial instruments | (83,276,016) | (80,467,612) | 0 | 0 | (2,985,225) | (11,037,133) | (86,261,241) | (91,504,745) |

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c. Market risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Trust is also exposed to earnings volatility on floating rate debt. The financial instruments that expose the Group to interest rate risk are limited to borrowings and cash and cash equivalents.

| | 2025 \$ | 2024 \$ |
|--------------|------------|------------|
| Cash at bank | 20,897,965 | 21,687,824 |
| Borrowings | 10,943,427 | 13,799,356 |

d. Fair Values

Fair value estimation

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

e. Sensitivity analysis

The following table illustrates sensitivities to the Trust's exposures to changes in interest rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

| | Profit/Equity \$ |
|--------------------------------|---------------------|
| Year ended 30 June 2025 | |
| +/- 1% in interest rates | 99,545 |
| Year ended 30 June 2024 | |
| +/- 1% in interest rates | 78,885 |

Note 19 Fair Value Measurements

The Trust measures and recognises land and buildings at fair value on a recurring basis after initial recognition.

a. Fair Value Hierarchy

| | Note | 30 June 2025 | | | Total |
|--|------|---------------|---------------|---------------|------------|
| | | Level 1 \$ | Level 2 \$ | Level 3 \$ | \$ |
| <i>Non-financial assets</i> | | | | | |
| Freehold land | 6 | 0 | 36,830,965 | 0 | 36,830,965 |
| Buildings | 6 | 0 | 63,037,653 | 0 | 63,037,653 |
| Total non-financial assets recognised at fair value | | 0 | 99,868,618 | 0 | 99,868,618 |

| | Note | 30 June 2024 | | | Total |
|--|------|---------------|---------------|---------------|-------------|
| | | Level 1 \$ | Level 2 \$ | Level 3 \$ | \$ |
| <i>Non-financial assets</i> | | | | | |
| Freehold land | 6 | 0 | 36,830,965 | 0 | 36,830,965 |
| Buildings | 6 | 0 | 64,700,589 | 0 | 64,700,589 |
| Total non-financial assets recognised at fair value | | 0 | 101,531,554 | 0 | 101,531,554 |

b. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

| Description | Fair Value at 30 June 2023 | Valuation Techniques | Inputs Used |
|-----------------------------|----------------------------------|---|---|
| <i>Non-financial assets</i> | | | |
| Freehold land | 36,830,965 | Market approach using recent observable market data for similar lots of land. | Price per square metre. |
| Buildings | 66,353,061 <u>103,184,026</u> | Market approach using recent observable market data for similar properties. | Number of beds, geographical location, demographics of facility, EBITDA forecasts, RAD book (excluding unrefunded RADs awaiting probate) and capitalisation rate. |

The fair value of freehold land and buildings is determined at least every three to five years based on valuations by management and/or external valuer. At the end of each intervening period, the directors review the valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data.

There were no changes during the period in the valuation techniques used by the Trust to determine Level 2 fair values.

Note 20 Auditor Remuneration

| | 2025 \$ | 2024 \$ |
|--|---------------|---------------|
| Remuneration of the auditor for: | | |
| - auditing the financial report | 11,915 | 12,257 |
| - auditing the annual prudential compliance statement (APCS) | 1,036 | 1,006 |
| | <u>12,951</u> | <u>13,263</u> |

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Note 21 Trust Details

The registered office of the Trust is 90 Goodwood Parade, Burswood. Its principal activity is the provision of residential aged care services.
The principal places of business are:

Aegis Balmoral
29 Gardner Street
Como
RACS ID 7872

Aegis Melville
1 French Road
Melville
RACS ID 7875

BALMORAL AGED CARE GROUP PTY LTD ATF BALMORAL AGED CARE TRUST
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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Balmoral Aged Care Group Pty Ltd ATF Balmoral Aged Care Trust, the directors of the Trustee company declare that:

1. the financial statements and notes, as set out on pages 1 to 16, present fairly the Unit Trust's financial position as at 30 June 2025 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards; and
2. in the director's opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Director



M C Cross

Dated this 29th day of October 2025

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF THE TRUSTEE COMPANY
BALMORAL AGED CARE GROUP PTY LTD
ATF BALMORAL AGED CARE TRUST**

Opinion

We have audited the financial report of Balmoral Aged Care Group Pty Ltd ATF Balmoral Aged Care Trust (the "Trust"), which comprises the statement of financial position as at 30 June 2025, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Aged Care Act 1997* and *Retirement Villages Act 1992 (WA)*:

- i. giving a true and fair view of the Trust's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethical responsibilities with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Trustee Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), *Aged Care Act 1997*, *Retirement Villages Act 1992 (WA)* 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 of the Trustee Company are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The directors of the Trustee Company are responsible for overseeing the Trust's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF THE TRUSTEE COMPANY
BALMORAL AGED CARE GROUP PTY LTD
ATF BALMORAL AGED CARE TRUST (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Report

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

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


GREG GODWIN
PARTNER
MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 29th day of October 2025.