

REGENTS GARDEN AUBIN GROVE UNIT TRUST

ABN: 25 673 850 030

NAPS ID: 1193

RACS ID: 7444

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

REGENTS GARDEN AUBIN GROVE UNIT TRUST

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Financial Report For The Year Ended 30 June 2025

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REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Revenue			
Services income	2	16,906,249	15,554,113
Interest income	2	846,745	1,088,897
Other income	2	3,259,950	6,208,003
Total revenue and other income		<u>21,012,944</u>	<u>22,851,013</u>
Expenses			
Fair value loss on revaluation of bungalow loans		1,299,286	4,892,143
Agency costs		292,395	418,159
Depreciation expense	8,9	559,741	563,847
Electricity and gas		182,405	137,622
Employee benefits expense	3	11,321,681	9,593,524
Food and stores		548,127	501,013
Incontinence pads		55,563	58,461
Interest paid - Division 7A		10,543	107,553
Insurance		219,262	197,107
Management fees	20	911,800	789,400
Payroll tax		612,464	510,494
Rates, taxes and other outgoings		181,228	144,458
Repairs and maintenance		262,404	112,541
Resident welfare		182,667	150,601
Staff training and welfare		136,872	122,514
Other expenses		597,084	526,973
Total expenses		<u>17,373,522</u>	<u>18,826,410</u>
Profit attributable to unitholders		<u>3,639,422</u>	<u>4,024,603</u>
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income attributable to unitholders		<u>3,639,422</u>	<u>4,024,603</u>

The accompanying notes form part of these financial statements.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	12,090,266	8,938,812
Trade and other receivables	6	126,830	207,567
Other assets	7	5,520,871	2,134,617
TOTAL CURRENT ASSETS		<u>17,737,967</u>	<u>11,280,996</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	15,015,264	10,017,825
Property, plant and equipment	8	17,634,756	18,147,129
Investment property	9	45,654,794	41,939,773
TOTAL NON-CURRENT ASSETS		<u>78,304,814</u>	<u>70,104,727</u>
TOTAL ASSETS		<u><u>96,042,781</u></u>	<u><u>81,385,723</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,042,234	3,690,810
Accommodation bonds	11	34,157,186	31,984,068
Provisions	12	1,613,621	1,290,362
TOTAL CURRENT LIABILITIES		<u>36,813,041</u>	<u>36,965,240</u>
NON-CURRENT LIABILITIES			
Trade and other payables	10	5,692	1,132,240
Bungalow resident loans	11	41,968,136	28,071,157
Provisions	12	89,697	75,192
TOTAL NON-CURRENT LIABILITIES		<u>42,063,525</u>	<u>29,278,589</u>
TOTAL LIABILITIES		<u>78,876,566</u>	<u>66,243,829</u>
NET ASSETS		<u><u>17,166,215</u></u>	<u><u>15,141,894</u></u>
EQUITY			
Issued units	13	100	100
Retained earnings		17,166,115	15,141,794
TOTAL EQUITY		<u><u>17,166,215</u></u>	<u><u>15,141,894</u></u>

The accompanying notes form part of these financial statements.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Note	Issued Units \$	Retained Earnings \$	Total \$
Balance at 1 July 2023		100	13,806,757	13,806,857
Profit for the year		-	4,024,603	4,024,603
Total comprehensive income for the year		-	4,024,603	4,024,603
Distribution to unitholders	14	-	(2,689,566)	(2,689,566)
Balance at 30 June 2024		100	15,141,794	15,141,894
Balance at 1 July 2024		100	15,141,794	15,141,894
Profit for the year		-	3,639,422	3,639,422
Total comprehensive income for the year		-	3,639,422	3,639,422
Distribution to unitholders	14	-	(1,615,101)	(1,615,101)
Balance at 30 June 2025		100	17,166,115	17,166,215

The accompanying notes form part of these financial statements.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		16,985,542	15,511,850
Payments to suppliers and employees		(17,572,212)	(10,220,020)
Interest received		811,768	1,072,689
Grants received		-	267,550
Net cash provided by operating activities	18	<u>225,098</u>	<u>6,632,069</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	(26,551)	(24,641)
Transfer from term deposit with maturity more than 3 months		(3,350,000)	-
Additions to investment property	9	(1,238,164)	(5,445,670)
Proceeds from lease of bungalows		13,370,714	2,512,857
Net cash provided by/(used by) investing activities		<u>8,755,999</u>	<u>(2,957,454)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipt of accommodation bonds		2,173,118	4,247,536
Net repayment to related parties		(8,002,761)	(3,836,190)
Net cash (used in)/provided by financing activities		<u>(5,829,643)</u>	<u>411,346</u>
Net increase in cash held		3,151,454	4,085,961
Cash and cash equivalents at beginning of financial year		<u>8,938,812</u>	<u>4,852,851</u>
Cash and cash equivalents at end of financial year	5	<u><u>12,090,266</u></u>	<u><u>8,938,812</u></u>

The accompanying notes form part of these financial statements.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The financial statements cover the economic entity of those of Regents Garden Aubin Grove Unit Trust. Regents Garden Aubin Grove Unit Trust is a unit trust, established and domiciled in Australia.

Note 1 Material Accounting Policy Information

Basis of Preparation

The general purpose financial statements – simplified disclosures have been prepared in accordance with Part 4 of the Accountability Principles 2014, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board ("AASB"), and comply with other legislative requirements. The financial statements comprise Regents Garden Aubin Grove Unit Trust ("the Trust") as an individual for-profit entity.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and certain classes of investment properties.

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 Trust'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 1(b).

Statement of compliance

The Trust does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the disclosure, recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Registered office:
Level 2, 179 St Georges Terrace, Perth WA 6000

Principal place of business:
248 Lyon Road Aubin Grove WA 6164

Financial Position

The Trust reported a net profit of \$3,639,422 for the financial year ended 30 June 2025 (2024: \$4,024,603) and an excess of current liabilities over current assets of \$19,075,074 as at that date (2024: \$25,684,244). Working capital included \$12,090,266 of cash and cash equivalents, term deposits of \$5,350,000 and \$34,157,186 of Refundable Accommodation Bonds ("RADs").

The RADs have been classified as current liabilities as they are repayable within 14 days of a resident's departure. Management monitors the trend in RAD receipts and payments and expects one third of RADs to be repaid in the next 12 months expected to be funded through RADs from new residents and the Trust's cash holdings.

The Trust also has a liquidity management strategy to ensure that the Trust has sufficient liquid funds to enable it to refund RADs expected to fall due in the next 12 months. As part of determining the liquidity management strategy, the Trust has set a minimum balance of liquid funds the Trust needs to maintain. The cash balance at 30 June 2025 exceeded the minimum balance stipulated by the liquidity management strategy.

Based on the matters above, management believe it is appropriate to prepare the financial report on a going concern basis which contemplates the realisation of its assets and the extinguishment of its liabilities in the normal course of business and at the amounts stated in the financial report.

(a) Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as disclosed. Certain comparative amounts have been reclassified to conform with the current year's presentation.

(b) 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 expectations of future events and are based on current trends and economic data, obtained both externally and within the Trust.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1 Material Accounting Policy Information (continued)

(b) Critical Accounting Estimates and Judgements (continued)

Key estimates and judgements

(i) Provisions for Employee Benefits

Provision for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience and history of employee departures and periods of service. The amount of these provisions would change should any of these factors change in the next 12 months.

(ii) Estimation of Useful Lives of Assets

Useful lives and residual value of property, plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years. Useful lives of intangible assets with finite lives are reviewed annually. Any reassessment of useful lives in a particular year will affect the amortisation expense (either increasing or decreasing) through to the end of the reassessed useful life for both the current and future years.

(iii) Estimation of fair value of bungalow life loans and fair value of bungalows

The fair value of bungalow life loans is estimated by reference to the fair value of the underlying bungalows. The fair value of the bungalows is assessed by reference to the recent market value of units that are leased in the financial year.

(c) Accommodation Bonds

Accommodation bonds are measured at the principal amount less retention amounts. They are classified as current liabilities because the Trust does not have an unconditional right to defer settlements for greater than 12 months.

(d) Property, Plant and Equipment and Investment Property

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

Property and Buildings

Freehold land and buildings are measured using the cost basis less where applicable, any accumulated depreciation and impairment losses.

Investment Property

Investment property, comprising a child care centre and bungalows are held to generate long-term rental yields and capital appreciation. The tenant lease is on an arm's length basis. The child care centre is measured at cost less accumulated depreciation and impairment. On-going bungalow construction costs are measured at cost as management has assessed that there is no market for an individual bungalow, until completion and that the fair value of the property cannot be reliably measured until the construction is completed. The completed bungalows are measured at fair value, based on recent sales. The rental revenue is recognised on a straight-line basis over the period of the lease. Refer Note 1(n) for change in accounting policy on Investment Property.

Plant and Equipment

Plant and equipment are measured using the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a reducing balance basis or straight-line basis over the asset's useful life to the Trust commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Buildings	2.5%
Plant and equipment	15%
Computer equipment	37.5%
Motor vehicles	25%
Other assets	7.5% - 37.5%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1 Material Accounting Policy Information (continued)

(e) Impairment

(i) 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 carrying amount over its recoverable amount is recognised immediately in profit or loss.

(ii) Impairment of financial assets

The Trust uses forward-looking information to recognise expected credit losses – the expected credit loss ("ECL") model.

Recognition of credit losses is no longer dependent on the Trust first identifying a credit loss event. Instead the Trust considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Trade and other receivables

The Trust makes use of the simplified approach in accounting for trade and other receivables and records a loss allowance for lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

(f) 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 the date that the Trust commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables and trade payables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss;

on the basis of the two primary criteria:

- 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.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following

- 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; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1 Material Accounting Policy Information (continued)

(f) Financial Instruments (continued)

Classification and subsequent measurement (continued)

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over its 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 is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

A financial liability cannot be reclassified.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Trust's accounting policy.

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 (i.e. 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 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 (i.e. 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.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1 Material Accounting Policy Information (continued)

(g) Employee Benefits

Provision is made for the Trust's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that approximate the expected timing of cash flows.

(h) 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.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Revenue and Other Income

Revenue from the provision of Aged Care services including fees from residents and related income from the Government is measured at the transaction price received or receivable (which excludes estimates of variable consideration) allocated to the performance obligation satisfied and represents amounts receivable for services provided in the normal course of business, net of discounts and GST.

Government revenue comprises basic subsidy amounts calculated in accordance with the Aged Care Funding Instrument ("ACFI"), accommodation supplements, funding for short-term 'respite' residents and other Government income. Revenue from the Government, in the form of subsidies for the provision of aged care services, is recognised over the period services are provided.

Grant revenue from the Government is recognised in the period which it applies when the right to receive payment is established. Where the amount is unknown, is recognised in the next period or on receipt.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Deferred Management Fees (DMF) are earned from the retirement village units. DMF income is recognised on a progressive annual basis over the estimated average length of stay of 11 years. Based on the net present value of the anticipated fair value of the unit at the end of the tenancy a portion of the DMF revenue is classified as DMF interest revenue, representing the unwinding of the discount rate applied to the non-current portion of DMF receivables.

(k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Trust that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Goods and Services Tax ("GST")

Revenues, expenses and assets (excluding receivables and payables) are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO").

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1 Material Accounting Policy Information (continued)

(m) Bungalow Resident Loans

The carrying value of bungalow resident loans represent the principal amount plus the resident's share of expected capital gains and losses based on market values of the underlying property at balance sheet date, less deferred management fees receivable.

Bungalow resident loans are non-interest bearing and repayable upon departure. Resident loans are reported as non-current liabilities because the terms of Residency Lease allow the Trust to defer settlement of the loans to later than 12 months after the date the bungalow is returned to the Trust.

Deferred management fees (DMF) receivable represent amounts earned by the Trust to the balance sheet date in connection with residency occupancy at retirement village. The DMF is calculated using the following assumptions:

- 1) A 12.9% (2024: 12.9%) discount rate based on industry benchmarks;
- 2) An 11 year average length of stay based on historical experience.

The DMF receivable is then calculated by reference to the current tenure of each resident and offset against the bungalow resident loans balance in non-current liabilities. Differences in cash received and the DMF receivable at the end of the lease of a unit are taken to the income statement in the period in which the re-lease occurs.

(n) Comparative Figures

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

(o) Application of New and Revised Accounting Standards

For the year ended 30 June 2025, the Trust has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2024. None of new or amended standards have had a material impact on the Trust's financial statements.

(p) New Standards Amendments and Interpretations not yet adopted

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 '*Presentation of Financial Statements*', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Trust will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 2 Revenue and Other Income

	2025	2024
	\$	\$
Revenue		
Services income		
- government income	11,689,253	10,429,550
- contracts with customers	4,443,975	4,361,434
- deferred management fees	773,021	763,129
	<u>16,906,249</u>	<u>15,554,113</u>
Interest Income		
- interest received from financial institutions	457,386	695,618
- interest received from accommodation bonds	389,359	393,279
	<u>846,745</u>	<u>1,088,897</u>
Other income		
- fair value gain on revaluation of bungalow buildings	2,497,674	5,499,120
- rental income	311,976	293,448
- grant income	-	76,820
- other income	450,300	338,615
	<u>3,259,950</u>	<u>6,208,003</u>
Total revenue and other income	<u>21,012,944</u>	<u>22,851,013</u>

Note 3 Employee Benefits Expense

	2025	2024
	\$	\$
Employee benefits expenses:		
- wages and salaries	9,903,654	8,418,021
- contributions to superannuation	1,080,263	902,426
- increase in provisions for employee entitlements	337,764	273,077
Total employee benefits expenses	<u>11,321,681</u>	<u>9,593,524</u>

Note 4 Auditor's Remuneration

	2025	2024
	\$	\$
Remuneration of the auditor of the Trust for:		
- auditing the financial statements	13,400	12,956
	<u>13,400</u>	<u>12,956</u>

Note 5 Cash and Cash Equivalents

	2025	2024
	\$	\$
CURRENT		
Cash on hand	907	907
Short-term bank deposits	12,089,359	8,937,905
	<u>12,090,266</u>	<u>8,938,812</u>

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 6 Trade and Other Receivables

	2025	2024
	\$	\$
CURRENT		
Trade receivables	102,250	192,115
GST receivable	18,940	15,452
Amounts due from related parties	5,640	-
	<u>126,830</u>	<u>207,567</u>
NON-CURRENT		
Amounts due from related parties	15,015,264	10,017,825
	<u>15,015,264</u>	<u>10,017,825</u>

No trade and other receivables balances have been pledged as collateral.

Note 7 Other Assets

	2025	2024
	\$	\$
CURRENT		
Term deposit with maturity more than 3 months	5,350,000	2,000,000
Prepayments	62,791	61,514
Accrued income	108,080	73,103
	<u>5,520,871</u>	<u>2,134,617</u>

Any term deposit with an initial maturity of more than three months are excluded from cash and cash equivalents. As early access are subject to a penalty, it is unlikely that the intended purpose is to meet short-term cash commitments. The term deposit is measured at amortised cost in accordance with AASB 9 *Financial Instruments*.

Note 8 Property, Plant and Equipment

	2025	2024
	\$	\$
LAND AND BUILDINGS		
Freehold land at cost	3,934,439	3,934,439
	<u>3,934,439</u>	<u>3,934,439</u>
Buildings - at cost	19,994,788	19,994,788
Buildings - accumulated depreciation	(6,442,561)	(5,947,622)
Total buildings	<u>13,552,227</u>	<u>14,047,166</u>
Total land and buildings	<u>17,486,666</u>	<u>17,981,605</u>
PLANT AND EQUIPMENT		
Plant and equipment - at cost	514,483	487,932
Plant and equipment - accumulated depreciation	(366,393)	(325,256)
Total plant and equipment	<u>148,090</u>	<u>162,676</u>
SOFTWARE LICENCE		
Software licence - at cost	28,560	28,560
Software licence - accumulated depreciation	(28,560)	(25,712)
Total software licence	<u>-</u>	<u>2,848</u>
Total property, plant and equipment	<u>17,634,756</u>	<u>18,147,129</u>

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 8 Property, Plant and Equipment (continued)

Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Freehold Land \$	Buildings \$	Plant and equipment \$	Software licence \$	Total \$
Balance at 1 July 2023	3,934,439	14,544,088	178,358	8,576	18,665,461
Additions	-	-	24,641	-	24,641
Depreciation expense	-	(496,922)	(40,323)	(5,728)	(542,973)
Balance at 30 June 2024	3,934,439	14,047,166	162,676	2,848	18,147,129
Additions	-	-	26,551	-	26,551
Depreciation expense	-	(494,939)	(41,137)	(2,848)	(538,924)
Carrying amount at 30 June 2025	3,934,439	13,552,227	148,090	-	17,634,756

Note 9 Investment Property

	2025 \$	2024 \$
Bungalows under construction - at cost	-	10,319,162
Completed bungalows - at fair value	45,030,000	30,975,000
Total bungalows	45,030,000	41,294,162
Childcare centre - at cost	832,695	832,695
Childcare centre - accumulated depreciation	(207,901)	(187,084)
Total childcare centre	624,794	645,611
Total investment property	45,654,794	41,939,773

Investment property, comprising a child care centre and bungalows are held to generate long-term rental yields and capital appreciation. The tenant lease is on an arm's length basis. The child care centre is measured at cost less accumulated depreciation and impairment. On-going bungalow construction costs are measured at cost as management has assessed that there is no market for an individual bungalow, until completion and that the fair value of the property cannot be reliably measured until the construction is completed. The completed bungalows are measured at fair value, based on recent sales.

Movements in Carrying Amounts

Movements in carrying amounts for each investment property between the beginning and the end of the current financial year are as follows:

	Bungalows under construction \$	Completed bungalows \$	Child care centre \$	Total \$
Balance at 1 July 2023	7,399,372	22,950,000	666,485	31,015,857
Additions	5,445,670	-	-	5,445,670
Transfer to completed bungalows	(2,525,880)	2,525,880	-	-
Revaluation gain	-	5,499,120	-	5,499,120
Depreciation expense	-	-	(20,874)	(20,874)
Balance at 30 June 2024	10,319,162	30,975,000	645,611	41,939,773
Additions	1,238,164	-	-	1,238,164
Transfer to completed bungalows	(11,557,326)	11,557,326	-	-
Revaluation gain	-	2,497,674	-	2,497,674
Depreciation expense	-	-	(20,817)	(20,817)
Carrying amount at 30 June 2025	-	45,030,000	624,794	45,654,794

REGENTS GARDEN AUBIN GROVE UNIT TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 10 Trade and Other Payables

	2025	2024
	\$	\$
CURRENT		
Trade payables	447,408	3,225,110
Income in advance	69,983	69,810
Payroll liabilities	402,545	45,182
Accrued expenses	120,873	101,793
Amounts due to related parties	1,425	248,915
	<u>1,042,234</u>	<u>3,690,810</u>
NON-CURRENT		
Amounts due to related parties	5,692	1,132,240
	<u>5,692</u>	<u>1,132,240</u>

Note 11 Borrowings

	2025	2024
	\$	\$
CURRENT		
Accommodation bonds	34,157,186	31,984,068
	<u>34,157,186</u>	<u>31,984,068</u>

Accommodation bonds are classified as current liabilities because the Trust does not have an unconditional right to defer settlement for greater than 12 months. History shows that on average a resident in the facility will stay 3 years. Management expects to repay \$11.4 million of bonds in the next 12 months, which is expected to be funded by bonds paid by incoming residents and existing cash reserves.

	2025	2024
	\$	\$
NON-CURRENT		
Bungalow resident loans	41,968,136	28,071,157
	<u>41,968,136</u>	<u>28,071,157</u>

Note 12 Provisions

	2025	2024
	\$	\$
CURRENT		
Provision for annual leave	1,202,083	944,151
Provision for long service leave - current	411,538	346,211
	<u>1,613,621</u>	<u>1,290,362</u>

NON-CURRENT		
Provision for long service leave - non-current	89,697	75,192
	<u>89,697</u>	<u>75,192</u>

ANALYSIS OF TOTAL PROVISIONS

Analysis of Provisions	2025	2024
CURRENT	\$	\$
Employee Benefits		
Opening balance at 1 July	1,290,362	1,040,652
Movement during the year	323,259	249,710
Balance at 30 June	<u>1,613,621</u>	<u>1,290,362</u>
NON-CURRENT		
Employee Benefits		
Opening balance at 1 July	75,192	51,825
Movement during the year	14,505	23,367
Balance at 30 June	<u>89,697</u>	<u>75,192</u>

REGENTS GARDEN AUBIN GROVE UNIT TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 12 Provisions (continued)

Provision for employee benefits

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

Note 13 Issue of Units

The Trust has 100 units on issue of \$1 each amounting to \$100 (2024: \$100).

	2025 No.	2024 No.	2025 \$	2024 \$
Number of fully paid units				
At beginning of the reporting period	100	100	100	100
At the end of the reporting period	100	100	100	100

Units are of equal value and unit holders are entitled to share in the income of Regents Garden Aubin Grove Unit 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.

Note 14 Net Assets Attributable to Unitholders

	Number of Units on Issue No.	Issued Units \$	Retained Earnings \$	Total \$
Balance at 1 July 2023	100	100	13,806,757	13,806,857
Profit attributable to Trust	-	-	4,024,603	4,024,603
Distributions paid or provided for	-	-	(2,689,566)	(2,689,566)
Balance at 30 June 2024	100	100	15,141,794	15,141,894
Profit attributable to Trust	-	-	3,639,422	3,639,422
Distributions paid or provided for	-	-	(1,615,101)	(1,615,101)
Balance at 30 June 2025	100	100	17,166,115	17,166,215

Note 15 Capital Commitment

The Trust does not have capital commitments at 30 June 2025 (2024: \$3.5million to complete 20 units of bungalows).

Note 16 Contingent Liabilities

No contingent assets or liabilities existed at 30 June 2025 and 30 June 2024.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 17 Segment Reporting

The Trust operates three business segments or functions:

- Residential Aged Care Facility: Revenue is statutory based and regulated fees are charged for occupancy.
- Independent Living Units.
- Child Care Centre.

	Residential Care 2025 \$	Independent Living Units 2025 \$	Childcare Centre 2025 \$	Total \$
Resident fees	4,443,975	-	-	4,443,975
Department fees	11,689,253	-	-	11,689,253
Fair value gain on revaluation of bungalow buildings	-	2,497,674	-	2,497,674
Deferred management fees	-	773,021	-	773,021
Interest received	558,457	244,453	43,835	846,745
Other income	40	430,793	331,443	762,276
Total Revenue and Other Income	16,691,725	3,945,941	375,278	21,012,944
Employee expenses	11,321,681	-	-	11,321,681
Fair value loss on bungalow loans	-	1,299,286	-	1,299,286
Depreciation	538,924	-	20,817	559,741
Interest paid	10,543	-	-	10,543
Other expenses	3,976,883	193,506	11,884	4,182,273
Total Expenses	15,848,031	1,492,792	32,701	17,373,524
Net Profit	843,694	2,453,149	342,577	3,639,420
Total Current Assets	9,480,919	7,235,259	1,021,789	17,737,967
Total Non-Current Assets	41,777,633	37,148,845	(621,664)	78,304,814
Total Assets	51,258,552	44,384,104	400,125	96,042,781
Total Current Liabilities	36,779,461	12,818	20,764	36,813,043
Total Non-Current Liabilities	108,604	41,918,136	36,785	42,063,525
Total Liabilities	36,888,065	41,930,954	57,549	78,876,568
Total Net Assets	14,370,487	2,453,150	342,576	17,166,213

REGENTS GARDEN AUBIN GROVE UNIT TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 17 Segment Reporting (continued)

	2024 \$	2024 \$	2024 \$	Total \$
Resident fees	4,361,434	-	-	4,361,434
Department fees	10,429,550	-	-	10,429,550
Fair value gain on revaluation of bungalow buildings	-	5,499,120	-	5,499,120
Deferred management fees	-	763,129	-	763,129
Interest received	952,364	136,533	-	1,088,897
Other	110,330	286,587	311,966	708,883
Total Revenue and Other Income	15,853,678	6,685,369	311,966	22,851,013
Employee expenses	9,593,524	-	-	9,593,524
Fair value loss on bungalow loans	-	4,892,143	-	4,892,143
Depreciation	542,973	-	20,874	563,847
Interest paid	107,553	-	-	107,553
Other	3,554,853	105,632	8,858	3,669,343
Total Expenses	13,798,903	4,997,775	29,732	18,826,410
Net Profit	2,054,775	1,687,594	282,234	4,024,603
Total Current Assets	7,042,495	3,443,466	795,035	11,280,996
Total Non-Current Assets	41,492,739	29,100,601	(488,613)	70,104,727
Total Assets	48,535,234	32,544,067	306,422	81,385,723
Total Current Liabilities	34,129,925	2,835,315	-	36,965,240
Total Non-Current Liabilities	1,233,244	28,021,157	24,188	29,278,589
Total Liabilities	35,363,169	30,856,472	24,188	66,243,829
Total Net Assets	13,172,065	1,687,595	282,234	15,141,894

Note 18 Cash Flow Information

	2025 \$	2024 \$
Reconciliation of profit attributable to unitholders to net cash provided by operating activities		
Profit for the year	3,639,422	4,024,603
Non cash flows in profit for the year:		
- Depreciation	559,741	563,847
- Interest paid - Division 7A	10,543	107,553
- Revaluation gain on bungalow buildings	(2,497,674)	(5,499,120)
- Revaluation loss on bungalow resident loans	1,299,286	4,892,143
- Deferred management fee	(773,021)	(763,129)
Changes in assets and liabilities		
- Decrease in trade and other receivables and other assets	50,123	252,405
- (Decrease)/increase in trade and other payables	(2,401,086)	2,780,690
- Increase in provisions	337,764	273,077
Net cash provided by operating activities	225,098	6,632,069

Note 19 Events After the Reporting Period

No events after the balance sheet date have been identified as post balance date events for the purpose of disclosure.

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 20 Related Party Transactions

The ultimate controlling entity is the Limo Family Trust.

Transactions with related parties

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

	2025 \$	2024 \$
a. Loans to Related Parties		
Unsecured loans provided to:		
- Regents Garden Office Trust*	143,061	143,061
- Limo Family Trust**	12,637,462	8,082,560
- Regents Garden Care Pty Ltd*	1,792,204	1,792,204
- Regents Garden Unit Trust*	442,537	-
- Regents Garden Group Pty Ltd*	5,640	-
	<u>15,020,904</u>	<u>10,017,825</u>

b. Loans from Related Parties

Regents Garden Unit Trust has made loans to the Unit Trust.**	-	(452,769)
Regents Garden Group Pty Ltd has made loans to the Unit Trust. ***	-	(3,192)
Regents Garden Lake Joondalup Pty Ltd has made loans to the Unit Trust.***	(1,677)	(908,151)
Regents Garden Scarborough Pty Ltd has made loans to the Unit Trust.***	(5,440)	(17,043)
	<u>(7,117)</u>	<u>(1,381,155)</u>

*These loans are interest free, current in nature and may be subject to future Facility Loan agreements.

** These loans are subject to the Facility Loan agreements, with interest applicable.

***These loans are in accordance with Division 7A of the 1977 ITAA, with interest applicable.

The Trust applies the AASB 9 simplified model of recognising lifetime expected credit losses for all amounts due from related parties as these items do not have a significant financing component.

The Trust considers that all the loans to related parties are not impaired for each of the reporting dates. None of the Trust's loans to related parties are secured by collateral.

	2025 \$	2024 \$
c. Management fees paid to Related Parties		
Paid to Regents Garden Group Pty Ltd.	856,800	734,400
Paid to Regents Garden Residential Resort Management Pty Ltd.	55,000	55,000
	<u>911,800</u>	<u>789,400</u>

Key management personnel are not remunerated directly by the Trust. They receive remuneration from Regents Garden Group Pty Ltd, which then charges a management fee to the Trust to recover the salary cost and other services as noted above.

d. Consulting fees paid to a Related Party		
Consulting fees paid to Salim Lee Architects.	<u>147,863</u>	<u>103,003</u>
e. Rent paid to a Related Party		
Rent paid to Limo Family Trust.	<u>50,400</u>	<u>26,400</u>
f. Construction services provided by a Related Party		
Construction services provided by Komemo Constructions.	<u>1,238,164</u>	<u>5,445,670</u>
g. Accounting fees		
Accounting fees paid to Flinders Accountants, a company where Michael G Collins is also a director.	<u>14,357</u>	<u>6,350</u>

REGENTS GARDEN AUBIN GROVE UNIT TRUST
ABN: 25 673 850 030
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of the trustee company of Regents Garden Aubin Grove Unit Trust, the directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 1 to 18:
 - (a) comply with Australian Accounting Standards - Simplified Disclosures and other mandatory professional reporting requirements; and
 - (b) present fairly the Trust's financial position as at 30 June 2025 and its performance for the year ended on that date.
2. in the directors' 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



Salim SL Lee

Dated this 24th day of October 2025

Director



Michael G Collins

Dated this 24th day of October 2025

Independent auditor's report to the unit holders of Regents Garden Aubin Grove Unit Trust trading as Regents Garden Aubin Grove and the Secretary, Department of Health and Aged Care

Report on the audit of the financial report



Our opinion on the financial report

In our opinion, the accompanying financial report of Regents Garden Aubin Grove Unit Trust trading as Regents Garden Aubin Grove (the Trust), is in accordance with *Part 4 of the Accountability Principles 2014*, including:

- 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
- complying with Australian Accounting Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and *Part 4 of the Accountability Principles 2014*.

What was audited?

We have audited the financial report of the Trust, which comprises:

- the statement of financial position as at 30 June 2025,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

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 auditor independence ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Trust's annual report for the year ended 30 June 2025, 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.

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 – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and *Part 4 of the Accountability Principles 2014* 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 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.

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:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director

Dated this 24th day of October 2025