The Royce Aged Care Pty Ltd

ABN: 50 142 467 650

Financial report

For the year ended 30 June 2025

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THE ROYCE AGED CARE PTY LTD
ABN: SO 142 467 650

DIRECTORS' REPORT

The directors present their report together with the financial report of The Royce Aged Care Pty Ltd, the "Company", for the year ended 30 June 2025 and auditor's report thereon.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Maurice Kevin Tulich

Johannes Brockhaus

Denise McGrath

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

Review of operations

The Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the Company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

Principal activities

The principal activity of the Company during the year was the operation of a residential aged care facility.

No significant change in the nature of these activities occurred during the year.

After balance date events

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

Likely developments

The Company expects that as the occupancy for the facility continues to increase, the level of operations and the expected results of those operations in subsequent financial years will increase as well.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid, recommended and declared

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

Options

No options over unissued shares or interests in the Company were granted during or since the end of the year and there were no options outstanding at the end of the year.

Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer of the Company.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Company.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

DIRECTORS' REPORT

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

Director: ______________________________

Maurice Kevin Tulich

Dated: 24 October 2025

Pitcher Partners Sydney
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Auditor's Independence Declaration
To the Directors of The Royce Aged Care Pty Ltd
ABN 50 142 467 650

In relation to the independent audit for the year ended 30 June 2025, to the best of my knowledge and belief there have been no contraventions of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards).*

Melissa Alexander
Partner

Pitcher Partners
Sydney

24 October 2025

THE ROYCE AGED CARE PTY LTD
ABN: SO 142 467 650

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $	2024 $
From continuing operations			
Aged care revenue	3	16,740,025	14,846,435
Other revenue	4	4,474,222	2,495,444
		21,214,247	17,341,879
Less: expenses			
Direct care labour costs		(9,017,113)	(8,454,086)
Other direct care costs		(428,472)	(368,890)
Residential service expenses		(69,311)	(56,530)
Quality improvement expenses		(159,714)	(119,201)
Hotel services labour costs		(772,764)	(156,050)
Cleaning expenses		(385,425)	(359,860)
Laundry costs		(33,330)	(23,223)
Catering costs		(869,020)	(1,277,613)
Accomodation labour costs		(70,794)	(62,152)
Accomodation costs-repairs and maintenance		(261,369)	(202,418)
Impairment expense	5	(4,474,222)	(2,479,819)
Utilities		(190,509)	(161,473)
Motor vehicle costs		(8,926)	(17,062)
Administration and support labour costs		(775,918)	(702,091)
Other administration costs		(548,455)	(479,489)
Depreciation and amortisation expense	5	(295,223)	(848,770)
Finance costs	5	(832,268)	(771,363)
Corporate costs		(982,248)	(879,716)
Other expenses		(269,876)	(216,735)
		(20,444,957)	(17,636,541)
Profit/ (loss) before income tax expense		769,290	(294,662)
Income tax expense	6		
Profit/ (loss) for the year		769,290	(294,662)
Other comprehensive income for the year			
Total comprehensive income/ (loss)		769,290	(294,662)

THE ROYCE AGED CARE PTY LTD
ABN: SO 142 467 650

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 $	2024 $
Current assets			
Cash and cash equivalents	7	2,450,201	948,745
Trade and other receivables	8	340,452	242,028
Prepayments		88,129	137,378
Total current assets		2,878,782	1,328,151
Non-current assets			
Trade and other receivables	8	64,437,599	64,770,369
Lease assets	9	5,090,326	5,307,707
Property, plant and equipment	10	374,730	441,299
Total non-current assets		69,902,655	70,519,375
Total assets		72,781,437	71,847,526
Current liabilities			
Trade and other payables	11	921,737	820,450
Lease liabilities	9	80,718	74,531
Provisions	12	439,042	383,026
Other liabilities	13	61,704,350	60,558,536
Total current liabilities		63,145,847	61,836,543
Non-current liabilities			
Lease liabilities	9	5,238,455	5,319,172
Borrowings	14	17,442,578	18,517,814
Provisions	12	68,958	57,688
Total non-current liabilities		22,749,991	23,894,674
Total liabilities		85,895,838	85,731,217
Net asset deficiency		(13,114,401)	(13,883,691)
Equity			
Share capital	15	2	2
Accumulated losses		(13,114,403)	(13,883,693)
Total equity		(13,114,401)	(13,883,691)

The accompanying notes form part of these financial statements.

THE ROYCE AGED CARE PTY LTD
ABN: SO 142 467 650

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

	Contributed equity $	Accumulated losses $	Total equity $
Balance as at 1 July 2023	2	{13,589,031)	{13,589,029)
Loss for the year		{294,662)	(294,662)
Other comprehensive income for the year			
Total comprehensive loss for the year		(294,662)	(294,662)
Balance as at 1 July 2024	2	{13,883,693)	(13,883,691)
Profit for the year		769,290	769,290
Other comprehensive income for the year			
Total comprehensive income for the year		769,290	769,290
Balance as at 30 June 2025	2	(13,114,403)	(13,114,401)

The accompanying notes form part of these financial statements.

THE ROYCE AGED CARE PTY LTD
ABN: SO 142 467 650

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		$	$
Cash flow from operating activities			
Government grants and subsidies received		12,950,413	11,216,468
Receipts from residents, clients and others		3,691,184	4,159,261
Payments to suppliers and employees		{15,289,431)	{13,357,132)
Borrowing costs paid		{400,190)	{504,911)
Net cash provided by operating activities		951,976	1,513,686
Cash flow from investing activity			
Acquisitions of property, plant and equipment		{9,826)	(533,291)
Net cash used in investing activity		{9,826)	(533,291)
Cash flow from financing activities			
Repayment of borrowings			(9,000,000)
Refundable Accommodation Deposits received		15,947,586	13,797,674
Refundable Accommodation Deposits refunded		{14,571,287)	(9,543,160)
Net outflow to related parties		{816,993)	(2,170,481)
Net cash provided/(used in) by financing activities		559,306	(6,915,967)
Reconciliation of cash			
Net (decrease)/increase in cash held		1,501,456	(5,935,572)
Cash at the beginning of the financial year		948,745	6,884,317
Cash at the end of financial year	7	2,450,201	948,745

NOTE 1: BASIS OF PREPARATION

General information

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.*

The financial report covers The Royce Aged Care Pty Ltd as an individual entity. The Royce Aged Care Pty Ltd is a Company limited by shares, incorporated and domiciled in Australia. The Royce Aged Care Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors at the date of the directors' report.

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Going Concern

The statement of financial position as at 30 June 2025 reports current assets of $2,878,782 against current liabilities of $63,145,847, an excess of current liabilities over current assets of $60,267,065.

Included within current liabilities are $61,704,350 of Refundable Accommodation Deposits (RADs). RADs have been classified as current liabilities because as at balance date the Company does not have an unconditional right to defer settlement of these liabilities for more than twelve months.

However, given the nature of these liabilities it is unlikely that a significant value will need to be repaid within the next 12 months. Also, in practice, RADs that are repaid are generally replaced by RADs from incoming residents within a short timeframe.

In addition, as at 30 June 2025, the Company has unused bank facilities available of $7,000,000 of which can be used to assist with the repayment of RADs.

Further, under the instruction of the directors, management have undertaken a cashflow forecast and based on this work undertaken, the directors are of the belief the Company will have sufficient cash flows to settle its liabilities as and when they become due and payable for a period of at least 12 months from the date of signing the financial report.

Based on the above, the directors consider it appropriate to prepare the financial report on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Material accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the Company's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

NOTE 1: BASIS OF PREPARATION (CONTINUED)

Accounting policies

The following material accounting policies have been applied in the preparation and presentation of the financial report.

(a) Economic Dependence

The Royce Aged Care Pty Ltd is dependent on Department of Health and Ageing for the majority if its revenue used to operate the residential aged care facility. At the date of this report, the directors have no reason to believe this funding will not continue.

(b) Refundable Accommodation Deposits (RADs)

Residents' contributions, consisting of amounts received from residents by way of refundable accommodation deposits less the amount thereof that the Company is entitled to retain as at the end of the financial year, are recorded as a liability at balance date.

Upon departure the balance of the refundable accommodation deposits are repaid to residents in line with the Aged Care Act 1997.

Refundable accommodation deposits have been classified as current liabilities as the Company does not have a unconditional right to defer settlement of the accommodation bond. Refundable accommodation deposits balances must be refunded within timeframes specified in the Aged Care Act 1997.

(c) Revenue

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

Revenue from residents' fees and related government subsidies are recognised on a proportional basis over time to take account of the delivery of service to, or occupancy by, residents.

Management fee revenue is recognised in profit and loss over time as the service is performed.

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(d) Income tax

Income tax expense

Income tax expense is the tax payable on the Company's taxable income for the financial year based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates that will apply when the assets are expected to be recovered or liabilities are expected to be settled.

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

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, short-term deposits with an original maturity of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(f) Property, plant and equipment

Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation

Land is not depreciated. All other property, plant and equipment is depreciated over their estimated useful lives.

Class of fixed asset	Depreciation rates
Plant and equipment at cost	5%- 25%
Motor vehicles	5%- 25%

(g) Financial instruments

Financial assets

Financial assets are measured at either amortised cost or fair value on the basis of the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Payables

Payables are measured at amortised cost.

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(g) Financial instruments (Continued)

Borrowings

Borrowings are measured at amortised cost.

Impairment of financial assets

The Company recognises an allowance for expected credit losses in respect of receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset, reflecting credit losses that are expected to result from default events over the life of the financial asset.

The Company recognises an allowance for expected credit losses for all other financial assets subject to impairment testing on the basis of:

- the lifetime expected credit losses of the financial asset, for those other receivables for which a significant increase in credit risk has been identified, reflecting credit losses that are expected to result from default events over the life of the financial asset; and
- the 12-month expected credit losses of the financial asset, for those other receivables for which no significant increase in credit risk has been identified, reflecting the portion of lifetime expected credit losses that are expected to result from default events within twelve months after the end of the reporting period.

The Company determines expected credit losses based on the Company's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the Company has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Company. Recoveries, if any, are recognised in profit or loss.

(h) Leases

Lease assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset.

Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Company's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The following outlines the major judgements made by management in applying the Company's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) **Leases - Incremental Borrowing Rate**

Where the interest rate implicit in a lease cannot be easily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of similar value to the lease asset, with similar terms, security and economic environment.

(b) **Recovery of deferred tax assets**

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. Deferred tax assets are recognised for deductible temporary differences and tax losses only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(c) **Allowance for expected Credit Losses - Non-current Receivables**

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It make assumptions about the expected cash flows to be received and the value and timing of the realisation of any collateral. Its is based on information available at the time of preparation. The actual credit lossess in the future may be higher or lower.

	2025	2024
	$	$
NOTE 3: AGED CARE REVENUE		
Residential aged care services:		
AN-ACC revenue		
Commonwealth government subsidies	10,926,456	9,198,603
Means tested care fees	1,048,445	1,102,065
Commonwealth government supplements	97,297	48,886
Every day living revenue		
Basic daily fee	3,294,461	3,096,647
Accommodation revenue		
Daily accommodation payments/contributions	620,354	662,509
Commonwealth government supplements	303,628	275,736
Other		
Other residential aged care service revenue	449,384	204,023
	16,740,025	14,588,469
Other revenue:		
Rental outgoings		71,646
COVID assistance and grants		186,320
		257,966
Total revenue	16,740,025	14,846,435

	2025	2024
Aged care revenue by timing of transfer of goods or services to customers:		
Revenue recognised over time:		
- AN-ACC revenue	12,072,198	10,349,554
- Everyday living revenue	3,294,461	3,096,647
- Accomodation revenue	923,982	938,245
	16,290,641	14,384,446
Revenue recognised at a point in time:		
- Other residential aged care service revenue	449,384	204,023
- Outgoings revenue		71,646
- COVID assistance and grants		186,320
	449,384	461,989
	16,740,025	14,846,435

	2025	2024
	$	$

NOTE 4: OTHER REVENUE

	2025	2024
Other income		
Interest income from financial institutions		15,625
Interest income from related parties - effective interest method	4,474,222	2,479,819
	4,474,222	2,495,444

NOTE 5: OPERATING PROFIT/(LOSS)

Profit/ (loss) before income tax has been determined after:

	2025	2024
Finance costs		
- Interest expense	825,660	755,768
- Other	6,609	15,595
	832,269	771,363
Depreciation and amortisation		
- buildings and plant & equipment	76,394	720,319
- motor vehicles	1,448	1,646
- leased assets	217,381	126,805
	295,223	848,770
Impairment		
- Receivable from related party	4,474,222	2,479,819
Employee benefits:		
- Wages and salaries	9,778,254	7,190,519
- Superannuation guarantee contributions	977,966	816,482
	10,756,220	8,007,001

	2025	2024
	$	$

NOTE 6: INCOME TAX

(a) Income tax reconciliation

	2025	2024
The prima facie tax expense/(benefit) on profit/(loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax expense/(benefit) on profit/(loss) loss before income tax at 25% (2024: 25%)	192,323	(73,666}
Add tax effect of:		
- Other non-allowable items	4,159	5,073
- Deferred tax assets, including tax losses, not brought to account		68,593
	4,159	73,666
Less tax effect of:		
- Deferred tax assets, including tax losses, not brought to account	196,482	
	196,482	
Income tax expense		

Gross tax losses not brought to account as a deferred tax asset total $11,427,010 (2024: $12,664,634).

NOTE 7: CASH AND CASH EQUIVALENTS

	2025	2024
Cash on hand	1,000	1,000
Cash at bank	2,449,201	947,745
	2,450,201	948,745

	2025	2024
	$	$

NOTE 8: TRADE AND OTHER RECEIVABLES

	2025 $	2024 $
CURRENT		
Trade receivables	83,698	29,307
	83,698	29,307
Other receivables		
- GST Input Credits	34,173	20,423
- Other debtors	210,228	27,501
	244,401	47,924
Trade receivables from related parties	12,353	164,797
	340,452	242,028
NON-CURRENT		
Loan receivable from related party	64,437,599	64,770,369

Trade receivables are non-interest bearing and are generally due for payment within 30-60 days of the invoice date.

Related party trade receivables are non-interest bearing and have extended trade terms.

The related party loan receivable was granted in December 2023 and is non-interest bearing for three years after which it will attract interest of 8%. The loan has a 30 year term and is due for repayment on 29 November 2053.

NOTE 9: LEASE ASSETS AND LEASE LIABILITIES

	2025	2024
	$	$
(a) Lease assets		
Land and buldings		
Right-of-use asset	5,434,512	5,434,512
Accumulated amortisation	(344,186)	(126,805)
	5,090,326	5,307,707

Reconciliations

Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:

Leased plant and equipment		
Opening carrying amount	5,307,707	
Additions		
Amortisation	(217,381)	
Closing carrying amount	5,090,326	

{b) Lease liabilities

CURRENT		
Lease liabilities	80,718	74,531
NON CURRENT		
Lease liabilities	5,238,455	5,319,172
Total carrying amount of lease liabilities	5,319,173	5,393,703

The lease of land and building is for a term of 5 years with with an option to renew the lease for four further terms of 5 years each. Monthly lease payments are $41,667 with an incremental borrowing rate of 8% per annum. The lease expires in November 2048.

(c) Future lease payments

	2025	2024
	$	$
- Not later than 1 year	500,000	500,000
- Later than 1 year and not later than 5 years	2,000,000	2,000,000
- Later than 5 years	9,208,333	9,708,333
Total future lease payments at the reporting date	11,708,333	12,208,333

	2025	2024
	$	$

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2025	2024
Plant and equipment		
Plant and equipment at cost	744,553	733,832
Accumulated depreciation	(380,666)	(304,824)
	363,887	429,008
Motor vehicles at cost	25,304	25,304
Accumulated depreciation	(14,461)	(13,013)
	10,843	12,291
	374,730	441,299

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

	2025	2024
Plant and equipment		
Opening carrying amount	429,008	27,074
Additions	11,273	26,183
Internal transfers		451,490
Depreciation expense	(76,394)	(75,739)
Closing carrying amount	363,887	429,008
Motor vehicles		
Opening carrying amount	12,291	13,936
Depreciation expense	(1,448)	(1,645)
Closing carrying amount	10,843	12,291

{b) Sale of land and buildings

On 29 November 2023 The Royce Aged Care Pty Ltd entered into a sale and leaseback transaction with a related party for the land and buildings of a 128 bed residential aged care facility. The consideration received as part of the sale transaction was equal to the written down value of the asset at the date of the transaction and is considered to be equivalent to its fair value as it is was not significantly different to the value of the property according to an ind pendent valuation undertaken in April 2022.

	2025	2024
	$	$

NOTE 11: TRADE AND OTHER PAYABLES

	2025	2024
CURRENT		
Unsecured liabilities		
Trade creditors	209,827	201,094
GST credits	7,821	
Other payables	704,089	619,356
	921,737	820,450

Trade payables are non-interst bearing and are generally due for payment within 30 days of the invoice date.

NOTE 12: PROVISIONS

	2025	2024
CURRENT		
Annual Leave	439,042	383,026
NON-CURRENT		
Long Service Leave	68,958	57,688

NOTE 13: OTHER LIABILITIES

	2025	2024
CURRENT		
Refundable accommodation deposits (RADs)	61,704,350	60,558,536

	2025	2024
	$	$

NOTE 14: BORROWINGS

NON-CURRENT
Unsecured liabilities

Loan from related party	17,442,578	18,517,814

(a) Loan facilities

Unused facilities available at 30 June 2025 total $7,000,000 (2024: $7,000,000) from bank facilities.

(b) Details of borrowings

The non-current related party loan is interest free for two years from 1 July 2023 and has no fixed repayment term. As at balance date the Company has received confirmation that the balance will not be called upon within the next twelve months.

NOTE 15: SHARE CAPITAL

Issued and paid-up capital		
- 2 Ordinary Shares (2024: 2)	2	2

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel by definition are those having authority and responsibility for planning, directing and controlling the activities of the Company.

The key management personnel of the Company are considered to be the Company directors. A total of $20,000 in remuneration was paid to the Company directors during the year by the Company (2024:$20,000).

Any transactions between the Company and the Company directors, are trivial in nature, and are provided on the same terms and conditions as those entered into by other employees or customers.

NOTE 17: RELATED PARTY TRANSACTIONS

(a) Related party transactions

Transactions with Director related party entities were as follows:

(a) Related party loan account recorded in Note 14 with a dirctor related entity is non-interest bearing and does not have fixed repayment terms.

(b) Management fees are paid to a director related entity. The total expense for the year was $480,000 (2024: $390,000).

(c) Interest charged on the related party receivable from a director related entity, under the effective interest method, of $4,474,222 (2024: $2,479,819). This interest was fully impaired in the current and prior year.

(d) Related party receivables are recorded in Note 8 include receivables from director related entities of $64,449,952 (2024: $64,935,166).

NOTE 18: CAPITAL COMMITMENTS

The Company does not have any capital commitments as at 30 June 2025.

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 30 June 2025.

NOTE 20: INTANGIBLE ASSETS

The Company is an approved provider of residential aged care services. The Company has been granted 128 residential aged care bed licences with an indefinite life under the Aged Care Act 1997. As a residential aged care bed licence holder the Company is eligible to receive government subsidies, change resident accommodation fees and receive accommodation bonds. These bed licences were not brought to account on the Statement of Financial Position.

NOTE 21: SEGMENT REPORTING

The Company operates in one geographic segment being New South Wales, Australia. The approved provider delivers only residential aged care services and this financial report therefore relates only to such operations.

NOTE 22: COMPANY DETAILS

The registered office of the Company is:

The Royce Aged Care Pty Ltd
1 Royce Way
123 Mulgoa Road
Penrith NSW 2750

THE ROYCE AGED CARE PTY LTD
ABN: SO 142 467 650

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 - 23 presents fairly the Company's financial position as at 30 June 2025 and performance for the year ended on that date of the Company in accordance with Australian Accounting Standards - Simplified Disclosures;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director: ______________________

Maurice Kevin Tulich

Dated: 24 October 2025

Pitcher Partners Sydney
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Independent Auditor's Report
To the Member of The Royce Aged Care Pty Ltd
ABN 50 142 467 650

Report on the Audit of the Financial Report

Opinion

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

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of The Royce Aged Care Pty Ltd as at 30 June 2025, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards - Simplified Disclosures.

Basis for Opinion

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

We 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 Director's 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 Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures, and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Melissa Alexander

Melissa Alexander
Partner

Pitcher Partners

Pitcher Partners
Sydney

24 October 2025