Bolton Clarke

HEART OF POSITIVE AGEING

RSL (QLD) War Veterans' Homes Trust

ABN 50 181 542 617

General Purpose Financial Report for the year ended 30 June 2026

The Directors of RSL Care RDNS Limited ACN 010 488 454 ('**Company**'), the Trustee of the RSL (QLD) War Veterans' Homes Trust ABN 50 181 542 617 ('**Trust**') present their report on the Trust, for the financial year ended 30 June 2026 and the Independent Auditor's Report thereon.

1. Legal structure

RSL Care RDNS Limited was incorporated on 21 December 1983 as a public company limited by guarantee. It was established to act as Trustee of the Trust under a Deed of Trust dated 13 December 1983. The principal activity of the Trust is to provide relief from poverty, distress, sickness, disability, destitution, suffering, misfortune and helplessness to people in need in Australia as a public benevolent institution, including by providing care, accommodation and services for ex-service men and women, their dependants and other members of the community.

These financial statements are prepared for the Trust in its standalone capacity. They are not consolidated accounts and do not include the assets, liabilities or results of operations of the Trust's subsidiaries. They represent the operations of the Trust as an approved provider of residential aged care and home and community care, and the owner / operator of retirement villages. The Directors have considered the needs of the users of these financial statements and have determined that the operations of the Trust in its stand alone capacity represent a reporting entity for the current and prior year.

2. Directors

(a) Qualifications and experience

Listed below are the details of Directors of the Company in office at any time during or since the end of the financial year, their qualifications, experience and special responsibilities. Unless otherwise stated, Directors have been in office since the start of the financial year.

Director	Committee Membership	Experience
Mr Anthony Crawford BA, LLB, FAICD	Chairman of the Board Member, People and Culture Committee	Mr Crawford is an experienced board chair and non-executive director across a variety of sectors including not-for-profit, health, insurance, legal and sport. He had an extensive legal career over 30 years at national law firm DLA Phillips Fox including as the Chief Executive Officer and Chairman of the Board. Mr Crawford has previously been the Chair of the Energy and Water Ombudsman of NSW, HBF Health Limited, Queensland Country Health Fund, Heart Research Australia and Grant Thornton Australia and a member of the boards of Konekt Limited (a workplace occupational health risk, rehabilitation and training provider) and Thrifty Western Australia. He is currently the Chair of NSW Rugby Union and NSW Waratahs.

2. Directors (continued)

(a) Qualifications and experience (continued)

Director	Committee Membership	Experience
Mr Stuart Lummis B. Econ, GradDip Applied Fin & Inv, GradDip Proj & Const Mngt, Post GradDip Acctg, FINSIA, FAICD	Chair, Capital Committee Member, Risk and Audit Committee Member, Innovation and Technology Committee	Mr Lummis has many years' experience as a senior executive and company director with a strong background in the property sector and managing complex property portfolios, gained through his role as the Chief of Developments and Capital Planning at Southern Cross Care Queensland and as the former Director of Property for the Catholic Archdiocese. Mr Lummis has extensive experience in both large publicly listed groups and not-for-profit organisations. He is also a Director of Brisbane Markets Limited, Deaf Connect Limited, the National Trust of Queensland, Mangrove Housing Limited, Isaac Affordable Housing Pty Ltd, Brisbane Open House and the National Trusts of Australia. He is a member of the Retirement Living Committee of the Property Council of Australia and a member of the Queensland Catholic Education Commission Capital Assistance Assessment Committee.
Associate Professor, Dr Bev Rowbotham AO MBBS (Hons 1), MD, FRACP, FRCPA, FAICD	Chair, Clinical and Care Governance Committee Member, People and Culture Committee Member, Risk and Audit Committee Member, Innovation and Technology Committee	Associate Professor Rowbotham is a medical specialist and non-executive company director with a career long focus on client safety and wellbeing in the healthcare, disability and aged care sectors. Associate Professor Rowbotham chairs the Federal Government's National Pathology Accreditation Advisory Council and the Avant Foundation, the healthcare quality and safety research body of the Avant Mutual Group, Australia's largest medical indemnity insurance provider. She is also a member of the Department of Health and Ageing Medicare Review Advisory Committee.
Mr Dean Matthews Engineering Certificate, B.CompSc, Grad Dip Mgt, AMP (Harvard), FAICD	Chair, Innovation and Technology Committee Member, Risk and Audit Committee Member, Capital Committee	Mr Matthews is an experienced non-executive director, managing director and senior executive in ASX listed and global listed companies. Mr Matthews has a career in general management, mergers and acquisitions, governance, transformation, technology, digital, innovation and cybersecurity. He has experience spanning a diverse range of industries including retail, FMCG, pharmaceuticals, supply chain, property and government health services. Mr Matthews is also proudly an Australian Defence Force veteran.

2 Directors (continued)

(a) Qualifications and experience (continued)

Director	Committee Membership	Experience
Ms Karen Orvad B Comm (Accounting), MBA (Exec), CAANZ, GAICD	Chair, Risk and Audit Committee Member, Capital Committee Member, Clinical and Care Governance Committee Member, Innovation and Technology Committee	Ms Orvad is a professional non-executive director and experienced Board Chair and Audit and Risk Committee Chair. Karen has board experience across the property and real estate, education, human services, financial services and energy sectors spanning purpose-led, not-for profit, commercial and Government organisations. Ms Orvad is the Chair of St George Community Housing, Deputy Chair of Aspect (Autism Spectrum Australia), Non-executive director of Australian Ethical Investment (ASX;AEI) and Non-executive Director of Australian Payments Network. She is also an independent member of the NSW Treasury and NSW EnergyCo Audit and Risk Committees. With over 25 years' experience advising on and transforming board governance, culture, risk and internal audit programs at ASX listed and global companies, she has held senior executive internal audit and risk roles in the financial services and aviation industries and is a former internal audit, risk and governance Parter at KPMG having retired from the firm in 2018.
Ms Susan Emerson RN, GradDipNg, Master's Health Service Mgt, MACN, MAICD	Member, Capital Committee Member, Clinical and Care Governance Committee	Ms Emerson is an experienced senior executive and thought leader in aged care. She has had 30 years' experience in residential and home care, having worked in clinical and managerial leadership and undertaken design and project coordination for new aged care facilities. Ms Emerson is a past member of the Aged Care Financing Authority (ACFA) and the Independent Health and Aged Care Pricing Authority's (IHACPA) Interim Aged Care Working Group. She is Chair of the Board of Palliative Care South Australia, and a Director of Meaningful Ageing Australia. Susan is also an Independent Advisor to IHACPA, and a member of the National Aged Care Alliance. Ms Emerson has extensive practical experience in aged care service delivery and the aged care/health interface and for many years has been a significant contributor to related policy at state and national levels.

2. Directors (continued)

(a) Qualifications and experience (continued)

Director	Committee Membership	Experience
Ms Helen Lea MA (Ind Psych), FAHRI, GAICD (Appointed 6 August 2025)	Chair, People and Culture Committee (Appointed 1 December 2025) Member, Risk and Audit Committee Member, Innovation and Technology Committee Member, Clinical and Care Governance Committee	Ms Lea is an experienced senior executive, non-executive director and advisory board member, passionate about seeing organisations (and their people) succeed. Her current portfolio includes non-executive directorship and Remuneration Committee Chair at ReadyTech. She is also a national ambassador for Apropela. Previously Helen was a non-executive director and Chair of the Remuneration Committee at MiQ Private Wealth, non-executive director of Butn and ITA Co and advisory board member of FlareHR. She was the Chief Employee Experience Officer at MYOB for six years, responsible for a diverse portfolio of functions including People, Digital, Workplace, Corporate Affairs and Government Relations. Ms Lea has worked in significant Australian and multi-national organisations including Telstra, Seven Group Holdings and Uniting. She has experience with transformation, stakeholder engagement, culture and performance, remuneration committees and digital risk in listed, private equity and not-for-profit contexts.
Mr Robert Lourey B.Bus, GAICD (Resigned 30 November 2025)	Chair, People and Culture Committee Member, Clinical and Care Governance Committee	Mr Lourey has extensive listed company senior executive experience. He has served as the principal human resources executive in large, internationally based, publicly listed companies across a broad range of industries including international education, media, property development and construction, manufacturing, finance and banking. Mr Lourey is the Chair of Altura Learning and is the former Chair of Access EAP and a former member of the Boards of KU Children's Services, Michael Page plc, Afrox and Afrox Healthcare (RSA).

Directors (continued)

(b) Directors' attendance at meetings

The number of Directors' meetings of the Company (including meetings of Committees of Directors) and the number of meetings attended by each Director during the financial year were:

Director	Directors Meeting		Capital Committee		Risk & Audit Committee		People & Culture Committee		Clinical & Care Governance Committee		Innovation & Technology Committee	
	Held[1]	Attended[2]	Held[1]	Attended[2]	Held[1]	Attended[2]	Held[1]	Attended[2]	Held[1]	Attended[2]	Held[1]	Attended[2]
A. Crawford	12	12	-	-	-	-	5	5	-	-	-	-
S.Lummis	12	12	4	4	6	6	-	-	-	-	4	4
B. Rowbotham	12	12	-	-	6	6	5	5	4	4	4	4
D. Matthews	12	12	4	4	6	6	-	-	-	-	4	4
K. Orvad	12	12	4	4	6	6	-	-	4	4	4	4
S. Emerson	12	12	4	4	-	-	-	-	4	4	-	-
H. Lea	11	11	-	-	6	6	5	5	2	2	4	4
R. Lourey	6	4	-	-	2	0	2	1	2	0	-	-

[1] Number of meetings held whilst the Director was a Board member or Committee member.
[2] Number of meetings attended by the Director.

3. Company Secretary

Ms Susan Stewart (LLB (Hons), LLM) was appointed as Company Secretary on 23 February 2012. In addition to her role as Company Secretary, she is General Counsel and responsible for the legal, company secretarial, corporate governance, risk, internal audit and business continuity functions. Prior to her appointment Ms Stewart held the position of General Legal Counsel and Group Company Secretary at a listed property development, construction, funds management and retirement village company for six years and practised in national law firms for 18 years in corporate and property law.

4. Principal Activities and Objectives

The principal activities of the Trust during the financial year have been the provision of accommodation, care and services to ex-service men and women, their dependants and other members of the community in need. There have been no significant changes in the nature of these activities during the financial year.

The Trust's short and long term objective is to carry on the principal activities of the Trust and apply the surplus generated from the conduct of those activities to pursue the charitable purpose of the Trust for the benefit of the Trust's beneficiaries.

The Trust measures its performance through a suite of key performance indicators and benchmarks set at the Governance, Executive Leadership Team and Organisational Management levels.

5. Review and results of operations

THE TRUST'S PORTFOLIO

Residential aged care

	Number of Homes					
	QLD	NSW	VIC	SA	WA	Total
As at 30 June 2025	32	21	22	11	2	**88**
Sold homes / beds	-	(1)	-	-	-	**(1)**
As at 30 June 2026	32	20	22	11	2	**87**

	Number of Available Beds					
	QLD	NSW	VIC	SA	WA	Total
As at 30 June 2026	3,378	1,732	1,903	1,127	253	**8,393**

Retirement villages

	Number of Villages					
	QLD	NSW	VIC	SA	WA	Total
As at 30 June 2025	23	5	7	1	7	**43**
Sold villages / units	-	(1)	-	-	-	**(1)**
As at 30 June 2026	23	4	7	1	7	**42**

	Number of Independent Living Units					
	QLD	NSW	VIC	SA	WA	Total
As at 30 June 2026	1,775	329	818	24	388	**3,334**

Additionally, the Trust provides services to clients via its various community care programs, completing more than 500,000 visits through the year to 30 June 2026.

REGULATORY ENVIRONMENT AND INDUSTRY REFORM

New Aged Care Act

The Aged Care Act 2024 came into effect on 1 November 2025, replacing the Aged Care Act 1997 and establishing a rights-based person-centred aged care system. The Act introduced a legally enforceable Statement of Rights for older people with enhanced provider registration, compliance and audit requirements. Other key changes include expanded regulatory powers for the Aged Care Quality and Safety Commission and new obligations relating to complaints handling, whistleblower protections and supported decision-making.

5. Review and results of operations (continued)

REGULATORY ENVIRONMENT AND INDUSTRY REFORM (CONTINUED)

Strengthened Quality Standards

From 1 November 2025, strengthened Aged Care Quality Standards became mandatory, with the aim to improve the safety, dignity and quality of care for older Australians, as well as establishing clear and consistent expectations for aged care providers.

Direct Care Minutes

Care minute requirements remain a core regulatory focus, with providers expected to consistently meet mandated care minute thresholds amid increasing compliance scrutiny. From 1 October 2025, providers in metropolitan areas who fail to meet their mandatory direct care minute requirements face financial penalties.

Work Value Cases

The Fair Work Commission has considered two Work Value Cases concerning aged care employees and nurses. Significant wage reforms have been implemented over the last several years to improve attraction and retention of employees to the aged care sector, funded by the Government through the AN-ACC model.

Under Stage 3 of the Work Value Case, eligible care and support workers were awarded additional pay increases of up to 13.5% introduced in two phases from 1 January and 1 October 2025.

In December 2024, the Fair Work Commission announced amendments to the Nurses Award, granting eligible registered and enrolled nurses wage increases of up to 25.5%. These increases were phased in over three stages on 1 March 2025, 1 October 2025 and 1 August 2026.

Aged Care Funding Reform

A key funding reform in recent years has been the introduction and ongoing indexation of the Australian National Aged Care Classification (AN-ACC) funding model, which has delivered material increases in government funding more closely aligned to resident care needs. The Independent Health and Aged Care Pricing Authority continues to play a central role in establishing cost-reflective pricing across both residential and in-home care settings.

In addition, the Aged Care Taskforce and the Independent Review of Residential Aged Care Accommodation Pricing have examined long-term funding sustainability, consumer contributions and mechanisms to better balance government and consumer funding.

Recent policy changes include the increase to the accommodation pricing approval threshold from $550,000 to $750,000 from 1 January 2025. In addition, from 1 November 2025, a 2% per annum retention on Refundable Accommodation Deposits (RADs) was introduced for new residents for up to five years to support provider viability and capital reinvestment.

Support at Home

The Support at Home (SaH) program commenced on 1 November 2025, replacing the Home Care Packages and the Short-Term Restorative Care Programs. Key recent regulatory changes to SaH include:

- Expansion from four levels of Home Care Packages to eight funding classification levels aligned to care needs.
- Introduction of enhanced consumer protections, including transparency and pricing disclosure requirements.
- Personal care services to become fully Government funded from October 2026.
- Government price caps, originally scheduled for 1 July 2026, were indefinitely deferred with no new implementation date announced.

5. Review and results of operations (continued)

REVIEW OF FINANCIAL PERFORMANCE AND FINANCIAL POSITION

In FY26 the Trust's Operating EBITDA decreased by 10.9%, from $146.2 million to $130.3 million. Operating EBITDA excludes those revenue and expense associated items that are not core to the ongoing operations of the Trust, including the costs of transaction due diligence and execution and the integration of previous acquisitions. It also excludes depreciation, amortisation and net finance costs. The calculation of Operating EBITDA is shown on page 10.

The Trust's statutory net surplus after income tax for the year is $49.4 million (2025: $14.4 million). A key driver of the current year surplus is the recognition of an upward revaluation of $192.0 million (2025: $107.3 million) on the Trust's retirement village portfolio. This upward revaluation is a non-cash transaction, and is partially offset by an increase in expense associated with retirement village resident's share of capital gains.

During the financial year, the Trust continued to experience increased employee expenses due to:

- Increased direct care minute targets;
- 1 July 2025 – Modern Award increase of 3.5%;
- 1 October 2025 – Work Value Case (Stage 3 increase), including the impact of the increase to the provision for employee entitlements, and the impact of the Stage 3 increases that took effect on 1 January 2025 and 1 March 2025; and
- Enterprise Agreement increases.

During the year ended 30 June 2025, the Trust recognised a provision of $24.2 million relating to the underpayment of employee entitlements. The underpayments applied to certain current and former employees who were employed by an entity acquired by the Trust in prior years. The Trust, with the assistance of external advisors, undertook an investigation to determine the extent of the underpayments. The underpayments investigation was concluded during the year ended 30 June 2026 with an additional provision of $1.3 million being recognised. Of the total $25.5 million underpayment provision identified, the Trust has made remediation payments of $24.6 million to 30 June 2026.

The majority of these underpayments were incurred by a subsidiary before its acquisition by the Trust in a prior year. The Trust will seek reimbursement from the former owners of the subsidiary to the extent such amounts are legally recoverable.

The Trust's balance sheet, presented on page 17, has $436.7 million (2025: $311.0 million) of equity supporting $5,486.2 million (2025: $5,174.8 million) of total assets. At 30 June 2026 the Trust had bank debt of $340.0 million (2025: $390.0 million), having repaid $50.0 million during the year.

The Trust's principal source of funds was its cash flow from operations (including RADs and retirement village resident loans). Net operating cashflows of $55.0 million (2025: $123.8 million) were generated during the year, included in the statement of cash flows on page 19. In addition, refundable accommodation deposit net cash inflow was $87.8 million (2025: $194.2 million), while net resident loan inflow was $65.6 million (2025: $67.2 million).

5. Review and results of operations (continued)

REVIEW OF FINANCIAL PERFORMANCE AND POSITION (CONTINUED)

	2026 $m	2025 $m
Total operating revenue	**1,458.5**	1,364.5
Operating expenditure		
Employee benefits expense	**(1,084.6)**	(979.4)
Occupancy expenses	**(103.8)**	(100.4)
Repairs, maintenance and replacements	**(42.0)**	(38.6)
Rates and taxes	**(12.1)**	(12.5)
Information technology expenses	**(31.2)**	(26.0)
Other expenses	**(54.5)**	(61.4)
Net operating expenses	**(1,328.2)**	(1,218.3)
Operating EBITDA	**130.3**	146.2
Non-operating income		
Other income	**1.6**	2.0
Fair value increment on retirement village assets	**192.0**	107.3
Non-operating expenses		
Retirement village residents' share of fair value increment	**(124.2)**	(59.5)
Due diligence and acquisition costs	**-**	(0.5)
Employee benefits underpayments remediation expense	**(1.3)**	(24.2)
Integration costs	**(16.4)**	(24.5)
Total EBITDA	**182.0**	146.8
Depreciation and amortisation	**(71.1)**	(69.0)
Finance costs	**(153.3)**	(158.8)
Finance income	**91.8**	95.4
Surplus for the year before income tax	**49.4**	14.4
Income tax expense	**-**	-
Surplus for the year	**49.4**	14.4

6. Significant changes in state of affairs

On 30 June 2026 the Trust completed the sale of the Macquarie View retirement community, consisting of one residential aged care home, one retirement village and adjoining land.

There has been no other significant change in the Trust's state of affairs or the Trust's operations during the financial year.

7. Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Trust has generated a net surplus before income tax for the year ended 30 June 2026 of $49.4 million (2025: $14.4 million), a net surplus after income tax for the year of $49.4 million (2025: $14.4 million) and has net current liabilities of $3,790.6 million (2025: $3,566.8 million), comprising total current assets of $362.2 million (2025: $357.1 million) and total current liabilities of $4,152.8 million (2025: $3,923.9 million). The Trust has generated positive cash flows from operating activities of $55.0 million (2025: $123.8 million).

The current liability position is primarily attributable to retirement village resident loans and refundable accommodation deposits (RADs), totalling $3,614.3 million (2025: $3,402.9 million), which are classified in full as a current liability, whereas the assets to which the loans and RADs relate (land, buildings and retirement village assets), are classified as non-current assets. Retirement village resident loans and RADs are classified as a current liability because the Trust does not have an unconditional right to defer settlement of resident loans or RADs for at least 12 months after the reporting period. In practice, the rate at which residents vacate their retirement village units and their aged care accommodation can be estimated. Given that the resident profile is generally consistent with prior periods, these prior periods provide a reliable estimate of future payment trends. As noted in the cash flows from financing activities, $743.8 million (2025: $650.2 million) of resident loans and RADs were refunded during the year. These refunded loans and RADs were replaced by incoming contributions (including RADs) of $897.2 million (2025: $911.6 million).

In addition, the Trustee has a liquidity management strategy in place that requires available liquidity to be $120.0 million (2025: $100.0 million), to ensure that refunds can be paid as and when they fall due. Liquidity is monitored and cash flow forecasts are prepared on at least a monthly basis to ensure that the Trust adheres to the liquidity management strategy.

The Trust has financing facilities, of which $383.2 million (2025: $341.0 million) remains undrawn at 30 June 2026. This debt facility can be drawn down to repay RADs and resident loans should the Trust experience significant RAD or resident loan net outflows.

In forming a view in relation to the going concern assumption, the Directors have given consideration to all available current information, including the following:

- Significant unrestricted cash balances as disclosed in note E1;
- Available undrawn debt facilities, with the majority of the facility not expiring until August 2027, and the Trust intending to refinance before this date (refer to note E4); and
- Forecast cash flows and results from operations in financial year 2027.

The Directors have concluded that there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due and payable and the basis of preparation of the financial report on a going concern basis is appropriate.

8. Indemnification and insurance of officers and auditors

Pursuant to the Constitution, all Directors and Company Secretaries, past and present, have been indemnified against all liabilities incurred by them in their capacity as a director or officer of the Company (except where the liability relates to a breach of certain provisions of the *Corporations Act 2001 (C'th)*) and against liability for certain legal costs.

Since the end of the previous financial year, the Company has not indemnified or agreed to indemnify any person who is or has been an auditor of the Trust against any liabilities. All Directors have also executed a Deed of Indemnity, Access and Insurance.

During the financial year the Company has paid an insurance premium insuring the Directors and Officers of the Company under a Directors' and Officers' Liability insurance policies against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the Company. A condition of such insurance contracts is that the nature of the liability, the premium payable and certain other details of the policy are not to be disclosed.

9. Environmental regulation

The Trust provides services from a number of properties which it has developed over the years across Australia. They are subject to legislation regulating land development. Consents, approvals and licences are generally required for all developments and it is usual for them to be granted with conditions. The Trust complies with these requirements by ensuring that all necessary consents, approvals and licences are obtained prior to any project being commenced and consents, approvals and licences are implemented in order to ensure compliance with conditions. To the best of the Directors' knowledge, all projects have been undertaken in substantial compliance with these requirements.

10. Economic dependency

The Trust is dependent on government funding under the *Aged Care Act 1997 (C'th)* and from 1 November 2025, the *Aged Care Act 2024 (C'th)* for the operation of its residential care facilities and community care packages and services.

11. Non-audit services

No non-audit services were provided by the Trust's auditor during the financial year (2025: nil).

12. Events subsequent to reporting date

On 16 October 2026, the Trust reduced its debt facility limit by $50.0 million, to $630.0 million. No adjustment has been made to the carrying value or disclosure as at 30 June 2026.

In the opinion of the Directors, no other item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report that is expected to significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust.

13. Contribution in winding up

The Deed of Trust does not require any contribution in the event the Trust is wound up. The Company is incorporated under the *Corporations Act 2001 (C'th)* and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute towards meeting any outstanding obligations of the entity. The Constitution requires each member to contribute a maximum of $10. At 30 June 2026, the total amount that members of the Company were liable to contribute if the Company was wound up was $200 (2025: $200).

14. Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012 (C'th)* is presented on page 14.

15. Rounding off of amounts

Amounts in the financial statements have been rounded to the nearest hundred thousand dollars, unless otherwise indicated.

This report is made in accordance with a resolution of the Directors:



_____

Mr Anthony Crawford
Chairman

Brisbane, 28 October 2026

Deloitte.

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28 October 2026

The Board of Directors
RSL Care RDNS Limited as trustee of the RSL (Qld) War Veterans' Homes Trust
Level 3, 44 Musk Avenue
Kelvin Grove
Qld 4059

Dear Board Members

Auditor's Independence Declaration to RSL (QLD) War Veterans' Homes Trust

In accordance with section 60-40 of the *Australian Charities and Not-for profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Directors of RSL Care RDNS Limited, as the trustee of RSL (QLD) War Veterans' Homes Trust.

As lead audit partner for the audit of the financial report of RSL (QLD) War Veterans' Homes Trust for the financial year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and

- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R. D. Wanstall

Richard Wanstall
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

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B. Results for the year	C. Working capital and other assets and liabilities	D. Tangible and intangible assets	E. Capital structure and financing	F. Other items
B1. Revenue and other income	C1. Trade and other receivables	D1. Property, plant and equipment	E1. Cash and cash equivalents	F1. Commitments
B2. Expenses	C2. Trade and other payables	D2. Retirement village assets	E2. Right-of-use assets and lease liabilities	F2. Contingent liabilities
B3. Income tax	C3. Provisions	D3. Intangible assets	E3. Interest bearing liabilities	F3. Related party transactions
	C4. Unearned revenue		E4. Other financial liabilities	F4. Investment in subsidiary
			E5. Derivative financial instruments	F5. Interests in joint ventures
			E6. Financial instruments	F6. Economic dependency
			E7. Reserves	F7. Remuneration of auditors
			E8. Trust corpus	F8. Events subsequent to reporting date

Signed Reports

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	2026 $m	2025 $m
Revenue and other income			
Revenue from continuing operations	B1	**1,458.5**	1,364.5
Finance income	B1	**91.8**	95.4
Other income	B1	**1.6**	2.0
Fair value increment on retirement village assets	D2	**192.0**	107.3
Total revenue and other income		**1,743.9**	1,569.2
Expenses			
Employee benefits expense	B2	**(1,097.0)**	(1,018.0)
Occupancy expenses		**(103.8)**	(100.4)
Repairs, maintenance and replacements		**(42.0)**	(38.6)
Rates and taxes		**(12.1)**	(12.5)
Depreciation and amortisation	B2	**(71.1)**	(69.0)
Information technology expenses		**(32.3)**	(29.4)
Retirement village residents' share of fair value increment		**(124.2)**	(59.5)
Due diligence and acquisition costs		**-**	(0.5)
Finance costs	B2	**(153.3)**	(158.8)
Other expenses		**(58.7)**	(68.1)
Total expenses		**(1,694.5)**	(1,554.8)
Surplus before income tax		**49.4**	14.4
Income tax expense	B3	**-**	-
Surplus for the year attributable to RSL (QLD) War Veterans' Homes Trust		**49.4**	14.4
Other comprehensive income / (deficit)			
Items that will not be reclassified subsequently to profit or loss:			
Net increment on revaluation of land and buildings	D1	**68.9**	50.7
Items that may be reclassified subsequently to profit or loss:			
Changes in the fair value of cash flow hedges	E5	**7.4**	(9.4)
Other comprehensive income for the year		**76.3**	41.3
Total comprehensive income for the year attributable to RSL (QLD) War Veterans' Homes Trust		**125.7**	55.7

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes to the financial statements.

Statement of Financial Position
As at 30 June 2026

	Note	2026 $m	2025 $m
Current assets			
Cash and cash equivalents	E1	**102.6**	107.5
Trade and other receivables	C1	**45.9**	36.5
Income tax receivable	B3	**193.5**	193.5
Prepayments		**20.2**	19.6
Total current assets		**362.2**	357.1
Non-current assets			
Trade and other receivables	C1	**27.4**	22.7
Prepayments		**1.0**	1.0
Property, plant and equipment	D1	**1,612.2**	1,526.1
Right-of-use assets	E2	**113.9**	108.0
Retirement village assets	D2	**1,859.8**	1,654.1
Intangible assets	D3	**1,356.2**	1,355.7
Derivative financial instruments	E5	**3.4**	-
Investment in subsidiary	F4	**150.1**	150.1
Total non-current assets		**5,124.0**	4,817.7
Total assets		**5,486.2**	5,174.8
Current liabilities			
Trade and other payables	C2	**349.3**	338.0
Provisions	C3	**178.8**	172.1
Unearned revenue	C4	**4.4**	5.5
Lease liabilities	E2	**6.0**	5.4
Other financial liabilities	E4	**3,614.3**	3,402.9
Total current liabilities		**4,152.8**	3,923.9
Non-current liabilities			
Trade and other payables	C2	**77.0**	84.1
Provisions	C3	**20.8**	19.5
Lease liabilities	E2	**127.2**	117.3
Interest bearing liabilities	E3	**671.7**	714.9
Derivative financial instruments	E5	**-**	4.1
Total non-current liabilities		**896.7**	939.9
Total liabilities		**5,049.5**	4,863.8
Net assets		**436.7**	311.0
Equity			
Reserves	E7	**326.6**	250.3
Accumulated surplus		**110.1**	60.7
Total equity		**436.7**	311.0

The above Statement of Financial Position is to be read in conjunction with the accompanying notes to the financial statements.

Statement of Changes in Equity
For the year ended 30 June 2026

	Restructure reserve $m	Cash flow hedge reserve $m	Acquisition reserve $m	Asset revaluation reserve $m	Accumulated surplus / (deficit) $m	Total equity $m
Balance at 30 June 2024	**92.6**	**5.3**	**12.9**	**98.2**	**46.3**	**255.3**
Comprehensive income / (deficit) for the year						
Increment in value of freehold land and buildings	-	-	-	50.7	-	50.7
Fair value loss taken to equity	-	(9.4)	-	-	-	(9.4)
Surplus for the year	-	-	-	-	14.4	14.4
Total comprehensive income / (deficit) for the year	**-**	**(9.4)**	**-**	**50.7**	**14.4**	**55.7**
Balance at 30 June 2025	**92.6**	**(4.1)**	**12.9**	**148.9**	**60.7**	**311.0**
Comprehensive income / (deficit) for the year						
Increment in value of freehold land and buildings	-	-	-	68.9	-	68.9
Fair value loss taken to equity	-	7.4	-	-	-	7.4
Surplus for the year	-	-	-	-	49.4	49.4
Total comprehensive income for the year	**-**	**7.4**	**-**	**68.9**	**49.4**	**125.7**
Balance at 30 June 2026	**92.6**	**3.3**	**12.9**	**217.8**	**110.1**	**436.7**

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the financial statements.

Statement of Cash Flows
For the year ended 30 June 2026

	Note	2026 $m	2025 $m
Cash flows from operating activities			
Receipts from customers, residents and subsidies		**1,438.0**	1,351.6
Payments to suppliers and employees		**(1,403.0)**	(1,244.2)
Net GST received		**19.9**	16.4
Donations and grants received		**0.1**	-
Net cash from operating activities		**55.0**	123.8
Cash flows from investing activities			
Payments for property, plant and equipment		**(84.4)**	(73.4)
Payments for retirement village assets		**(18.1)**	(121.3)
Payments for intangible assets		**(2.1)**	(0.3)
Net loans to related parties		**(1.2)**	(2.0)
Proceeds from sale of operation & retirement village assets & property, plant and equipment		**8.2**	1.4
Net cash used in investing activities		**(97.6)**	(195.6)
Cash flows from financing activities			
Payments for resident loans		**(80.3)**	(72.4)
Payments for refundable accommodation deposits		**(663.5)**	(577.8)
Proceeds from resident loans		**145.9**	139.6
Proceeds from refundable accommodation deposits		**751.3**	772.0
Net loans to related parties		**(9.1)**	(11.7)
Net loan from managed trust		**0.8**	2.6
Repayment of leases		**(13.2)**	(13.4)
Drawdown from loans and borrowings		**-**	20.0
Repayment of loans and borrowings		**(50.0)**	(150.0)
Repayment of other interest bearing liabilities		**(18.7)**	(18.2)
Finance income		**4.7**	6.6
Finance costs		**(30.2)**	(33.4)
Net cash from financing activities		**37.7**	63.9
Net decrease in cash and cash equivalents		**(4.9)**	(7.9)
Cash and cash equivalents at the beginning of the year		**107.5**	115.4
Cash and cash equivalents at the end of the year	E1	**102.6**	107.5

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes to the financial statements.

A. About this report

A1. Basis of preparation and statement of compliance

RSL (QLD) War Veterans' Homes Trust ('Trust'), is a Trust domiciled in Australia and is a not-for profit entity for the purpose of preparing the financial statements. The address of the Trust's registered office and its principal place of business is Level 3, 44 Musk Avenue, Kelvin Grove, Queensland, Australia. The nature of the Trust's operations and its principal activities are to provide aged care services within Australia.

The Directors of the Trust have determined that it is a reporting entity for the purposes of this financial report which has been prepared to meet the Trust's reporting obligations under the *Aged Care Act 1997*. The composition of the reporting entity has been determined with reference to the information needs of the primary users of these financial statements. The Trust is considered to be an economic entity for reporting assets, comprising the assets, liabilities and results of operations of the Trust, in its stand-alone capacity as an approved provider of aged care.

These financial statements are prepared for the Trust in its standalone capacity. They are not consolidated accounts and do not include the assets, liabilities or results of operations of the Trust's subsidiaries. They represent the operations of the Trust as an approved provider of residential aged care and home and community care, and the owner / operator of retirement villages. The Directors have considered the needs of the users of these financial statements and have determined that the operations of the Trust in its stand-alone capacity represent a reporting entity for the current and prior year. The parent entity of the Trust, RSL Care RDNS Limited, prepares consolidated financial statements which are lodged with the Australian Charities and Not-for-profits Commission (ACNC) and are available on the ACNC website.

The financial statements are general purpose financial statements which:

- Are prepared for the individual operations of the Trust.
- Have been prepared in accordance with Australian Accounting Standards, the *Australian Charities and Not-for-profits Commission Act 2012 (C'th)* and the Deed of Trust. The Trust has not prepared consolidated financial statements in accordance with the exemptions available under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities* and with reference to the consolidated financial statements of the ultimate parent entity as outlined above.
- Comply with the 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* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures. 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.
- Have been prepared under the historical cost convention, as modified by the revaluation of certain properties and financial instruments at fair value.
- Are presented in Australian dollars, with all amounts in the financial report being rounded to the nearest hundred thousand dollars, unless otherwise indicated.
- Present reclassified comparative information where required for consistency with the current year's presentation.
- Adopt all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Trust and effective for reporting periods beginning on or after 1 July 2025.

The financial statements were authorised for issue by the Directors on 28 October 2026.

A2. Significant judgements and estimates

In the process of applying the Trust's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial statements are found in the following notes:

	Note
Deferred management fees	B1
Employee benefits provisions	C3
Valuation of land and buildings	D1
Useful lives	D1
Work in progress	D1
Valuation of retirement village assets	D2
Cash generating units and the allocation of goodwill	D3
Valuation and impairment of goodwill	D3
Valuation of financing liability relating to sale and leaseback transactions	E3

A3. Accounting policies

Material accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Amendments to AASBs that are mandatorily effective for the current year

The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) relevant to its operations and effective for an accounting period that begins on or after 1 July 2025.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Trust include:

- AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements

The amendments listed above did not have any impact on the amounts recognised in the current or prior periods and are not expected to significantly affect future periods.

A4. The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Trust. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature.
- It is important for understanding the results of the Trust.
- It helps to explain the impact of significant changes in the Trust's operations.
- It relates to an aspect of the Trust's operations that is important to its future performance.

A4. The notes to the financial statements (continued)

The notes are organised into the following sections and summarise the accounting policies, judgements and estimates relevant to understanding these line items:

B. Results for the year: provides a breakdown of individual line items in the financial statements that the Directors consider most relevant.

C. Working capital and other assets and liabilities: assets and liabilities that are used in the day-to-day operations of the Trust.

D. Tangible and intangible assets: assets used by the Trust to generate revenues and the methods the Trust uses to assess the fair value or recoverable amount of the assets.

E. Capital structure and financing: information on the capital structure and funding of the Trust.

F. Other items: other disclosures that may be relevant to understanding the financial position and performance of the Trust.

A5. Key events and transactions for the reporting period

Introduction of the new Aged Care Act

On 25 November 2024 the Australian Government passed the *Aged Care Act 2024 (C'th)*, which introduced significant reforms to the funding, regulatory, and service delivery framework for aged care providers in Australia. The legislation came into effect on 1 November 2025 and introduced enhanced care standards, increased reporting and compliance obligations, and revised funding arrangements, including changes to resident contributions and government subsidies.

Sale of Macquarie View operation

On 30 June 2026 the Trust completed the sale of the Macquarie View retirement community, consisting of one residential aged care home, one retirement village and adjoining land. As a result of the transaction, the Trust has revalued the assets to their fair value prior to disposal, in accordance with the Trust's accounting policy. A gain on disposal has been recognised in other income (note B1).

A6. Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Trust has generated a net surplus before income tax for the year ended 30 June 2026 of $46.3 million (2025: $14.4 million), a net surplus after income tax for the year of $46.3 million (2025: $14.4 million) and has net current liabilities of $3,790.6 million (2025: $3,566.8 million), comprising total current assets of $362.2 million (2025: $357.1 million) and total current liabilities of $4,152.8 million (2025: $3,923.9 million). The Trust has generated positive cash flows from operating activities of $55.0 million (2025: $123.8 million).

A6. Going concern (continued)

The current liability position is primarily attributable to retirement village resident loans and refundable accommodation deposits (RADs), totalling $3,614.3 million (2025: $3,402.9 million), which are classified in full as a current liability, whereas the assets to which the loans and RADs relate (land, buildings and retirement village assets), are classified as non-current assets. Retirement village resident loans and RADs are classified as a current liability because the Trust does not have an unconditional right to defer settlement of resident loans or RADs for at least 12 months after the reporting period. In practice, the rate at which residents vacate their retirement village units and their aged care accommodation can be estimated. Given that the resident profile is generally consistent with prior periods, these prior periods provide a reliable estimate of future payment trends.

As noted in the cash flows from financing activities, $743.8 million (2025: $650.2 million) of resident loans and RADs were refunded during the year. These refunded loans and RADs were replaced by incoming contributions (including RADs) of $897.2 million (2025: $911.6 million).

In addition, the Trustee has a liquidity management strategy in place that requires available liquidity to be $120.0 million (2025: $100.0 million), to ensure that refunds can be paid as and when they fall due. Liquidity is monitored and cash flow forecasts are prepared on at least a monthly basis to ensure that the Trust adheres to the liquidity management strategy.

The Trust has financing facilities, of which $383.2 million (2025: $341.0 million) remains undrawn at 30 June 2026. This debt facility can be drawn down to repay RADs and resident loans should the Trust experience significant RAD or resident loan net outflows.

In forming a view in relation to the going concern assumption, the Directors have given consideration to all available current information, including the following:

- Significant unrestricted cash balances as disclosed in note E1;
- Available undrawn debt facilities, with the majority of the facility not expiring until August 2027, and the Trust intending to refinance before this date (refer to note E4); and
- Forecast cash flows and results from operations in financial year 2027.

The Directors have concluded that there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due and payable and the basis of preparation of the financial report on a going concern basis is appropriate.

B. Results for the year

Results for the year provides a breakdown of individual line items in the Statement of Profit or Loss that the Directors consider most relevant, including a summary of the accounting policies, judgements and estimates relevant to understanding these line items.

B1. Revenue and other income

(a) Revenue from continuing operations

The Trust recognises revenue under AASB 15 *Revenue from Contracts with Customers* and applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The Trust uses the five-step model as set out in AASB 15 to account for revenue arising from contracts with customers.

The transaction price is allocated to performance obligations on the basis of their relative standalone selling prices and recognised as revenue accordingly as those performance obligations are satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Trust.

(i) Customer and Client Fees

Residential Care and Home and Community Support

The Trust recognises revenue from residential care facilities and Home and Community Support services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services, as agreed in a single contract with the resident. Fees received in advance of services performed are recognised as Unearned Revenue on the Statement of Financial Position.

Income from accommodation deposit retention fees payable by a residential care resident is recognised over the expected length of stay of a resident, capped at a total of 10% of the resident's RAD balance.

Retirement Living

The Trust recognises revenue from retirement living services over time as performance obligations are satisfied, which is as the services are rendered.

(ii) Deferred Management Fees

Revenue from deferred management fees is recognised over the expected length of stay of a resident. The expected length of stay of a resident is estimated based on historical tenure data, including industry data. The difference between revenue recognised and contractual deferred management fees earned is recognised as Unearned Revenue on the Statement of Financial Position.

(iii) Government revenue

Government revenue reflects the Trust's entitlement to revenue from Australian Governments based upon the specific care and accommodation needs of individual residents and clients. Revenue is recognised over time as services are provided.

Government grants are not recognised until there is reasonable assurance that the Trust will comply with the conditions attaching to them and that the grants will be received.

Government grants that are reciprocal in nature are recognised in profit or loss on a systematic basis over the periods in which the Trust expenses the related costs for which the grants are intended to compensate. A reciprocal transfer generally occurs when a return obligation exists to the funding provider.

Where such a return obligation exists, revenue is deferred in the Statement of Financial Position and is recognised as deferred income and released to profit or loss as the obligations are satisfied.

B1. Revenue and other income (continued)

(a) Revenue from continuing operations (continued)

(iii) Government revenue (continued)

Specifically, government grants whose primary condition is that the Trust should purchase, construct or otherwise acquire assets are recognised in profit or loss immediately when control is obtained and can be measured reliably.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Trust with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government assistance which does not have conditions attached specifically relating to the operating activities of the Trust is recognised in accordance with the accounting policies above.

(iv) Donations and bequests

Donations and bequests are recognised as revenue where this is an 'enforceable' contract with a customer with 'sufficiently' specific performance obligations. Income is recognised when the performance obligations are satisfied otherwise the donation is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt.

(v) Other revenue

Other revenue includes revenue received that is not separately disclosed elsewhere and is recognised based on the proportion of services delivered.

	2026 $m	2025 $m
Customer and client fees	**354.5**	334.3
Deferred management fees	**37.8**	33.5
Government revenue	**1,050.8**	981.8
Donations	**0.1**	-
Other revenue	**15.3**	14.9
Total	**1,458.5**	1,364.5

The revenue amounts in the table above are recognised over time.

Significant judgement

Deferred management fees

Management judgement is applied in the calculation of the expected resident occupancy period over which the deferred management fees are recognised. This is calculated with reference to historical resident occupancy trends.

B1. Revenue and other income (continued)

(b) Finance income

(i) Interest income

Interest income is recognised in profit or loss as it accrues, using the effective interest rate method. The effective interest rate method is described in note E6.

(ii) Imputed revenue on RAD and bond balances

For residents receiving residential care services under a refundable accommodation deposit (RAD) or accommodation bond arrangement, the Trust has determined these arrangements are considered leases for accounting purposes under AASB 16 *Leases* with the Trust acting as lessor. The Trust has recognised as revenue an imputed non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement and a corresponding non-cash increase in finance costs on the outstanding RAD and accommodation bond balances, with no net impact on the result for the period.

	2026 $m	2025 $m
Interest income	**5.2**	7.0
Imputed revenue on RAD and bond balances	**86.6**	88.4
Total	**91.8**	95.4

(c) Other income

(i) Surplus on disposal of property, plant and equipment

The gain or loss on disposal of assets is recognised at the date the significant risks and rewards of ownership of the asset passes to the buyer, usually when the purchaser takes delivery of the assets. Surpluses or losses on disposal are determined by comparing proceeds with the carrying amount and are recognised in profit or loss.

(ii) Other income

Other income includes income received that is not separately disclosed elsewhere and is recognised based on the funds received.

	Note	**2026 $m**	2025 $m
Gain on disposal of property, plant and equipment		**0.2**	0.9
Gain on disposal of operation	A5	**1.1**	-
Other income		**0.3**	1.1
Total		**1.6**	2.0

B2. Expenses

This note sets out specific expenses included within the following profit or loss line items.

	Note	2026 $m	2025 $m
Employee benefit expenses			
Salaries and wages		**811.1**	724.4
Superannuation		**102.1**	84.7
Employee benefit provision expense		**95.4**	84.5
Employee insurance expense		**18.0**	19.9
Agency, contractors and other employee benefits expense		**70.4**	104.5
Total		**1,097.0**	1,018.0
Depreciation and amortisation			
Property, plant and equipment	D1	**60.5**	58.3
Intangible assets	D3	**1.6**	1.5
Right-of-use assets	E2	**9.0**	9.2
Total		**71.1**	69.0
Finance costs			
Interest and finance charges		**41.8**	46.8
Interest on sale and leaseback liability		**24.9**	23.6
Imputed interest cost on RAD and accommodation bond balances		**86.6**	88.4
Total		**153.3**	158.8
Amounts relating to leases			
Depreciation expense on right-of-use assets	E2	**9.0**	9.2
Interest expense on lease liabilities		**8.6**	8.1
Expense related to short-term leases		**0.4**	0.3
Total		**18.0**	17.6

B3. Income tax

The Trustee and Trust are exempt from income tax in accordance with Section 50-5 of the *Income Tax Assessment Act 1997 (C'th)*. In a previous financial year, on 27 September 2023, a wholly owned subsidiary declared a fully franked dividend of $451.4 million, which was treated as return of capital (see note F4). The Trust is entitled to a franking credit refund of $193.5 million.

C. Working capital and other assets and liabilities

This section sets out information relating to the working capital and other assets and liabilities of the Trust. Working capital includes the assets and liabilities that are used in the day-to-day operations of the Trust.

C1. Trade and other receivables

	Note	2026 $m	2025 $m
Current			
Trade receivables		**27.3**	26.1
Loss allowance	(a)	**(6.2)**	(7.5)
Net trade receivables		**21.1**	18.6
Sundry receivables		**24.5**	17.8
Security deposits		**0.3**	0.1
Total current		**45.9**	36.5
Non-current			
Loans receivable (related parties)	(b)	**18.2**	13.4
Reserve fund receivables		**9.2**	9.3
Total non-current		**27.4**	22.7

(a) Loss allowance

Trade receivables are reviewed annually for expected credit losses (refer to note E6). As at 30 June 2026 an amount of $10.7 million (2025: $12.0 million) is outstanding greater than 30 days, excluding Refundable Accommodation Deposits receivable.

The movement in the loss allowance can be reconciled as follows:

	2026 $m	2025 $m
Opening balance	**7.5**	6.5
Amounts written off (uncollectable)	**(1.3)**	(1.0)
Impairment loss	**-**	2.0
Closing balance	**6.2**	7.5

C1. Trade and other receivables (continued)

(b) Loans receivable (related parties)

	Note	2026 $m	2025 $m
Non-current			
RDNS Homecare Limited	(i)	**18.0**	13.3
Altura Learning Group Holdings Pty Ltd	(i)	**0.2**	0.1
Total		**18.2**	13.4

(i) During the year ended 30 June 2026, the Trust continued to provide current and non-current working capital and loan funding to related entities. These loans are interest bearing at the relevant reference rate plus margin.

C2. Trade and other payables

(a) Trade payables

These amounts represent liabilities for goods and services provided to the Trust prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days or within the terms agreed with the supplier.

	Note	2026 $m	2025 $m
Current			
Trade payables		**39.6**	37.5
Accrued expenses		**85.1**	66.1
Rental bonds		**0.1**	0.1
Maintenance reserve fund / capital works fund / reserve fund		**24.2**	24.0
Loans payable (related parties)	(b)	**193.6**	191.6
Other payables		**6.7**	18.7
Total current		**349.3**	338.0
Non-current			
Loans payable (related parties)	(b)	**77.0**	84.1
Total non-current		**77.0**	84.1

C2. Trade and other payables (continued)

(b) Loans payable (related parties)

	Note	2026 $m	2025 $m
Current			
Scartwater (Aged Care) Trust	(i)	**9.6**	8.8
Australian Aged Care Partners Holdings Pty Ltd		**128.2**	128.2
Your Choice Home Care		**1.3**	0.1
Acacia Living Group Limited		**54.5**	54.5
Total current		**193.6**	191.6
Non-current			
Royal District Nursing Service Limited	(i)	**77.0**	84.1
Total non-current		**77.0**	84.1

(i) During the year ended 30 June 2026, the Trust continued to receive current and non-current working capital and loan funding from related entities. These loans are interest bearing at the relevant reference rate plus margin.

C3. Provisions

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

When the Trust expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

(a) Employee benefits

A provision has been recognised for employee benefits relating to annual leave and 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.

Significant judgement

Employee benefits provisions

Management judgement is applied in determining the following key assumptions used in the calculation of annual leave and long service leave at the end of the reporting period:

- future increases in wages and salaries;
- future on-cost rates; and
- experience of employee departures and period of service.

C3. Provisions (continued)

(a) Employee benefits (continued)

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are measured at their nominal amounts in current other payables and provisions and represent the amounts expected to be paid when liabilities are settled. Liabilities for non-vesting sick leave are recognised when the leave is taken and measured at the rates paid or payable. Liabilities for annual leave are classified as current liabilities irrespective of the expected maturity as there is not a right to defer settlement.

(ii) Long term employee benefits

The provision for long term employee benefits, such as long service leave, represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to the reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted (when material) using the rates attaching to high quality corporate bonds at reporting date which most closely match the terms of maturity of the related liabilities.

(iii) Superannuation plan

The Trust is required to make contributions to defined contribution employee superannuation plans. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Such contributions are charged to profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

(b) Self-insurance provision

Along with one other aged care provider, the Trustee is a member of the Aged Care Employers Self-insurance Group which is licensed as a self-insurer for its Queensland operations with Office of Industrial Relations, the Workers' Compensation Regulatory Authority. Through this membership, the Trustee self-insures for Workers Compensation for its employees located in Queensland and accepts the risks previously insured via WorkCover Queensland. In return the Trustee has greater control of the management of workplace injury and rehabilitation. The self-insurance provisions including expected timing, are calculated on an annual basis by an independent actuarial consultant.

(c) Other provisions

In the prior period, the Trust recognised a provision of $24.2 million relating to the underpayment of employee entitlements. The underpayments applied to certain current and former employees who were employed by an entity acquired by the Trust in prior years.

The Trust, with the assistance of external advisors, undertook an investigation to determine the extent of the underpayments. The underpayments investigation was concluded during the year ended 30 June 2026 with an additional provision of $1.3 million being recognised. Of the total $25.5 million underpayment provision identified, the Trust has made remediation payments of $24.6 million to 30 June 2026.

The majority of these underpayments were incurred by a subsidiary before its acquisition by the Trust in a prior year. The Trust will seek reimbursement from the former owners of the subsidiary to the extent such amounts are legally recoverable.

C3. Provisions (continued)

(d) Provision balances

	Note	2026 $m	2025 $m
Current			
Employee benefits	(a)	**167.2**	144.3
Self-insurance – workplace injury	(b)	**1.4**	2.1
Other provisions	(c)	**10.2**	25.7
Total current provisions		**178.8**	172.1
Non-current			
Employee benefits	(a)	**16.2**	14.7
Self-insurance – workplace injury	(b)	**2.3**	2.4
Other provisions	(c)	**2.3**	2.4
Total non-current provisions		**20.8**	19.5

(e) Provision movements

Movements in provisions during the financial period are set out below:

	Employee benefits $m	Self insurance - workplace injury $m	Other provisions $m
Opening balance	159.0	4.5	28.1
Provisions made	135.8	1.2	8.9
Amounts used	(111.4)	(2.0)	(24.5)
Closing balance	**183.4**	**3.7**	**12.5**

C4. Unearned revenue

Resident fees in advance represent fees revenue paid by residents in residential care facilities in advance of care being provided. Government funding represents funding received to provide services to home care clients but for which the relevant client service has not yet been provided. The unearned revenue is recognised when the performance obligations are satisfied.

	2026 $m	2025 $m
Current		
Resident fees in advance	**1.4**	2.0
Government funding in advance	**3.0**	3.5
Total	**4.4**	5.5

D. Tangible and intangible assets

This section sets out the non-current tangible and intangible assets used by the Trust to generate revenues and the methods the Trust uses to assess the recoverable amount of these assets.

D1. 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.

(i) Land and buildings

Freehold land and buildings are measured at fair value, being the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. Valuations are regularly performed by an external independent valuer to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Residential care land and buildings are valued regularly, at least on a cyclical three-year basis.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised in profit or loss, in which case, the increase is recognised in profit or loss. A revaluation deficit is recognised profit or loss, except to the extent that it offsets an existing surplus on the same asset class recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to that particular asset being sold is retained in the revaluation reserve.

As no finite life for land can be determined, related carrying amounts are not depreciated.

Significant Judgement

Valuation of land and buildings

Freehold land and buildings are independently valued on a rotational basis, at least every three years. The resulting movement in property values has been taken to the Asset Revaluation Reserve. Those properties not independently valued have been subject to an internal assessment to ensure carrying amount does not differ materially to fair value.

Where an independent valuation was obtained, the independent valuer used the following methodology to determine fair value of the Trust's Residential Care land and building assets at 30 June 2026:

a. Calculated the sustainable trading potential for each site (maintainable EBITDA) and capitalised at market assessed rates between 12.75% and 20.0% (2025: 13.0% and 20.0%).

b. Assessed the potential for Refundable Accommodation Deposit (room price) growth.

c. Conducted a depreciated replacement cost analysis to support the valuation calculated in a. and b.

d. Based on an income capitalisation method, determined a notional apportionment between freehold land and buildings fair value (the carrying value of land and buildings adopted by the Trust) and 'leasehold' or 'business' fair value.

The 'leasehold' or 'business' fair value is not included in the carrying value of land and buildings consistent with the accounting policy to not recognise residential care intangible assets other than goodwill arising from business combinations – refer note D3. This treatment is also consistent with the way in which the fair value of residential care identifiable land and building assets acquired through business combinations is determined.

For the year ended 30 June 2026 the Trust's approach to property valuations was substantially consistent with prior years.

D1. Property, plant and equipment (continued)

(ii) Plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. 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 charged to profit or loss during the financial period in which they are incurred. The carrying amount of property, plant and equipment is reviewed annually by the Trust to ensure it is not in excess of the recoverable amount of these assets.

(iii) Depreciation

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Other assets, excluding land are depreciated on a straight-line basis commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rate
Buildings and leasehold improvements	2.5% - 33%
Plant and equipment	10% - 33%
Information technology	20% - 33%
Motor vehicles	10% - 17%

Significant Judgement

Useful lives

The assets' residual values, useful lives and depreciation rates are reviewed at each reporting date and adjusted prospectively, if appropriate.

(iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Surpluses or losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in profit or loss.

(v) Impairment of assets

Assets are tested for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units or CGUs).

The recoverable amount is the greater of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

D1. Property, plant and equipment (continued)

(v) Impairment of assets (continued)

Impairment losses are recognised in profit or loss. After the recognition of an impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. Impairment losses, if any, recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of other assets in the unit on a pro-rata basis. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting period.

(vi) Work in progress

Costs relating to the construction and refurbishment of aged care facilities are capitalised as work in progress. The initial capitalisation of costs is based on judgement that the project is expected to generate future economic benefits. Subsequent to determining the initial eligibility for capitalisation the Trust reassesses on a regular basis whether projects are still sufficiently probable of completion and expected to deliver desired economic benefits.

Significant Judgement

Work in progress

Management reviews the future value of costs incurred to date and expected benefits realisation. This is of particular significance in projects such as property developments which can run over a number of years, and property refurbishments. Actual results, however, may vary due to changing customer requirements and market conditions in the case of property development which tends to have a long lead time from initial spend to achievement of development approval and finally completion of construction work.

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D1. Property, plant and equipment (continued)

	Freehold land [ii] $m	Buildings and leasehold improvements [ii] $m	Plant and equipment $m	Information Technology $m	Motor vehicles $m	Work in progress $m	Total $m
2026							
Opening balance	582.4	789.5	101.5	16.7	8.1	27.9	**1,526.1**
Additions	-	10.1	14.8	5.5	2.1	60.1	**92.6**
Transfers [i]	-	13.1	10.9	11.9	3.7	(40.8)	**(1.2)**
Disposals	(8.6)	(3.0)	(0.6)	-	(0.5)	(1.0)	**(13.7)**
Revaluation increment	20.8	48.1	-	-	-	-	**68.9**
Depreciation	-	(28.8)	(21.0)	(8.6)	(2.1)	-	**(60.5)**
Closing balance	**594.6**	**829.0**	**105.6**	**25.5**	**11.3**	**46.2**	**1,612.2**
Cost / valuation	594.6	998.9	210.6	99.7	18.3	46.2	**1,968.3**
Accumulated depreciation	-	(169.9)	(105.0)	(74.2)	(7.0)	-	**(356.1)**
Closing balance	**594.6**	**829.0**	**105.6**	**25.5**	**11.3**	**46.2**	**1,612.2**

(i) There has been a net decrement of $1.2 million due to transfers to retirement village assets (refer to note D2) and intangible assets (refer to note D3).
(ii) Assets within these classes are used to secure the borrowing facilities of the Trust (refer note E3).

D1. Property, plant and equipment (continued)

	Freehold land [ii] $m	Buildings and leasehold improvements [ii] $m	Plant and equipment $m	Information Technology $m	Motor vehicles $m	Work in progress $m	Total $m
2025							
Opening balance	531.7	786.6	103.4	20.5	5.6	13.0	**1,460.8**
Additions	2.1	11.1	7.7	3.3	4.2	46.4	**74.8**
Transfers [i]	12.2	5.1	9.1	3.7	-	(31.5)	**(1.4)**
Disposals	-	(0.2)	(0.1)	-	(0.2)	-	**(0.5)**
Revaluation increment	36.4	14.3	-	-	-	-	**50.7**
Depreciation	-	(27.4)	(18.6)	(10.8)	(1.5)	-	**(58.3)**
Closing balance	**582.4**	**789.5**	**101.5**	**16.7**	**8.1**	**27.9**	**1,526.1**
Cost / valuation	582.4	933.4	187.9	83.0	14.3	27.9	**1,828.9**
Accumulated depreciation	-	(143.9)	(86.4)	(66.3)	(6.2)	-	**(302.8)**
Closing balance	**582.4**	**789.5**	**101.5**	**16.7**	**8.1**	**27.9**	**1,526.1**

(i) There has been a net decrement of $1.4 million due to transfers to retirement village assets (refer to note D2) and intangible assets (refer to note D3).
(ii) Assets within these classes are used to secure the borrowing facilities of the Trust (refer note E3).

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D2. Retirement village assets

Retirement village assets are held as investment properties and treated as such under accounting standard AASB 140 *Investment Property*.

Retirement village assets are measured initially at cost, including transaction costs, and are held to generate income from deferred management fees and the Trust's share of the increase in the market value of the investment. Subsequent to initial recognition, retirement village assets are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of retirement village assets are included in profit or loss in the period in which they arise. Fair values are evaluated on a rotational basis, at least every three years by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised in profit or loss.

Transfers to or from investment properties occur when there is a change in use. Where items are transferred to investment properties from property, plant and equipment, the Trust accounts for such property in accordance with the accounting policy stated under property, plant and equipment up to the date of change in use after which it is measured at fair value. For a transfer from investment properties, the deemed cost for subsequent accounting is the fair value at the date of change in use.

Significant Judgement

Valuation of retirement village assets

The Trust carries its retirement village assets at fair value, with changes in fair value being recognised profit or loss. Retirement village assets are independently valued on a rotational basis, at least every three years. At 30 June 2026 a fair value assessment was made based on market conditions.

The valuer used the following methodology to determine fair value of the Trust's retirement village assets:

a. The Trust owned stock is valued at estimated net realisable value.

b. Occupied stock is valued based on the discounted value of the future deferred management fee cash flows plus the current value of the exit entitlement.

Investment property valuations are subject to key market-based assumptions including discount rates, the current market value of residential units and the growth in those values over time. The independent valuer used the following discount and growth rates in valuing retirement village assets as at 30 June 2026:

	2026 **%**	2025 %
Discount rate	**12.5 - 18.0**	13.3 - 20.0
Property price growth rates	**2.5 - 3.5**	2.5 - 3.5

D2. Retirement village assets (continued)

Significant Judgement (continued)

Valuation of retirement village assets (continued)

For the year ended 30 June 2026 the Trust's approach to property valuations was substantially consistent with prior years.

Retirement village assets under construction are also measured at fair value, with changes in fair value being recognised in profit or loss. Fair value is subject to key assumptions and significant judgement around future market conditions including unit selling price, deferred management structures and residents share of capital gains.

	Note	2026 $m	2025 $m
Opening balance		**1,654.1**	1,050.6
Additions – Acquisitions		**-**	469.9
Additions – Capital improvements		**13.0**	5.3
Additions – Work in progress		**23.8**	19.9
Additions – Transfers from work in progress		**0.1**	1.1
Disposals	A5	**(23.2)**	-
Fair value adjustments		**192.0**	107.3
Closing balance [(i)]		**1,859.8**	1,654.1

(i) Assets are used to secure the Trust's borrowing facility (refer note E3).

D3. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. They are classified as having a useful life that is either finite or indefinite. Assets with finite useful lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication the asset may be impaired. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate. Amortisation expense is recognised in the Statement of Profit or Loss. Assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication the asset may be impaired. The estimation of useful lives, residual values and impairment requires significant judgement.

(i) Goodwill

Goodwill is an asset recognised in a business combination and represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. It has an indefinite useful life and is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed). After initial recognition, it is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Trust's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

D3. Intangible assets (continued)

(i) Goodwill (continued)

Significant judgement

Cash generating units and the allocation of goodwill

The Trust's cash generating units and the allocation of goodwill to these cash generating units at 30 June 2026, is based on the level at which independent cash flows are generated and the level at which goodwill is monitored for impairment purposes. The CGUs, which align with the operating segments of the Trust, have been defined as:

	CGU	Group of CGUs	Goodwill allocated to group of CGUs $m
Residential Aged Care (RAC)	Individual homes	All homes	1,352.7
Retirement Living	Individual villages	All villages	Nil
Home and Community Support	Geographical region	Australia	Nil

The allocation of goodwill arising from business combinations to groups of cash generating units requires significant judgement relating the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. Goodwill from historical acquisitions has been allocated to the RAC CGU as this CGU benefits from the acquisitions.

Valuation and impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable value of the CGU to which goodwill has been allocated. A CGU may be an aged care home or a group of aged care homes that are operated independently from other assets. Recoverable value has been determined using a value in use approach. The value in use calculation requires the Directors to estimate the future cash flows and growth rates expected to arise from the CGU and a suitable discount rate in order to calculate present value. Where the actual cash flows are less than expected, a material impairment loss may arise.

The most sensitive assumptions used in the calculation of value in use are the discount rate, long term growth rate and profile of future residents with respect to accommodation payment preferences. Sensitivity analysis on reasonably likely changes to these assumptions did not result in an outcome where impairment would be required.

A discount rate was applied to cash flow forecasts, including the terminal value. This rate reflects the current market assessments of the risks specific to the industry the Trust operates in and takes into consideration the time value of money. The calculation of the rate is based on the specific circumstances of the asset and is derived from its weighted average cost of capital. Long term growth rate reflects an assessment of inflation and perpetual growth using market and economic data.

The discount and growth rates used as at 30 June 2026 in assessing the recoverable amount are as follows:

	2026 **%**	2025 %
Pre-tax discount rate	**8.1**	10.2
Long term growth rate	**2.0**	2.0
Terminal growth rate	**2.5**	2.5

D3. Intangible assets (continued)

(ii) Software

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits, and the cost can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services and direct labour. Other development costs that do not meet these criteria are an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life. The Trust's software assets have useful lives between three and eight years.

Software-as-a-Service (SaaS) arrangements are service contracts providing the Trust with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the asset and are recognised in profit or loss.

D3. Intangible assets (continued)

	Goodwill $m	Software $m	Total $m
2026			
Opening balance	1,352.7	3.0	**1,355.7**
Additions	-	1.0	**1.0**
Transfers from property, plant and equipment	-	1.1	**1.1**
Amortisation	-	(1.6)	**(1.6)**
Closing balance	**1,352.7**	**3.5**	**1,356.2**
Cost	1,368.6	27.1	**1395.7**
Accumulated amortisation and impairment	(15.9)	(23.6)	**(39.5)**
Closing balance	**1,352.7**	**3.5**	**1,356.2**

2025			
Opening balance	1,352.7	4.2	1,356.9
Additions	-	-	-
Transfers from property, plant and equipment	-	0.3	0.3
Amortisation	-	(1.5)	(1.5)
Closing balance	**1,352.7**	**3.0**	**1,355.7**
Cost	1,368.6	25.0	1,393.6
Accumulated amortisation and impairment	(15.9)	(22.0)	(37.9)
Closing balance	**1,352.7**	**3.0**	**1,355.7**

E. Capital structure and financing

This section provides information on the capital structure and funding of the Trust.

E1. Cash and cash equivalents

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

	Note	**2026 $m**	2025 $m
Cash at bank and on hand		**59.5**	73.3
Trust account		**7.7**	0.1
Secure capital replacement fund	(c)	**16.5**	17.6
Maintenance fund reserve / capital works fund	(d)	**11.2**	11.2
Reserve fund	(e)	**4.2**	3.7
Long term maintenance fund	(f)	**3.5**	1.6
Cash and cash equivalents in the Statement of Cash Flows		**102.6**	107.5

(a) Restricted cash

The amount of restricted cash included in cash and cash equivalents but not available for use is:

	2026 $m	2025 $m
Restricted cash	**43.1**	34.2

(b) Interest rates

The average interest rate on cash at bank as at 30 June 2026 was 4.55% (2025: 4.05%).

(c) Secure capital replacement fund

Under the *Retirement Villages Act 1999 (QLD),* the *Retirement Villages Act 1999 (NSW)* and the *Retirement Villages Act 2016 (SA)*, the Trust contributes to a secure capital replacement fund, which is used for the sole purpose of replacing retirement village capital items and is therefore regarded as restricted cash. The required contribution to the fund is determined annually based on an independent quantity surveyor's report.

(d) Maintenance funds

Under the *Retirement Villages Act 1999 (QLD),* the *Retirement Villages Act 1999 (NSW)* and the *Retirement Villages Act 2016 (SA)*, residents of the Trust's retirement villages contribute to a maintenance reserve fund (QLD), capital works fund (NSW) and maintenance fund (SA) which is for the sole purpose of maintaining and repairing retirement village capital items and is therefore regarded as restricted cash. The residents' required contribution to the fund is determined annually by an independent quantity surveyor. The balance of the maintenance reserve fund / capital works fund is included gross in the reported cash and cash equivalent balance as well as a maintenance reserve fund liability presented in the Statement of Financial Position.

E1. Cash and cash equivalents (continued)

(e) Reserve fund

Under the *Fair Trading (Retirement Villages Code) Regulations 2022 (WA)* and residence contracts, residents of the Trust's retirement villages contribute to a reserve fund (WA) upon their departure, which is for the sole purpose of maintaining and repairing retirement village capital items and performing capital works and is therefore regarded as restricted cash. The residents' required cash contribution to the fund is determined based on the residents' contract. The balance of the cash reserve fund is included gross in the reported cash and cash equivalent balance as well as a reserve fund liability presented in the Statement of Financial Position.

(f) Long term maintenance fund

Under the *Retirement Villages Act 1986 (VIC)*, the Trust elects to maintain a long-term maintenance fund from the surplus of maintenance charges paid by residents of two of the Trust's Victorian retirement villages and contributions from the Trust. The fund is used for the purpose of replacing, maintaining and repairing capital items in those retirement villages. From 1 May 2026, the *Retirement Villages Regulations 2026 (Vic)* introduced the mandatory requirement for the Trust to hold a capital replacement fund. Given the Trust already provided for future capital and maintenance items as part of this long term maintenance fund, there are no significant changes for the Trust as a result of this new legislation.

E2. Right-of-use assets and lease liabilities

The Trust assesses whether a contract is or contains a lease at inception of the contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Trust recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases the Trust recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the Trust uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

E2. Right-of-use assets and lease liabilities (continued)

The Trust remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Trust incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Trust expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The following depreciation rates are used:

Class of Asset	Depreciation Rate
Buildings	2.5% - 33%
Equipment	10% - 33%

The right-of-use assets are presented as a separate line in the Statement of Financial Position.

The Trust applies AASB 136 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note D1.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line Occupancy expenses in profit or loss.

For a contract that contains a lease component and one or more additional non-lease components, the Trust allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Trust leases several assets including residential care facilities, office buildings and IT equipment. The average lease term of the residential care facilities is 23 years (2025: 23 years) while the average lease term of the other assets is 4 years (2025: 5 years).

The total cash outflow for leases amounted to $13.2 million (2025: $13.4 million).

E2. Right-of-use assets and lease liabilities (continued)

(a) Amounts recognised in the statement of financial position

The following amounts are recognised in the statement of financial position relating to leases:

(i) Right-of-use assets

	2026 $m	2025 $m
Buildings	**112.7**	106.9
Equipment	**1.2**	1.1
Total	**113.9**	108.0

Additions and modifications to the right-of-use assets during the year were $15.3 million (2025: $4.1 million).

(ii) Lease liabilities

	2026 $m	2025 $m
Current	**6.0**	5.4
Non-current	**127.2**	117.3
Total	**133.2**	122.7

(b) Amounts recognised in the statement of profit or loss

(i) Depreciation of right-of-use assets

	2026 $m	2025 $m
Buildings	**8.2**	8.6
Equipment	**0.8**	0.6
Total	**9.0**	9.2

E2. Right-of-use assets and lease liabilities (continued)

(c) Future lease payments

The undiscounted future lease payments arising under the Trust's lease contracts at the end of the reporting period are as follows

	2026 $m	2025 $m
Not later than one year	**15.1**	**12.2**
Later than one year and not later than five years	**57.2**	**48.5**
Later than five years	**163.9**	**164.7**
Total	**236.2**	**225.4**

(d) Concessionary Leases

The Trust leases properties for terms that are significantly below market, that enable the Trust to further its charitable objectives. In accordance with AASB 2018-18 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities*, the Trust recognises the right-of-use assets associated with the leases at cost. These leases are an immaterial proportion of the Trust's operating assets.

E3. Interest bearing liabilities

	Note	2026 $m	2025 $m
Non-current			
Secured loan	(a)	**340.0**	390.0
Capitalised loan establishment costs		**(0.6)**	(1.2)
Other interest bearing liability	(b)	**332.3**	326.1
Total		**671.7**	714.9

(a) Secured loan

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost, with any difference between amortised cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest rate basis. Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Finance costs are recognised in profit or loss as incurred on an effective interest rate method, except where interest costs relate to qualifying assets in which case they are capitalised to the cost of the assets. If borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of finance costs capitalised are those incurred in relation to that borrowing, net of any interest earned on those borrowings.

E3. Interest bearing liabilities (continued)

(a) Secured loan (continued)

As at 30 June 2026, the Trust has financing facilities of $730.8 million (2025: $750.8 million) comprising the following:

	Notes	Maturity Date	Facility Limit 2026 $m	Facility Limit 2025 $m	Utilised at Balance Date 2026 $m	Utilised at Balance Date 2025 $m	Unused at Balance Date 2026 $m	Unused at Balance Date 2025 $m
Facility A	(i)	31 August 2027	**680.0**	680.0	**340.0**	390.0	**340.0**	290.0
Facility B	(ii)	31 August 2026	**20.0**	40.0	**7.3**	19.4	**12.7**	20.6
Total Syndicated Debt Facilities			**700.0**	720.0	**347.3**	409.4	**352.7**	310.6
Facilities payable on demand								
Overdraft			**30.0**	30.0	**-**	-	**30.0**	30.0
Credit Card			**0.7**	0.7	**0.3**	0.4	**0.4**	0.3
Procurement Management			**0.1**	0.1	**-**	-	**0.1**	0.1
Total Facilities			**730.8**	750.8	**347.6**	409.8	**383.2**	341.0

(i) Facility A

The primary purpose of Facility A is to fund future property developments. The facility will also be used to meet the prudential requirements of the *Aged Care Act 1997* and from 1 November 2025, the *Aged Care Act 2024 (C'th)* to demonstrate sufficient liquidity to return refundable accommodation deposits to residents, as they fall due (refer to note E4(b)).

(ii) Facility B

Facility B is predominantly used for bank guarantees, which are classified as contingent liabilities (refer to note F2). Subsequent to year end, Facility B has been extended to 31 August 2027.

Facility A and B are secured by registered mortgages over the real property assets of the Trust as well as a general security interest over all property of the operating entities of the Trust.

The above total facilities have financial covenants which are assessed for compliance on a quarterly basis. These are in the form of interest cover ratios and gearing ratios. The Trust has complied with these covenants in the 2026 and 2025 reporting periods and is working with its lenders to agree amendments to the interest cover ratio covenant requirement for 2027 and then subsequent periods as part of the refinancing process for the facilities. The Trust expects to finalise the refinancing of its facilities in the first half of 2027.

(b) Other interest bearing liability

During the year ended 30 June 2023, Allity (a wholly owned subsidiary) entered into a transaction with a third party for the sale of nine aged care homes in South Australia and the leaseback of the homes for a term of 20 years with two options to extend, each for an additional period of 10 years. The leases include multiple option rights, including a call option, to repurchase the homes from the third party. When the Restructuring Arrangement occurred on 1 December 2022, the leases were transferred to the Trust as lessee. As a result of the application of *AASB 15 Revenue from Contracts with Customers* the Trust has concluded that the control of the homes did not pass to the third party. The Trust continues to recognise and measure the homes in property, plant and equipment in accordance with the Trust accounting policy (note D1). A financial liability has been recognised for the consideration received on the sale of the properties.

E3. Interest bearing liabilities (continued)

(b) Other interest bearing liability (continued)

In addition, as part of the acquisition of McKenzie Aged Care during the year ended 30 June 2023, the Trust acquired three aged care homes and a financial liability that were the subject of a sale and leaseback transaction with a third party. The terms of this sale and leaseback transaction included an option to repurchase the homes from the third party. In accordance with AASB 15, the Trust has concluded that control of the homes did not pass to the third party. As such, the Trust accounts for these three homes on the same basis as described above.

Significant judgement

Valuation of financial liability relating to sale and leaseback transactions

Determining the effective interest rate relating to the financial liability for the leaseback transactions requires an estimation of the expected cashflows relating to the final settlement of the liability. These cashflows relate either to the expected option exercise price, if the option is expected to be exercised, or to the expected fair value of the underlying assets at the end of the leaseback period if the asset is expected to be surrendered.

The expected cashflows relating to the financial liability have been estimated using an estimated future fair value of the underlying assets taking into account market factors and historical valuation trends.

There is significant uncertainty in the measurement of the financial liability due to the long period of time until the liability may be settled (over 20 years) and the inherent uncertainty as to whether the option to purchase the assets will in fact be exercised. In the event that the option is not exercised, the financial liability and associated assets will be derecognised, with no cash outflow required.

As a result of this accounting treatment required by AASB 9 *Financial Instruments*, the interest expense recognised on the financial liability has no relationship with or connection to the rent payable under the lease contracts. The interest expense on the financial liability it disclosed in note B2. This interest expense exceeds the rent payable under the leases in the current financial year by $6.2 million (2025: $5.5 million).

E4. Other financial liabilities

	Note	2026 $m	2025 $m
Current			
Retirement village entry contributions	(a)	**1,338.3**	1,205.1
Refundable accommodation deposits	(b)	**2,276.0**	2,197.8
Total		**3,614.3**	3,402.9

(a) Retirement village entry contributions

Retirement village entry contributions relate to equity-funded independent living unit agreements. Entry contributions are non-interest bearing and are recognised at fair value with resulting fair value adjustments recognised in profit or loss. Fair value is the amount payable on demand and is measured at the principal amount plus the resident's share of any increases in the market value of the occupied unit (for contracts that contain a capital gain share clause) less deferred management fees contractually accruing up to reporting date.

The Trust guarantees repayment of the resident's loan within the earlier of six or 18 months (depending on the resident agreement) from cessation of occupancy or 14 days from receipt of a replacement resident's loan.

E4. Other financial liabilities (continued)

(b) Refundable accommodation deposits

Refundable accommodation deposits (RADS) are paid by residents for their accommodation upon their admission to aged care facilities and are settled after a resident vacates the premises in accordance with the *Aged Care Act 1997 (C'th)*. Approved Providers must pay a base interest rate on all refunds on RADs within legislated time frames and must pay a penalty on refunds made outside legislated time frames.

RADs are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Due to the short-term nature of RADs, their carrying value is assumed to approximate their fair value.

Prior to 1 July 2014, lump sum refundable accommodation deposits were referred to as accommodation bonds. Prior to 1 July 2014, accommodation bonds were not payable by residents paying a high care accommodation payment. From 1 July 2014, under the Living Longer Living Better reforms, residents can choose to pay a full lump sum (RAD), a regular rental-type payment called a daily accommodation payment (DAP), or a combination of both.

Residents who paid an accommodation bond prior to 1 July 2014, or a RAD post 1 November 2025, are subject to having their bond/RAD reduced by annual retention fees charged in accordance with the *Aged Care Act 1997 (C'th)* or the *Aged Care Act 2024 (C'th)*. Retention fees are not applicable to RADs paid between 1 July 2014 and 31 October 2025.

RAD refunds are guaranteed by the Federal Government under the prudential standards legislation. Providers are required to have sufficient liquidity to ensure they can refund RAD balances as they fall due in the following 12 months. Providers are also required to implement and maintain a liquidity management strategy. The Trust uses a combination of cash and uncommitted borrowing facilities to meet these liquidity requirements (refer note E3(a)(i)).

A RAD is refundable within 14 days upon receipt of Probate or Letters of Administration for deceased residents, or 14 days from advice of departure for residents who transfer to another facility. As there is no unconditional right to defer payment for 12 months, RAD liabilities are recorded as current liabilities. The RAD liability is spread across a large proportion of the resident population and therefore the repayment of individual balances that make up the current balance will be dependent upon the actual tenure of individual residents.

E5. Derivative financial instruments

Derivative financial instruments are recognised initially at fair value on the date the instrument is entered into and are subsequently remeasured at fair value or 'mark to market' at each reporting date. The gain or loss on remeasurement is recognised immediately in profit or loss unless the derivative is designated as a hedging instrument, in which case the remeasurement is measured in equity.

(i) Hedge accounting

At inception of the hedge relationship, the Trust formally designates the relationship between hedging instruments and hedged items, as well as its risk management objective for undertaking various hedge transactions. The Trust also documents its assessment at hedge inception date and on an ongoing basis as to whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The Trust enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item and a qualitative assessment is performed to assess effectiveness. If changes in circumstances affect the terms of the hedged item, such as the terms no longer match exactly with the critical terms of the hedged instrument, a hypothetical derivative method is used to assess effectiveness.

E5. Derivative financial instruments (continued)

(i) Hedge accounting (continued)

The Trust has entered into cash flow hedges. A cash flow hedge is a derivative or financial instrument hedging the exposure to variability in cash flow attributable to a particular risk associated with an asset, liability or forecasted transaction. A cash flow hedge is used to swap variable interest rate payments to fixed interest rate payments in order to manage the Trust's exposure to interest rate risk.

The effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in equity in the cash flow hedge reserve. The change in fair value that is identified as ineffective is recognised immediately in profit or loss within other income or other expense. Amounts accumulated in equity are transferred to profit or loss when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

(ii) Netting of payments

Derivative transactions are administered under International Swaps and Derivatives Association (ISDA) Master Agreements. Where certain credit events occur, such as default, the net position owing / receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. The Trust does not currently have legally enforceable right of set-off between transaction types and therefore these amounts are presented separately in the balance sheet.

ISDA's held with counterparties allow for the netting of payments and receipts for the settlement of interest rate swap transactions.

The following information relates to the Trust's cash flow hedges:

	2026 $m	2025 $m
Non-current assets		
Interest-rate swaps	**3.4**	**-**
Total assets	**3.4**	**-**
Non-current liabilities		
Interest-rate swaps	**-**	4.1
Total liabilities	**-**	4.1
Change in fair value of hedging instruments recognised in other comprehensive income	**7.4**	(9.4)

At 30 June 2026, the Trust currently has interest rate swaps in place to cover 58.8% (2025: 96.2%) of the variable rate borrowings. The weighted average maturity of interest rate swaps is 3.0 years (2025: 3.3 years).

E6. Financial instruments

The classification of financial instruments depends on the nature and purpose of the asset or liability and is determined at the time of initial recognition. The Trust has the following financial assets and liabilities which are all measured at amortised cost using the effective interest rate method, with the exception of interest rate swaps which are measured at fair value:

	Note
Financial assets	
Trade and other receivables	C1
Cash and cash equivalents	E1
Interest rate swaps (Derivative financial instruments)	E5
Investment in subsidiary	F4
Financial liabilities	
Lease liabilities	E2
Interest bearing liabilities	E3
Trade and other payables	C2
Other financial liabilities	E4

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All regular way purchases or sales are recognised and derecognised on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value. Any directly attributable transaction costs on acquisition or issue are either:

- recognised immediately in profit or loss (for financial assets and liabilities at fair value); or
- added to or deducted from the fair value of the financial asset or liability (for all others).

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; or
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; or
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

E6. Financial instruments (continued)

(ii) Measurement bases

Amortised cost using the effective interest rate method

Amortised cost applies to both financial assets and financial liabilities. The effective interest rate method is used for amortising premiums, discounts and transaction costs for both financial assets and financial liabilities. When applying the effective interest rate method, interest is recognised in profit or loss in the period in which it accrues, even if payment is deferred. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and allocating the interest income or expense over the relevant period. Amortisation under this method reflects a constant period return on the carrying amount of the asset or liability.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments, without consideration of future credit losses, over the expected life of the financial instrument, or through to the next market-based repricing date, to the net carrying amount of the financial instrument on initial recognition.

Fair value

The fair value of cash and cash equivalents and non-interest bearing financial assets and liabilities (including trade and other receivables and trade and other payables) approximate their carrying amounts largely due to the short maturity.

Financial assets and financial liabilities measured at fair value are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly, i.e. as prices, or indirectly i.e. derived from prices.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of interest rate swaps is determined as the net present value of contracted cash flows. The existing exposure method, which estimates future cash flows to present value using credit adjusted discount factors after counterparty netting arrangements, has been adopted for interest rate swaps. The Trust's derivative financial instruments are classified as Level 1 (2025: Level 1). During the period, there were no transfers between Level 1, Level 2 or Level 3 in the fair value hierarchy (2025: nil).

Non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. The fair value of interest-bearing borrowings, including leases, are determined by discounting the remaining contractual cash flows at the relevant credit adjusted market interest rates at the reporting date.

(iii) Derecognition

The Trust derecognises a financial asset when substantially all the risks and rewards of ownership are transferred, or the contractual rights to the cash flows from the asset expire. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability. When a financial asset is derecognised in its entirety, the profit or loss recognised is calculated as the asset's carrying amount, less the consideration received or receivable plus the cumulative gain or loss recognised in other comprehensive income.

The Trust derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

E6. Financial instruments (continued)

(iv) Impairment of financial assets

The Trust recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments, lease receivables, and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Trust always recognises lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Trust's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Trust recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Trust measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Trust recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(v) Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Carrying amounts

The carrying amounts presented in the Statement of Financial Position relate to the following categories of assets and liabilities.

Financial assets measured at fair value through other comprehensive income

		2026			2025		
	Note	**Current $m**	**Non-current $m**	**Total $m**	Current $m	Non-current $m	Total $m
Derivative financial instruments	E6	**-**	**3.4**	**3.4**	-	-	-
Total		**-**	**3.4**	**3.4**	-	-	-

E6. Financial instruments (continued)

(vii) Carrying amounts (continued)

Financial assets measured at amortised cost

	Note	2026 Current $m	2026 Non-current $m	2026 Total $m	2025 Current $m	2025 Non-current $m	2025 Total $m
Cash and cash equivalents	E1	**102.6**	**-**	**102.6**	107.5	-	107.5
Trade and other receivables	C1	**45.9**	**24.3**	**70.2**	36.5	22.7	59.2
Investment in subsidiary	F4	**-**	**150.1**	**150.1**	-	150.1	150.1
Total		**148.5**	**174.4**	**322.9**	144.0	172.8	316.8

Financial liabilities measured at fair value through other comprehensive income

	Note	2026 Current $m	2026 Non-current $m	2026 Total $m	2025 Current $m	2025 Non-current $m	2025 Total $m
Derivative financial instruments	E5	**-**	**-**	**-**	-	4.1	4.1
Total		**-**	**-**	**-**	-	4.1	4.1

Financial liabilities measured at amortised cost

	Note	2026 Current $m	2026 Non-current $m	2026 Total $m	2025 Current $m	2025 Non-current $m	2025 Total $m
Trade and other payables	C2	**349.3**	**77.0**	**426.3**	338.0	84.1	422.1
Lease liabilities	E2	**6.0**	**127.2**	**133.2**	5.4	117.3	122.7
Interest bearing liabilities	E3	**-**	**671.7**	**671.7**	-	714.9	714.9
Other financial liabilities	E4	**3,614.3**	**-**	**3,614.3**	3,402.9	-	3,402.9
Total		**3,969.6**	**875.9**	**4,845.5**	3,746.3	916.3	4,662.6

E7. Reserves

(i) Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decreases relate to an increase on the same asset class previously recognised in the reserve.

(ii) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

Included in the cash flow hedge reserve is nil (2025: $0.4 million benefit) relating to the cost of hedging reserve. Changes in the fair value of the cash flow hedging instruments relating to the time value of money have been recognised in the cost of hedging reserve.

(iii) Restructure reserve

A group restructure or common control transaction is a business combination involving entities or businesses under common control in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Where the Trust acquires a business through a re-organisation transaction, the Trust has elected to account for the transaction using predecessor accounting, whereby the carrying amounts of the assets and liabilities transferred are those of the acquired entity based on the carrying value in the consolidated financial statements of the ultimate parent entity. The difference between the carrying value of the assets and liabilities transferred and consideration paid is recognised directly in equity in the restructure reserve.

In the previous financial years, the restructure reserve was created on the transfer to the Trust of:

- the assets and liabilities of McKenzie Aged Care Group on 1 May 2024;
- the assets and liabilities of Acacia Living Group on 1 November 2023; and
- the assets and liabilities of Allity on 1 December 2022.

(iv) Acquisition reserve

The acquisition reserve is recognised as part of the acquired assets and liabilities of Acacia Living Group Limited during the previous financial year. The acquisition reserve relates to the initial merger with ALG in 2021. The reserve represents the excess fair value of the net assets of Acacia Living Group over the net consideration paid on the date of the original merger.

E8. Trust corpus

The Trust was established by a Deed of Trust dated 13 December 1983 between the Returned Services League Queensland Branch as the Settlor and the Company as the Trustee. The Settlor paid an original endowment of $25 to the Company to establish the Trust. This initial trust corpus is not shown in the financial statements as all figures have been rounded to the nearest hundred thousand dollars.

F. Other items

This section sets out other disclosures that may be relevant to understanding the financial position and performance of the Trust.

F1. Commitments

The Trust had capital expenditure commitments of $62.1 million at 30 June 2026 (2025: $1.0 million).

F2. Contingent liabilities

A contingent liability is a possible obligation arising from past events which will only be confirmed by the occurrence or non-occurrence of future events not wholly within the control of the Trust or a present obligation arising from past events that is not probable or cannot be measured reliably. Contingent liabilities are not recognised.

The Trust has provided bank guarantees to third parties as guarantees of self-insurance liabilities and premises rental. The secured bank guarantees are subject to annual review. The value of bank guarantees issued as at the end of the financial year was $7.3 million (2025: $19.4 million).

During the year the ATO issued correspondence as part of a review into the tax treatment of a prior year transaction with a related entity (refer note B3). Whilst the ATO's review has not yet been finalised, based on the commercial basis for the transaction and input from management's independent technical experts, the Trust has assessed that the related Income tax receivable disclosed in the Statement of Financial Position is consistent with the probable outcome of the matter. Accordingly, no change has been made to the amount previously recorded.

F3. Related party transactions

(a) Key management personnel compensation

Key management personnel are the Directors and executives who collectively have the authority and responsibility for planning, directing and controlling the activities of the Trust. Key management personnel compensation of $5,361,824 (2025: $4,599,481) was recognised as an expense during the reporting period.

No Director or related party has entered into a material contract with the Trust since the end of the previous financial year and there are no material contracts involving Director's interests subsisting at year end. Directors and executives may have family members or relatives who utilise the services that the Trust provides. Such transactions are conducted at arm's length.

(b) Transactions with related parties

The immediate parent and ultimate controlling company of the Trust is RSL Care RDNS Limited, which is a related party of the Trust. There were no transactions between the Trust and RSL Care RDNS Limited during the year.

F3. Related party transactions (continued)

(b) Transactions with related parties (continued)

During the year, the Trust entered into the following trading transactions with related parties:

	2026 $'000	2025 $'000
Salary and wages expense recharge - Royal District Nursing Service Limited	**11,102**	8,571
Salary and wages expense recharge - RDNS Homecare Limited	**1,162**	(5,799)
Salary and wages expense recharge - Royal District Nursing Service New Zealand Limited	**196**	186
Salary and wages expense recharge - Scartwater (Aged Care) Trust	**-**	(351)
Expenses recovery - Royal District Nursing Service Limited	**6,424**	12,088
Expenses recovery - RDNS Homecare Limited	**112**	69
Expenses recovery - Your Choice Home Care	**188**	182
Expenses recovery - Scartwater (Aged Care) Trust	**198**	169
Net interest income on loans - RDNS Homecare Limited	**467**	411
Net interest expense on loans - Royal District Nursing Service Limited	**(2,641)**	(3,019)
Net interest expense on loans - Scartwater (Aged Care) Trust	**(528)**	(1,440)
Net interest income on loans - Altura Learning Group Holdings Pty Ltd	**8**	6

The working capital loan balances outstanding with related parties at the end of the year are disclosed in notes C1 and C2.

F4. Investment in subsidiary

	2026 $m	2025 $m
Investment in Allity	**601.5**	601.5
Return of capital	**(451.4)**	(451.4)
Total	**150.1**	150.1

F5. Interests in joint ventures

Name of joint venture	**Place of incorporation and operation**	**Proportion of voting power held by the Trust**	
		2026	2025
Armstrong Green Village Services Inc	Australia	30%	30%
Casey Grange Service Inc	Australia	30%	30%
Martha Bay Services Inc	Australia	30%	30%
Martha Cove Village Services Association Inc	Australia	30%	30%

Classification of joint ventures

Through the relevant Association Rules for each village association, the Trust obtains the right to appoint three voting members, and significant financial and operating decisions require unanimous consent of members. The Trust has determined that each interest is a joint venture and are accounted for using the equity method, but are not material individually or in aggregate, and therefore carrying values and share in profit and loss is not disclosed.

F6. Economic dependency

The Trust is dependent on government funding under the *Aged Care Act 1997 (C'th*) and from 1 November 2025, the *Aged Care Act 2024 (C'th)* for operation of its residential care facilities and community services packages.

F7. Remuneration of auditors

	2026 $'000	2025 $'000
Deloitte Touche Tohmatsu and related network firms		
Audit or review of financial report	**457**	468
Statutory assurance services required by legislation to be provided by the auditor	**110**	49
Other assurance and agreed-upon procedures under other legislation or contractual arrangements	**2**	2
Total services provided by Deloitte Touche Tohmatsu	**569**	519

Other auditors and their related network firms		
Audit of retirement village statements	**7**	6
Total services provided by other auditors	**7**	6

F8. Events subsequent to reporting date

On 16 October 2026, the Trust reduced its debt facility limit by $50.0 million, to $630.0 million. No adjustment has been made to the carrying value or disclosure as at 30 June 2026.

In the opinion of the Directors, no other item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report that is expected to significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust significantly.

Directors' Declaration

The Directors of the Trustee declare that:

1. The Financial Statements and Notes:

   a. comply with Australian Accounting Standards – Simplified Disclosures, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (C'th)* and the Trust Deed; and
   b. give a true and fair view of the Trust's financial position as at 30 June 2026 and of 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.

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



Mr Anthony Crawford
Chairman

Brisbane, 28 October 2026

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Independent Auditor's Report to the Board of RSL Care RDNS Limited, as the trustee of RSL (QLD) War Veterans' Homes Trust

Opinion

We have audited the financial report of RSL (QLD) War Veterans' Homes Trust (the "Entity"), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

a) Giving a true and fair view of the Entity's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

b) Complying with Australian Accounting Standards – Simplified Disclosures, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Entity in accordance with the auditor independence requirements of the ACNC Act and ethical requirements of the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board Limited (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 of RSL Care RDNS Limited, as the trustee of RSL (QLD) War Veterans' Homes Trust (the "directors") are responsible for the other information. The other information comprises the directors' report, for the year ended 30 June 2026, 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 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

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

In preparing the financial report, the directors are responsible for assessing the ability of the Entity 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 Entity or to cease operations, or has 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 director's 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 Entity'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 Entity 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.

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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.

Independence

We confirm that the independence declaration required by the ACNC Act, which has been given to the directors of RSL Care RDNS Limited, as the trustee of the RSL (QLD) War Veterans' Homes Trust, would be in the same terms if given to the directors as at the time of this auditor's report.

Yours faithfully,



DELOITTE TOUCHE TOHMATSU



Richard Wanstall
Partner
Chartered Accountants
Brisbane, 28 October 2026