Financial Report

Year ended 30 June 2025

Air Force Association WA Limited

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Independent Auditor's Report

To the Members of the Air Force Association WA Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Air Force Association WA Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

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 Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 Registered 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 Registered 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner – Audit & Assurance

Perth, 16 October 2025

Grant Thornton

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Auditor’s Independence Declaration

To the Directors of Air Force Association WA Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Air Force Association WA Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner – Audit & Assurance

Perth, 16 October 2025

Members of the Board of Directors are as follows:

Clive Robartson
Patrick Hall
Norm Waldie
Brett Dowsing
Charles Page
Kylie Russell
Denise Bowen
Wayne Belcher
Robert Stewart

Members of the Board have been in office since the start of the financial year to date of this report unless otherwise stated. During the year, the entity structure changed from an Association to a Public Company, Limited by Guarantee. On 13 June 2025 the entity went from Air Force Association (Western Australian Division) Incorporated to Air Force Association WA Limited where all members previous position was Division Council. All members remained and became Directors of Air Force Association WA Limited.

Company secretary
Surendra Rajendra, Certified Practicing Accountant, held the position of company secretary of Air Force Association WA Limited at the end of the financial year. He commenced this position on 13 June 2025.

Review of operations

The Company's operations for the financial year resulted in a net surplus of $20,760,000 (2024: surplus $9,635,000). This result includes fair value gain on investment properties recognised in Revenue from non-operating activities in the P&L.

Principal activities

During the financial year ended 30 June 2025, the Company provided the following services:

- Residential aged care
- Retirement living
- Community aged care
- Heritage museum
- Veteran advocacy
- Community support through philanthropic activities

Subsequent events
In July of this year the Australian government announced an update to the Aged Care Act and Support at Home program that will come into effect 1 November 2025. This update will introduce new subsidy revenue streams and stronger liquidity management for aged care providers. There has not been any other matter or circumstance subsequent to the financial year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future years.

(i) In the opinion of the Members of the Board of Directors of Air Force Association WA Limited ("RAAFA") the financial report is in accordance with the Australian Charities and Not-for-profit Commission Act 2012 and reporting requirements under the Corporations Act 2001, including;

(a) Presents a true and fair view of the financial position of Air Force Association WA Limited as at 30 June 2025 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Simplified Disclosures (including Australian Accounting Interpretations) of the Australian Standards Board.

(b) At the date of this statement, there are reasonable grounds to believe that Air Force Association WA Limited will be able to pay its debts as and when they fall due.

This statement is made in accordance with section 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013 and with a resolution of the Members of the Board of Directors and is signed for and on behalf of the Members of the Board of Directors by:

CLIVE ROBARTSON

NORMAN WALDIE

Dated 16 October 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For year ending 30 June 2025

	Notes	2025 $000's	2024 $000's
Revenue from ordinary activities			
Revenue from operating activities			
Residents' collections	2.1	26,753	19,585
Subsidies earned	2.1	51,259	47,696
Other operating revenue	2.1	6,001	7,246
		84,013	**74,527**
Revenue from non-operating activities			
Donations and bequests received		17	3
Accommodations charges received		10,579	9,167
Investment income	2.2	11,932	11,888
Fair value gain on investment properties	4.4	33,886	34,513
Fair value gain/(loss) on resident liabilities		3,159	(12,867)
Changes in fair value of financial assets		(31)	(41)
		59,542	**42,663**
Total revenue		**143,555**	**117,190**
Expenses from ordinary activities			
Expenses from operating activities			
Labour costs – salaries & wages		70,665	56,841
Maintenance and repair costs		2,998	2,849
Catering consumables		3,642	3,453
Other operating expenses		21,942	19,942
		99,247	**83,085**
Expenses from non-operating activities			
Depreciation building, plant and vehicles	4.1	5,035	5,424
Finance costs	2.3	7,385	7,177
Other non-operating expenses		11,033	11,869
		23,453	**24,470**
Total expenses		**122,700**	**107,555**
Net surplus / (deficit) from ordinary activities		**20,855**	**9,635**
Income tax expense		95	-
Net surplus / (deficit) after tax		**20,760**	**9,635**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Movements in estate surplus		(229)	(327)
Other comprehensive income for the year		**(229)**	**(327)**
Total comprehensive surplus for the year		**20,531**	**9,308**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For year ending 30 June 2025

	Notes	2025 $000's	2024 $000's
Assets			
Current assets			
Cash and cash equivalents	**3.1**	12,951	21,855
Trade receivables	**3.2**	1,176	1,276
Inventories	**3.3**	209	229
Other Assets	**3.4**	7,572	3,621
Financial assets at fair value through profit or loss	**2.5**	51,234	57,523
Total current assets		**73,142**	**84,504**
Non-current assets			
Other financial asset	**3.1**	1,000	1,000
Capital work in progress	**4.1**	50,323	11,926
Property, plant and equipment	**4.1**	127,860	130,622
Investment properties	**4.4**	593,819	545,055
Goodwill	**4.5**	4,324	-
Total non-current assets		**777,326**	**688,603**
Total Assets		**850,468**	**773,107**
Liabilities			
Current liabilities			
Trade and other payables	**3.5**	6,159	7,519
Employee benefits/provisions	**3.6**	8,940	7,517
Other liabilities	**3.7**	1,138	855
Refundable resident loans	**5.1**	447,105	421,582
Contract liability	**5.2**	3,482	1,218
Total current liabilities		**466,824**	**438,691**
Non-current liabilities			
Employee benefits/provisions	**3.6**	832	704
Other liabilities	**3.7**	2,937	3,128
Contract liability	**5.2**	9,241	6,926
NAB loan facility	**5.3**	30,000	3,555
Total non-current liabilities		**43,010**	**14,313**
Total liabilities		**509,834**	**453,004**
Net assets		**340,634**	**320,103**
Equity			
Reserves		49,409	49,409
Retained earnings	7.1	291,225	270,694
Total equity		**340,634**	**320,103**

This statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For year ending 30 June 2025

	Retained Earnings	Asset Revaluation Reserve	TOTAL
	$000's	$000's	$000's
Balance as at 30 June 2023	**261,386**	**49,409**	**310,795**
Profit for the year	9,635	-	9,635
Other comprehensive income	(327)	-	(327)
Balance as at 30 June 2024	**270,694**	**49,409**	**320,103**
Profit for the year	20,760	-	20,760
Other comprehensive income	(229)	-	(229)
Balance as at 30 June 2025	**291,225**	**49,409**	**340,634**

CONSOLIDATED STATEMENT OF CASH FLOW
For year ending 30 June 2025

	Notes	2025 $000's	2024 $000's
Cash Flows from operating activities			
Government operating subsidies		51,259	47,696
Rent, fees and charges		36,381	29,291
Donations and other receipts		17	3
Interest received - other		4,814	4,444
Interest paid - other		(219)	(185)
Payments to suppliers and employees		(100,428)	(80,203)
Net cash flows from/(used in) operating activities		**(8,176)**	**1,046**
Cash flows from investing activities			
Receipts from the sale of equity or debt instruments		34,740	41,746
Payments to acquire equity or debt instruments		(28,218)	(44,940)
Receipts from the sale of property, plant and equipment		2,227	1,768
Payments to acquire property, plant and equipment		(41,780)	(9,623)
Payments for investment property		(11,055)	(11,473)
Payments to acquire property, plant and equipment - Residential Care		(1,260)	(1,471)
Payments for subsidiaries	**7.6**	(4,664)	-
Payments for business acquisitions	**7.7**	(1,686)	-
Net cash (used in) investing activities		**(51,696)**	**(23,993)**
Cash flows from financing activities			
Receipts from loan facility		26,445	3,555
ILU - Ingoing contributions received		37,797	37,075
Accommodation Bonds/Refundable Deposits Received		31,777	33,155
(Refunded) Accommodation Bonds (ILU Bond)		(16,376)	(20,826)
(Refunded) Refundable Deposits/Entry Contributions (RAD)		(28,163)	(24,312)
Other Financing (Payments)		(512)	(327)
Net cash generated by financing activities		**50,968**	**28,320**
Net increase/(decrease) cash and cash equivalents		**(8,904)**	**5,373**
Cash and cash equivalents held at the beginning of the financial year		22,855	17,482
Cash and cash equivalents held at the end of the financial year	**3.1**	**13,951**	**22,855**

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

Corporate information

The financial statements cover the Air Force Association WA Limited (the Company) as an individual not-for-profit unlisted public company limited by guarantee. The registered office is located in Bowman Street, South Perth, Western Australia.

The nature and principal activities of the Company is the provision of residential aged care, retirement living, community aged care, an aviation museum, and supporting the community through philanthropic activities.

The financial statements were authorised for issue in accordance with a resolution of the members of Board of Directors on 16 October 2025.

Statement of compliance

The financial statements for the Company are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures ("AASB-SDRs") adopted by the Australian Accounting Standards Board (AASB) and the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012.*

Accounting policies are consistent with those disclosed in the Financial Report 2025, except for the impact of new accounting standards and interpretations. The policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The adoption of new standards and interpretations has not resulted in significant changes to the Company's accounting policies, unless disclosed below.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Company and the entities it controls (together the Group). For the purposes of preparing the consolidated financial statements, the Company is a not-for-profit entity.

These consolidated financial statements represent the first year that the Company has prepared consolidated accounts in accordance with AASB 10 Consolidated Financial Statements. In the prior year 30 June 2024, the Group did not control any subsidiaries and therefore presented only the stand-alone financial results of the Company.

Accordingly, the comparative information for the year ended 30 June 2024 reflects the parent entity only, whereas the current year 30 June 2025 reflects the consolidated results of the parent and its controlled entities from the date of acquisition.

Comparative figures have not been restated to reflect the acquisition, consistent with the requirements of AASB 3 Business Combinations and AASB 101 Presentation of Financial Statements.

Additionally, these consolidated financial statements have been prepared on an accrual basis, except for certain financial instruments, investment properties and land and buildings that were measured at fair value through profit or loss.

Currency

All values are presented in Australian dollars, rounded to the nearest thousand dollars ($000's), unless stated otherwise.

Comparative information

The financial statements provide comparative information in respect of the previous period. The reclassification of items in the financial statements of the previous period was made in accordance with the classification of items in the financial statements of the current period. Such reclassifications do not affect previously reported profit or equity. These changes have been made to improve the comparability of information presented.

Going concern

The financial statements were prepared on a going concern basis; notwithstanding, the Company has a net current asset deficiency position of $391,332,000 as at 30 June 2025 (2024: $354,187,000) based on the following considerations. The net current deficiency arises due to the classification of refundable accommodation deposits, accommodation bonds and independent living unit entry contributions as a current liability in compliance with AASB 101 *Presentation of Financial Statements* due to the absence of an unconditional right to defer settlement of those liabilities for at least twelve months following balance date.

However:

1. In practice, when an outgoing resident's refundable accommodation deposit or accommodation bond is refunded, it is typically offset by the receipt of a new refundable accommodation deposit from an incoming resident. This practice helps maintain the facility's financial stability and ensures a steady cash flow.
2. In practice, as resident loans less applicable deferred facility fees for outgoing residents are paid at the time of settlement for incoming residents, the cash inflow will always exceed the cash outflow to the departing resident.
3. The Company has a negative operating cash flow.

Based on historical experience, the Board believes that any liabilities due to residents vacating accommodation will be replaced by new resident ingoing contributions and refundable accommodation deposits. Additionally, the Board of Directors believes that it is highly improbable that the outstanding liabilities will be required to be wholly settled within the next 12 months.

The Board of Directors also recognises the economic dependency on Commonwealth funding of the care operations of the Company. After considering all available current information, the Board of Directors have concluded that there are reasonable grounds to believe that the Company 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.

Significant estimates and judgement:

Management continually evaluates the key judgements, assumptions and estimates based on historic experience, various other assumptions and expectations of future events that may have an impact on the Company. All estimates, judgments, assumptions made are believed to be reasonable based on all current information known and available to management.

Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are found in the following notes:

Note 2.1	Revenue recognition including deferred management fee, investment income and government funding	Page 14
Note 3.7	Employee provisions	Page 19
Note 4.1	Property Plant and Equipment recognition and useful life	Page 20
Note 4.2	Impairment of non-current assets	Page 21
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Note 4.5	Goodwill impairment	Page 23
Note 5.1	Refundable Accommodation Deposits, Entry Loans & Accommodation Bonds	Page 24

2.1 Revenue and other income

	2025 $000's	2024 $000's
Revenue		
Resident income	26,753	19,585
Government revenue	51,259	47,696
Other operating income		
Donation income	256	2,150
Other	5,745	5,096
Closing balance at 30 June	**84,013**	**74,527**

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (GST). The following specific recognition criteria must also be met before revenue is recognised:

Resident income
Residents are charged a basic daily fee as a contribution to the provision of care and accommodation. The quantum of resident basic daily fees is regulated by the Government and typically increases in March and September each year. Resident basic daily fee revenue is recognised over time as services are provided. Residents are invoiced on a fortnightly basis payable in advance.

Government revenue
Government revenue reflects the Company's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents. Government revenue comprises of basic subsidy amounts calculated in accordance with the Australian National Aged Care Classification funding model (AN-ACC), accommodation supplements, short term 'respite' residents and other Government incomes. Revenue is recognised over time as services are provided. Funding claims are submitted monthly and Government revenue is paid at the start of the month in which the services have been performed for Residential Care.

Deferred management fee (DMF)
DMF revenue associated with occupancy of independent living units is calculated with regard to the terms and conditions specified in the signed Resident Agreement. Where the lease term does not match the payment terms in the Resident Agreement, a contract liability is raised and recognised over a straight-line basis over the average length of the life of lease (10.35 years). The Company has estimated an average length of the life of leases based on historical experience, and industry information.

Interest income
Interest income is recognised on an accrual basis using the effective interest rate method ("EIR") where appropriate. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Imputed lease income on RAD's under AASB 16 leases
Total revenue includes the provision of accommodation that is accounted for in accordance with AASB 16 Leases.
The accounting treatment for the non-cash consideration component of this arrangement is expected to change and result in the recognition of an increase in revenue for accommodation and an increase in financing costs relating to the outstanding RAD liability, with no net impact on the operating profit for the periods affected.

In the Statement of profit or loss and other comprehensive income, an amount of $7,112,854 (2024: $6,941,744) has been included and an additional interest cost (imputed interest charge on RAD's and Bonds) of $7,112,854 (2024: $6,941,744) with $nil impact on the net profit for the financial year.

Investment income
Investment income is recognised when the right to receive the payment is established.

2.1 Revenue and other income (cont.)

Donation income
Donation income is recognised when the Company obtains control, the economic benefit is probable, and the donation can be reliably measured.

Other
Income arising from accommodation bonds, concessional rent subsidies and accommodation charges, relating to the provision of capital facilities is brought to account as non-operating income.

2.2 Investment income

	2025 $000's	2024 $000's
Interest from banking deposits	1,081	1,209
Investment income from managed funds	3,738	3,737
Imputed income from RAD balances under AASB 16	7,113	6,942
Closing balance at 30 June	**11,932**	**11,888**

2.3 Finance costs

	2025 $000's	2024 $000's
Other interest costs	11	30
Investment expenses from managed funds	261	205
Imputed interest on RAD balances under AASB 16	7,113	6,942
Closing balance at 30 June	**7,385**	**7,177**

2.4 Income tax

No provision for income tax was recognised for the Company as it is a registered charity and is exempt from income tax under Division 40 of the *Income Tax Assessment Act 1997*. However, with the acquisition of CJ&R Enterprises Pty Ltd (Note 7.6) during the year, this entity is for profit and will have a provision for income tax and recognised in the consolidated financial statements.

2.5 Financial assets at fair value through profit or loss

	2025 $000's	2024 $000's
Opening balance at 1 July	57,523	53,828
Contributions	6	180
Withdrawals	(9,754)	-
Gain/(loss) on measurement to fair value	228	819
Investment income	3,439	2,901
Expenses to manage fund	(208)	(205)
Closing balance at 30 June	**51,234**	**57,523**

Recognition and measurement
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if their acquisition is for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are initially recognised and subsequently re-measured in the statement of financial position. Net gain/(loss) in fair value are presented through profit or loss.

2.6 Financial Instruments measured at fair value

The financial instruments recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

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

At 30 June 2025, the financial instruments classified using a fair value hierarchy is as follows:

	Level 1 $000's	**Level 2 $000's**	**Level 3 $000's**	**Total $000's**
Resident accommodation bonds, RADs and loans	-	447,105	-	447,105
Financial assets	51,234	-	-	51,234
	51,234	**447,105**	-	**498,339**

Year ended 30 June 2024

	Level 1 $000's	**Level 2 $000's**	**Level 3 $000's**	**Total $000's**
Resident accommodation bonds, RADs and loans	-	421,582	-	421,582
Financial assets	57,523	-	-	57,523
	57,523	**421,582**	-	**479,105**

3.1 Cash and cash equivalents

	2025 $000's	2024 $000's
Cash at bank and on hand	4,792	9,130
Cash on short term deposit	8,159	12,725
Closing balance at 30 June	**12,951**	**21,855**

Cash and cash equivalents in the statement of financial position comprise of cash at bank, and short-term deposits with a maturity of three months or less.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposit earn interest at fixed rates, based on the exiting rate of interest and restricted cash is held in a term deposit. Deposit terms vary depending on the cash requirements of the Company.

Restricted cash
The Company holds bank guarantees of $1,000,000 (2024: $1,000,000) as deposits for the conditions required from the purchase of Challenger Court Estate.

3.2 Trade and other receivables

Trade receivables	2025 $000's	2024 $000's
Current		
Residents fees	1,209	1,344
Provision for expected credit losses	(33)	(68)
Closing balance at 30 June	**1,176**	**1,276**

Trade and other receivables are non-interest bearing. The average credit period on resident and other receivables are 30 days. The Company does not hold any collateral over these balances. As there has not been significant change in credit quality, the other receivables are still considered recoverable.

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Company uses a provision matrix to calculate the expected credit loss (ECL) for client receivables. The provision rates are based on days past due grouped by customer segments that have similar loss patterns (i.e. by product and customer type). The ECL provision matrix is based on the Company's historical observed default rates, adjusted with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3.3 Inventories

	2025 $000's	2024 $000's
Catering supplies	166	175
Museum supplies	43	54
Closing balance at 30 June	**209**	**229**

Inventories are measured at the lower of cost and current replacement cost. Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

3.4 Other assets

	2025 $000's	2024 $000's
Goods and services tax recoverable	1,006	376
Prepayments	1,998	1,184
Other receivables	4,568	2,061
Closing balance at 30 June	**7,572**	**3,621**

3.5 Trade and other payables

	2025 $000's	2024 $000's
Trade payables	2,270	1,814
Sundry payables and accruals	3,625	5,438
Income in advance	264	267
Closing balance at 30 June	**6,159**	**7,519**

Payables are recognised when the Company becomes obliged to make future payments as a result of a purchase of assets or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

Trade and sundry payables are non-interest bearing and there is no interest rate exposure. The Company's exposure to liquidity risk related to trade and sundry payable is disclosed in Note 6.1. The credit terms on trade and sundry payables are between 7 and 30 days.

3.6 Employee benefits

	2025 $000's	2024 $000's
(a) Payable within 12 months:		
Employee entitlements – Annual leave	6,560	5,368
– Long service leave	2,380	2,149
	8,940	**7,517**
(b) Payable after 12 months:		
Employee entitlements – Long service leave	832	704
	832	**704**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year after the end of the reporting period in which the employees render the related services are recognised as long-term employee benefits. They are measured at the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees at balance date.

Contributions to defined contribution superannuation plans are expensed when employees have rendered services entitling them to the contribution.

Long service leave is measured at the present value of the benefits accumulated up to the end of the reporting period. The liability is discounted using an appropriate discount rate.

3.7 Other liabilities

	2025 $000's	2024 $000's
(a) Payable within 12 months:		
Sinking funds	1,138	855
Closing balance at 30 June	**1,138**	**855**
(b) Payable after 12 months:		
Loans from members	24	307
Other liabilities	2,913	2,821
Closing balance at 30 June	**2,937**	**3,128**

4.1 Property, Plant and Equipment

	Freehold land at fair value	Buildings at fair value	Work in progress	Museum exhibits at cost	Plant, equipment and motor vehicles at cost	Software & IT at cost	Total
	$000's	$000's	$000's	$000's	$000's	$000's	$000's
2024							
Balance as at 30 June 2023	24,451	128,768	3,034	506	8,205	8,150	173,114
Additions	5	26	9,410	14	3,403	353	13,211
Disposals	-	-	-	-	(2,011)	-	(2,011)
WIP Transfers	-	-	(518)	-	278	240	-
Balance as at 30 June 2024	24,456	128,794	11,926	520	9,875	8,743	184,314
Accumulated Depreciation							
Balance as at 30 June 2023	-	28,742	-	-	2,326	5,362	36,430
Disposals	-	-	-	-	(87)	-	(87)
Depreciation expenses	-	3,476	-	2	892	1,053	5,423
Balance as at 30 June 2024	-	32,218	-	2	3,131	6,415	41,766
Net book value							
Balance as at 30 June 2024	**24,456**	**96,576**	**11,926**	**518**	**6,744**	**2,328**	**142,548**
2025							
Balance as at 30 June 2024	24,456	128,794	11,926	520	9,875	8,743	184,314
Additions	-	69	45,262	-	4,197	375	49,903
Disposals	-	-	-	-	(2,577)	-	(2,577)
WIP Transfers	-	141	(6,865)	-	-	16	(6,708)
Balance as at 30 June 2025	24,456	129,004	50,323	520	11,495	9,134	224,932
Accumulated Depreciation							
Balance as at 30 June 2024	-	32,218	-	2	3,131	6,415	41,766
Disposals	-	-	-	-	(52)	-	(52)
Depreciation expenses	-	3,431	-	2	890	712	5,035
Balance as at 30 June 2025	-	35,649	-	4	3,969	7,127	46,749
Net book value							
Balance as at 30 June 2025	**24,456**	**93,355**	**50,323**	**516**	**7,526**	**2,007**	**178,183**

Capitalisation/ expensing of assets
Items of property and plant and equipment costing over $2,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property and plant and equipment costing less than $2,000 are expensed direct to the statement of profit or loss (other than where they form part of a group or similar items which are significant in total).

Initial recognition and measurement
Land is measured at fair value. Buildings are measured at fair value less accumulated depreciation and any impairment in value. Fair value measurement is based on periodic, but at least every five years, valuations by external independent valuers, less subsequent depreciation for buildings. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses. Work in progress is stated at cost, net of accumulated impairment losses, if any.

Subsequent measurement
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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred.
Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset

4.1 Property, Plant and Equipment (cont.)

previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed.

A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset. The Company exercises judgement in considering the active market prices of transactions for properties of similar nature, location, and condition to determine the fair value of freehold land and buildings.

Work in progress
Work in progress is measured on the cost basis and represents the construction of assets and other ongoing projects. Once the construction of the asset is completed or on completion of the project, work in progress will be capitalised accordingly.

Depreciation
The depreciable amount of all plant and equipment is depreciated on a straight-line basis over the useful lives of the assets to the Company commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation Rate
Plant & equipment and motor vehicles	5 – 10 years (10-20%)
Buildings	40 years (2.5%)
Computers, IT equipment & software	3 – 5 years (20-33%)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. Where the depreciation rates or methods changed, the change is applied prospectively. The net written down value of the asset is depreciated at the new depreciation rate or in accordance with the new method from the date of the change.

The gain or loss arising on disposal or retirement of an items of property, plant and equipment is the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Museum exhibit assets
All museum exhibit assets are measured at cost and are included within Plant, equipment and motor vehicles at cost category. Individual exhibits were professionally valued by Australian Valuations and completed in March 2025. Resulting in valuation of these specified museum exhibit assets being $15,105,000.

4.2 Impairment of assets

At reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indicators exit, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than the carrying amount, the carrying amount is reduced to its recoverable amount and an impartment loss is recognised in the statement of profit or loss.

Where the impairment loss subsequently reverses, the carrying amount of the asset or cash generating-unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been recorded had no impairment loss been previously recognised. A reversal of an impairment loss is recognised in the statement of profit or loss.

4.3 Valuations

The Company has adopted a five-year valuation cycle, with all sites valued at 30 June 2022 by an independent valuer, Property Valuation & Advisory (WA). Valuations were independent market valuations determining fair value by reference to market-based evidence, which is the amounts by which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable seller in an arm's length transaction at the valuation date.

4.4 Investment properties

Fair value	$000's
Opening balance at 1 July 2023	510,542
Additions during the year	-
Gain/(loss) in fair value re-measurement of investment properties	34,513
Balance at 30 June 2024	**545,055**
Opening balance at 1 July 2024	545,055
Additions during the year	14,878
Gain/(loss) in fair value re-measurement of investment properties	33,886
Balance at 30 June 2025	**593,819**

4.4.1 Retirement village units

The Company provides over 1,400 independent living units ("ILU's") under the Retirement Villages Act. The estates holding the units are located in Western Australia and cover a wide geographic area from Merriwa to Albany. This accommodation is provided primarily as a service to retired people and is held to produce rental income and capital appreciation, but not for sale in the ordinary course of business.

Other investment properties comprise of investment land and buildings held to produce rental income and capital appreciation, but not for sale in the ordinary course of business.

Recognition and measurement

Investment properties are measured initially at cost, including transaction costs, and subsequently stated at fair value. The carrying amount includes the cost of replacing part of an investment property when that cost is incurred if it is probable that future economic benefits embodied within the item will flow to the Company, and that cost can be measured reliably. All other costs are recognised in the statement of profit or loss as an expense.

Subsequent to initial recognition, investment properties are measured at fair value, being the estimated price that would be received on sale in an orderly transaction between market participants at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in the statement of profit or loss in the year in which they arise.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and not future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the period of derecognition.

Key judgement: Investment properties:

The Group exercises its judgement in considering the active market prices of transactions for properties of similar nature, location, and condition to determine the fair value of investment properties.

4.5 Goodwill

	2025 $000's	2024 $000's
Carrying amount (at cost)		
Gross carrying amount	4,324	-
Accumulated impairment losses	-	-
Closing balance	**4,324**	-

Movement in carrying amount	
Balance as at 1 July 2024	-
Arising from business combinations	4,324
Impairment losses	-
Closing balance at 30 June 2025	**4,324**

Impairment losses		
Impairment losses recognised in profit or loss during the period (i)	-	-

(i) No impairment indicated in the reporting date.

As part of assessing impairment of Goodwill arising from the business combination, management is required to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

One of the key areas involving judgement and estimation uncertainty relates to the assessment of impairment of non-financial assets (including goodwill and intangible assets).

Impairment Testing

The Group performs an impairment assessment of goodwill and other non-financial assets with indefinite useful lives at least annually, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Key judgements and estimates applied in impairment testing include:

- Identification of Cash-Generating Units (CGUs): The determination of CGUs requires management judgement in assessing the level at which largely independent cash inflows are generated.
- Value in Use vs. Fair Value Less Costs of Disposal: Management considers whether to determine recoverable amount using value in use or fair value less costs of disposal, based on the availability of information and relevance to the business. In this case, Value in Use was used due to the availability of information and relevance to the business.
- Forecast Cash Flows: Future cash flows are based on the most recent budgets and forecasts approved by management. These cash flows reflect management's expectations of future performance, market conditions and industry trends.
- Discount Rates: Discount rates are derived from the Group's weighted average cost of capital (WACC), adjusted to reflect specific risks relating to the CGU being tested. Rates considered in this calculation include risk-free rates driven by RBA data, equity risk premiums from available public information and application of specific risk premium based on a risk profile of the Home Care business where impairment is being tested.
- Growth Rates and Terminal Value: Cash flow projections beyond the forecast period incorporate a terminal value using a long-term growth rate that is consistent with long-term industry expectations. These are consistent to current economic growth within the industry and state.
- Sensitivity Analysis: Management assesses the impact of reasonably possible changes in key assumptions (e.g., discount rates, forecast cash flows, and growth rates) to determine whether such changes would result in impairment.

Management believes that the assumptions used are reasonable and supportable, however, changes in these assumptions could cause the carrying amount of assets to differ materially in future periods.

5.1 Refundable accommodation deposits, entry loans & accommodation bonds

As noted below, subject to selected agreements, refundable Accommodation Deposits (RAD's), Entry loans and Accommodation Bonds paid by residents occupying the Company's retirement living or residential care facilities are initially recorded at the face value of the amounts received and subsequently shown net of any Deferred Management Fee in accordance with the resident's agreement and any other amounts deducted from them at the election of the resident. These contributions are non-interest bearing and repayable on departure.

Due to the nature of the agreements at selected Orion and Mirage units, residents are entitled to the fair value uplift (if any) upon discharge, payable by the new ingoing resident.

Based on historical experience. Management estimates that only a portion of the total balance will become due in next 12 months.

5.1.1 Refundable resident loans

	2025 $000's	2024 $000's
Refundable accommodation deposits/bonds	87,281	83,732
ILU refundable ingoing deposits & loans	359,824	337,850
Closing balance at 30 June	**447,105**	**421,582**

RAD's, referred to as accommodation bonds prior to 1 July 2014, are paid by some residents of aged care facilities. When a resident leaves the aged care facility, the RAD is repaid in full less any agreed retention or draw down. Terms and conditions of these bonds and deposits are prescribed by legislation and disclosed within residents' agreements.

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 / accommodation bond balances as they fall due in the following twelve months.

Ingoing contributions at fair value relate to the lease for life villages and represent the refundable entry contributions received from residents. The refundable entry contribution plus any change in the fair value of the unit at the exit date, less deferred management fees and other charges as set out in the resident agreement is paid to the resident upon the sale of the unit.

Ingoing contributions at fair value are classified as financial liabilities at fair value through profit or loss and any fair value adjustments are recognised in the statement of profit or loss. The liability is presented net of deferred management fees accrued as the Company has a legal right of offset.

ILU refundable ingoing deposits and loans are measured based either on market value (selected Orion and Mirage units) or based on the initial ingoing contribution.

5.2 Contract liabilities

	2025 $000's	2024 $000's
Arising from ILU contracts	12,723	8,144
Current	3,482	1,218
Non-current	9,241	6,926
Closing balance at 30 June	**12,723**	**8,144**

A contract liability arises in respect to the Company's ILU contract as the contract recognises the deferred management fee payments at a higher rate over the first three years of the contract and then a reduced rate is recognised over the remaining five years. The contract liability is raised and recognised over a straight-line basis over the average length of the life of lease (10.35 years).

5.3 NAB facility

	2025 $000's	2024 $000's
NAB facility drawdown	30,000	3,555

In August 2023, the Company entered into a $30 million Corporate Markets Loan with NAB (the Lender) to fund future development of facilities. The interest rate applicable to this Facility is the Bank Bill Swap Bid Rate (BBSY) plus the Funding Margin plus the Drawn margin based on the most recent Compliance Certificate delivered by the Company to the Lender. Financial covenants of the facility determine the Company must not exceed a Loan to Value Ratio of 65%. The Company meets the financial covenant requirement at 30 June 2025. The Facility matures in March 2028.

As at 30 June 2025, the full facility of $30,000,000 was drawn down for the funding towards project payments.

5.4 Bank guarantees held

The Company holds two bank guarantees ($1,106,262 each) with construction provider Georgiou Group Pty Ltd (Georgiou).

In accordance with the requirements of the construction contract, the first bank guarantee – Performance is to be returned to Georgiou at the time of practical completion, currently mid-September 2025. The second bank guarantee – Maintenance is to be returned to Georgiou at the time of final completion following the 12-month defects liability period (estimated to be June 2026). Refer to note 3.1 for bank guarantees issued by the Company.

6.1 Financial Risk Management

The Company has exposure to credit risk, concentration risk, liquidity risk and interest rate risk from the use of financial instruments.

This note provides information about the Company's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial statement.

The Executive Leadership Team has overall responsibility for the establishment and oversight of the risk management framework. Procedures are in place to identify and analyses the risks faced by the Company, set appropriate risk limits and controls, and to monitor risks and controls.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including funds on deposit.

Concentration risk

The Company manages counterparty concentration risk by diversifying its term deposits exposure across multiple financial institutions.

Interest risk

The Company is exposed to interest rate risk primarily on cash and cash equivalents. The Company actively monitors interest rates for cash at bank and on deposit to maximise interest income.

	2025 **$000's**	**2024** **$000's**
Increase in profit and loss (100 basis points)	130	219
(Decrease) in profit and loss (100 basis points)	(130)	(219)

Liquidity risk

Liquidity risk is the risk that an entity will not be unable to meet its financial obligations as they fall due. The Company mitigates liquidity risk by maintaining adequate reserves in accordance with the liquidity policy, monitoring cash flows and matching the maturity profile of financial assets and liabilities. The table below reflects all contractually fixed payouts and receivables for settlement, repayment and interest resulting from financial assets and liabilities. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2025.

Maturity analysis of financial assets and liabilities are based on management's expectation.

Year Ended 30 June 2025	**< 6 Months** **$000's**	**6 - 12 Months** **$000's**	**1 - 5 Years** **$000's**	**> 5 Years** **$000's**	**Total** **$000's**
Financial Assets					
Cash and Cash equivalents	12,951	-	-	-	12,951
Trade Receivables	1,209	-	-	-	1,209
Financial Assets	51,234	-	1,000	-	52,234
Other Assets	7,738	-	43	-	7,781
	73,132	-	**1,043**	-	**74,175**
Financial Liabilities					
Trade and Other Payables	6,160	-	-	-	6,160
Resident Bonds/ RADs and ILU Loans	33,647	13,741	193,846	205,871	447,105
	39,807	**13,741**	**193,846**	**205,871**	**453,265**
Net Maturity	**33,325**	**(13,741)**	**(192,803)**	**(205,871)**	**(379,090)**

6.1 Financial Risk Management (cont.)

Year Ended 30 June 2024	< 6 Months $000's	6 - 12 Months $000's	1 - 5 Years $000's	> 5 Years $000's	Total $000's
Financial Assets					
Cash and Cash equivalents	21,855	-	-	-	21,855
Receivables	1,344	-	-	-	1,344
Financial Assets	57,523	-	1,000	-	58,523
Other Assets	3,788	-	62	-	3,850
	84,510	-	**1,062**	-	**85,572**
Financial Liabilities					
Trade and Other Payables	7,519	-	-	-	7,519
Resident Bonds/ RADs and ILU Loans	31,062	17,405	178,459	194,656	421,582
	38,581	**17,405**	**178,459**	**194,656**	**429,101**
Net Maturity	**45,929**	**(17,405)**	**(177,397)**	**(194,656)**	**(343,529)**

7.1 Retained Surplus

	2025 $000's	2024 $000's
Balance at beginning of financial year	270,694	261,386
Surplus/(deficit) movement for year	20,760	9,635
Payments/adjustments to retained surplus	(229)	(327)
Net movement	20,930	9,308
Closing balance at 30 June	**291,225**	**270,694**

Payments/Adjustments to Retained Surplus are substantially made up of credits to resident accounts out of estate surpluses for the year ended 30 June 2025.

7.2 New Accounting Standards and Interpretations not yet mandatory or early adopted.

Adoption of new and revised Accounting Standards

The Company adopts all the new and revised Standards and Interpretations issued by the AASB that are relevant to the operations and that are effective for the current annual reporting period.

Standards and interpretations issued not yet adopted

A few Australian Accounting Standards, Interpretations and Amendments have been issued but are not yet effective and have not been applied in preparing these financial statements.

These standards apply to annual periods beginning on or after 1 July 2025 and are expected to be initially applied to the Company in the financial year ending 30 June 2026/2027. The Group will assess the effect of these standards and the transition method to be adopted.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments	1 January 2026	30 June 2026
AASB 18 Presentation and Disclosure in Financial Statement	1 January 2027 1 January 2028	30 June 2027

The accounting policies set out in the notes have been applied in preparing the consolidated financial statements for the year ended 30 June 2025. The accounting policies have been consistently applied unless otherwise stated.

7.3 Expenditure Commitments

Estimated capital expenditure contracted for, at balance sheet date, but not provided for:

	2025 $000's	2024 $000's
No later than one year	16,629	36,923

For completion of RAAFA's Stirling apartments at Air Force Memorial Estate (AFME) contracted with Georgiou.

7.4 Contingencies

Contingent liabilities relate to actual or potential claims of the Company that have arisen in the ordinary course of business, the outcome of which cannot be foreseen at present and for which no amounts are provided for in the statement of financial position. Bank Guarantees relating to restricted cash are held as per note 4.1 Cash and Cash Equivalents.

At 30 June 2025, the Company is not aware of any outstanding issues that are contingent to a potential future liability.

7.5 Auditors Remuneration

	2025	2024
Remuneration of the auditor of the Company for;	**$000's**	**$000's**
Auditing the financial report – prior years	95	92
Other Services	10	3
	105	**95**

7.6 Business Combinations

Acquisition of CJ&R Enterprises Pty Ltd trading as Perth Care Companion Company (Perth CCC).

On 4th October 2024, the Company completed the acquisition of CJ&R Enterprises Pty Ltd to acquire 100% of the shares of the entity.

Perth CCC provide a diverse range of in-home care services tailored to support individuals who prefer to stay in the comfort of their own home. The acquisition is aligned with the Company's strategy to expand our home care services and grow the Company.

	$000's
Cash Consideration	4,000
Costs incurred in relation to the acquisition	164
Contingent consideration	500
Total Consideration	**4,664**

The acquisition includes contingent consideration which includes two milestones to be met, the Company has evaluated to be highly probable. These milestones are contingent on employee retention and sales performance for the 2025 financial year.

Assets acquired and liabilities assumed at the date of acquisition	**$000's**
Current assets	
Cash at Bank	197
Trade and other receivables	644
Prepayments	60
Non-current assets	
Property bond	9
Current liabilities	
Employee entitlements	(114)
Trade and other payables	(412)
Payments to Directors	(44)
Total identifiable assets acquired and liabilities assumed	340
Goodwill	4,324
Total Consideration	**4,664**

The Goodwill arising from the acquisition is considered to enhance the Company's capability to service the existing markets through a combination of service offerings and access to new markets with potential for future growth.

The $4 million cash consideration was paid on the transaction on 27th September 2024.

7.7 Asset Acquisitions

While the purchase of Alexandra Village contains the various inputs and outputs, no significant processes have been transferred as part of the transaction. The Company has accounted for the transaction as an asset acquisition when control is transferred to the Company.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on a bargain purchase is recognised in profit or loss immediately. Acquisition-related costs form part of the consideration paid for the acquisition, and where this consideration paid exceeds the net asset value, the excess is allocated to the identifiable assets acquired.

Acquisition of Alexandra Village
On 30th May 2025, The Company acquired 100% of the operations of the Alexandra Village.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of Alexandra Village as at the date of acquisition were:

	Fair value recognised on acquisition
	$000's
Investment Property	13,019
Total assets	**13,019**
ILU refundable ingoing deposits & loans	13,019
Total Liabilities	**13,019**
Total identifiable net assets at fair value	**0**
Consideration paid	(1,850)
Acquisition costs	(8)
Purchase consideration transferred	**1,858**

	Cashflow on acquisition
	$000's
Cash acquired (Residents reserve fund)	172
Cash paid	(1,858)
Net cashflow on acquisition	**(1,686)**

7.8 Parent Entity Information

As at 30 June 2025 the parent entity within the Group is Air Force Association WA Limited.

The following information relates to the results and financial position of the parent entity:

Statement of Financial Position

	2025	2024
Assets	**$000's**	**$000's**
Current assets	78,186	84,504
Non-current assets	772,000	688,603
Total assets	**850,186**	**773,107**
Liabilities		
Current liabilities	466,570	438,691
Non-current liabilities	43,010	14,313
Total liabilities	**509,580**	**453,004**
Equity		
Reserves	49,409	49,409
Retained Earning	291,197	270,694
Total Equity	**340,606**	**320,103**

Statement of Profit or Loss and Other Comprehensive Income

Profit for the year	20,735	9,635
Other comprehensive income	(229)	(327)
Total comprehensive income	**20,506**	**9,308**

7.9 Segment Information

The company has the following business segments

	Community		Residential aged care		Retirement		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Fee income	6,187	-	9,931	9,592	10,635	9,993	-	-	26,753	19,585
Government funding	598	661	50,661	47,035	-	-	-	-	51,259	47,696
Other segment revenue	1,207	943	10,472	5,094	9,244	7,241	44,620	36,631	65,543	49,909
Total segment revenue	**7,992**	**1,604**	**71,064**	**61,721**	**19,879**	**17,234**	**44,620**	**36,631**	**143,555**	**117,190**
Interest	-	-	11	30	-	-	198	11	209	41
Depreciation, amortisation & impairment	-	-	3,568	3,579	115	132	1,382	1,713	5,065	5,424
Other segment expenses	8,220	1,778	62,798	53,969	19,759	21,454	26,744	24,889	117,521	102,090
Total segment cost	**8,220**	**1,778**	**66,377**	**57,578**	**19,874**	**21,586**	**28,324**	**26,613**	**122,795**	**107,555**
Overhead allocation	**181**	**98**	**3,885**	**3,868**	**1,084**	**1,039**	**(5,150)**	**(5,005)**	**-**	**-**
Segment result	**(409)**	**(272)**	**802**	**275**	**(1,078)**	**(5,391)**	**21,446**	**15,023**	**20,760**	**9,635**
Segment assets	**715**	**13**	**5,284**	**19,995**	**685,671**	**650,178**	**158,798**	**102,921**	**850,468**	**773,107**
Segment liabilities	**768**	**228**	**87,515**	**89,634**	**378,993**	**345,765**	**42,558**	**17,377**	**509,834**	**453,004**

7.10 Related Party disclosures

(a) The Board of Air Force Association WA Limited during the financial year were:

Directors

Mr Clive Robartson
Mr Patrick (Pat) Hall
Mr Norman (Norm) Waldie
Mr Brett Dowsing
Mr Charles Page
Dr Kylie Russell
Ms Denise Bowen
Mr Wayne Belcher
Mr Robert Stewart

Remuneration was not paid to members of the Board from Air Force Association WA Limited in the financial year.

(b) The following related party transactions occurred during the year:

(i) Other related parties - There is a current member of the Board that is also a resident of the Independent Living Units at Bull Creek. They pay the monthly maintenance fee and other associated fees in accordance with the standard contract terms at arm's length. During FY25, the total paid was $8,388 with $78 outstanding as at 30 June 2025. All amounts outstanding at 30 June 2025 were subsequently paid. In addition, a resident liability was raised on entry to the estate of $545,000 which has been fully paid.

(c) Executive Management Personnel

Michelle Fyfe	Chief Executive Officer
Suresh Rajendra	Chief Financial Officer and Company Secretary
Tonia Zeeman	Chief Operating Officer
Lisa Hawkins	Chief People Officer
Gloria Davis	Chief Information Officer
Aaron Crowther	Chief Customer & Community Officer

(d) Amounts paid to key management personnel $1,930k (2024: $2,178k).

7.11 Subsequent events

In July of this year the Australian government announced an update to the Aged Care Act and Support at Home program that will come into effect 1 November 2025. This update will introduce new subsidy revenue streams and stronger liquidity management for aged care providers. There has not been any other matter or circumstance subsequent to the financial year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future years.

7.12 Additional information

The principal place of business is as follows:

Air Force Association WA Limited
Corporate Office
18 Bowman Street
South Perth
WA 6151