



ADVANTAGED CARE
ENJOY THE EXCELLENCE

**ADVANTAGED CARE 2 PTY LIMITED AS
TRUSTEE OF THE PRESTONS LODGE TRUST**

ABN: 32 390 268 817

NAPS ID: 21659



GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

NAPS ID: 21659

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For Publication

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

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DIRECTORS' REPORT

The directors of the Trustee Company Advantaged Care 2 Pty Ltd as Trustee for the Prestons Lodge Trust "The Trust" present this report on the Trust for the financial year ended 30 June 2025.

Directors

The following persons held office of director during the year or since the end of the year:

- Michael Kresner
- Marie Greene
- John Freedman

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

Principal activities

The principal activity of the Trust during the financial year was the operation of an aged care facility.

Review of operations

The profit of the Trust for the financial year amounted to \$472,597 (2024: \$561,317).

The Trust has a positive operating cash flow and a sound liquidity position at 30 June 2025. The Trust also maintains a liquidity management strategy to ensure that it has sufficient liquidity to enable it to refund RADs and accommodation bonds that are expected to fall due within the next year. Accordingly, the financial report has been prepared on a going concern basis.

Significant changes in the state of affairs

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

Industry reform and changes

The aged care sector continues to undergo a period of significant reform and change including:

- September 2024 Australian Government's response to the Aged Care Taskforce's final report to support a more sustainable and viable sector. The recommendations which have been enacted into legislation effective 1 November 2025 (implementation delayed from 1 July 2025) are expected to have a positive financial impact including the re-introduction of RAD retentions;
- Mandated care minutes increased to an average of 215 care minutes per resident per day from 1 October 2024, including 44 minutes from a registered nurse (RN). Enrolled nurses (EN) can contribute up to 10% of the RN requirement;
- Ability to charge a RAD of up to \$750,000 (increased from \$550,000) without approval from the Independent Health and Aged Care Pricing Authority (IHACPA) from 1 January 2025;
- The strengthened Aged Care Quality Standards to be implemented under the new Aged Care Act; and
- Introduction of the new Support at Home Program in November 2025.

Events after the reporting period

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

Likely developments and expected results of operations

Likely developments in the operations of the Trust and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Trust.

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

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DIRECTORS' REPORT (CONTINUED)

Environmental regulation

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

Indemnity and insurance of officers

The Trustee Company indemnifies the Directors and executive officers of the Trustee Company against liability incurred in their capacity as an officer of the Company, except as may be prohibited by law.

Premiums have been paid by Advantaged Care Pty Ltd as Trustee for Head Office Trust, which covers The Trust's corporate beneficiaries Directors' and officers' to insure each of the Directors and officers of the Company against certain liabilities incurred by them arising out of their conduct while acting in the capacity of Directors or officers of the Company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premiums.

Indemnity and insurance of auditor

The Trust has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Trust or any related entity against a liability incurred by the auditor.

During the financial year, the Trust has not paid a premium in respect of a contract to insure the auditor of the Trust or any related entity.

Proceedings on behalf of the Trust

No person has applied for leave of Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The Trust was not party to any such proceedings during the year.

Rounding of amounts

The Trust is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 207C of the Corporations Act 2001 is set out on page 4.

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

Director: _____

Mr Michael Kresner

Dated this 29th day of October 2025

**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ADVANTAGED CARE 2 AS TRUSTEE FOR THE PRESTONS LODGE TRUST**

I hereby declare that to the best of my knowledge and belief, during the financial year ended 30 June 2025 there have been:

- (i) No contraventions of the audit independence requirements as set out in the Corporations Act 2001 in relation to the audit,
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit, and
- (iii) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Name of Firm:

Goodwin Chivas & Co.
Goodwin Chivas & Co Pty Ltd

Name of Director:

Wayne Pobje

Wayne Pobje (Registered Company Auditor 319517)

Address:

Level 4, Suite 401, 29-31 Solent Circuit
Norwest NSW 2153

Dated this 19th day of March 2026

Goodwin Chivas & Co. Pty Ltd

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ABN 24 090 597 649

Liability limited by a scheme approved under Professional Standards Legislation

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

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

	NOTE	2025 \$	2024 \$
Total Revenue	4	21,096,856	21,223,229
		<hr/>	<hr/>
		21,096,856	21,223,229
		<hr/>	<hr/>
Expenses			
Employee benefits expenses		13,894,576	13,334,102
Depreciation and amortisation expenses		1,637,624	998,341
Finance costs		724,569	650,968
Rent expense		1,705,199	3,152,267
Other expenses		2,662,291	2,526,234
		<hr/>	<hr/>
Total expenses		20,624,259	20,661,912
		<hr/>	<hr/>
Profit before income tax expense		472,597	561,317
		<hr/>	<hr/>
Income tax expense		-	-
		<hr/>	<hr/>
Total comprehensive income		472,597	561,317
		<hr/>	<hr/>

The accompanying notes form part of these financial statements

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

	NOTE	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	5	978,771	425,909
Trade and other receivables	6	45,009,082	44,077,143
Prepayments		104,148	80,079
TOTAL CURRENT ASSETS		46,092,001	44,583,131
NON-CURRENT ASSETS			
Property, plant and equipment	7	350,912	388,737
Right to use asset	12	5,268,451	6,810,439
TOTAL NON-CURRENT ASSETS		5,619,363	7,199,176
TOTAL ASSETS		51,711,364	51,782,307
CURRENT LIABILITIES			
Trade and other payables	8	6,375,048	6,184,567
Borrowings	9	4,587,251	4,114,962
Employee entitlements	10	813,419	782,024
Lease liability	12	1,478,955	1,352,816
Bonds and deposits	11	33,997,718	33,497,910
TOTAL CURRENT LIABILITIES		47,252,391	45,932,279
NON-CURRENT LIABILITIES			
Employee entitlements	10	322,361	234,465
Lease liability	12	4,136,602	5,615,553
TOTAL NON-CURRENT LIABILITIES		4,458,963	5,850,018
TOTAL LIABILITIES		51,711,354	51,782,297
NET ASSETS		10	10
EQUITY			
Settlement capital		10	10
TOTAL EQUITY		10	10

The accompanying notes form part of these financial statements

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

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

	Settlement Capital \$	Distributable Surplus \$	Total \$
Balance at 1 July 2023	10	-	10
Profit for the year	-	561,317	561,317
Trust distribution	-	(561,317)	(561,317)
Balance at 30 June 2024	10	-	10
Balance at 1 July 2024	10	-	10
Profit for the year	-	472,597	472,597
Trust distribution	-	(472,597)	(472,597)
Balance as at 30 June 2025	10	-	10

The accompanying notes form part of these financial statements

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		21,511,092	18,605,295
Payments to suppliers & employees		(19,598,552)	(19,592,445)
Interest received		(365,094)	1,076,054
Other income		-	968,529
Finance costs		(455,499)	(468,528)
Net Cash provided by Operating Activities		1,091,947	588,905
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(57,810)	(84,181)
Net Cash used in Investing Activities		(57,810)	(84,181)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans to related entities		(981,083)	(3,095,274)
Proceeds from refundable accommodation deposits		499,808	660,608
Net Cash provided by/(used in) Financing Activities		(481,275)	(2,434,666)
Net increase/(decrease) in cash held		552,862	(1,929,942)
Cash and cash equivalents at the beginning of financial year		425,909	2,355,851
Cash and cash equivalents at the end of financial year	5	978,771	425,909

The accompanying notes form part of these financial statements

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

NAPS ID: 21659

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

The financial statements cover the economic entity of Advantaged Care 2 Pty Limited as Trustee of the Prestons Lodge Trust (NAPS ID 21659) as an individual entity. Advantaged Care 2 Pty Limited as Trustee of the Prestons Lodge Trust (NAPS ID 21659) is a discretionary Trust, established and domiciled in Australia.

The financial statements and notes represent those of Advantaged Care 2 Pty Ltd as trustee for the Prestons Lodge Trust. Advantaged Care Pty Ltd 2 as trustee for the Prestons Lodge Trust is the approved provider which operates Advantaged Care at Prestons Lodge (RACS ID1038).

NOTE 1 REISSUED FINANCIAL STATEMENTS (ASIC RG 85)

These financial statements replace the financial statements originally issued on 29 October 2025.

They have been reissued to amend Note 6: Trade and other Receivables, Note 9: Borrowings and Note 17: Related Party Transactions to:

No changes have been made to the financial statements other than those described above.

The directors have reissued the Directors' Declaration, and the auditor has issued an updated auditor's report in connection with these reissued financial statements.

NOTE 2 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies that are material to the Trust are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Trust has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(a) Going concern

The Trust is in a net current asset deficiency position. This deficiency principally arises due to refundable accommodation deposits ("RADs") being recorded as current liabilities as required under Australian Accounting Standards. However, in practice, RADs that are repaid are generally replaced by RADs from incoming residents in a short timeframe. The Trust generated positive cash flows from operating activities of \$1,091,947 during the year (2024: \$588,905). Undrawn syndicated loan facilities of \$2,000,000 are also available should they need to be drawn. Based on the cash flow forecast for the next 12 months, the Trust will be able to pay its debts as and when they fall due and payable. Accordingly, the financial statements have been prepared on a going concern basis.

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

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

NOTE 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Impact of Climate Change on the Financial Statements

The impact of climate change has been considered in preparing the financial statements for the year ended 30 June 2025. Whilst noting the Trust's commitment to sustainability, there has not been a material impact on the financial reporting judgements and estimates at 30 June 2025, based on the Trust's considerations to date of the impact of climate-related risks and opportunities on its operations, assets and financial performance.

(c) 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.

Plant and Equipment

Plant and Equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors of the Trustee Company to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate	Basis
Plant and Equipment	20%- 40% per annum	Declining balance
Computer Equipment	40%- 50% per annum	Prime cost

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Operational Places and Intangibles

Available operational places

An 'available operational place' refers to a place that was allocated and has since become available for a person to receive residential aged care, being commonly referred to as "operating places" or "bed licences." In previous periods, available operational places were assessed as having an indefinite useful life as they are issued for an unlimited period. However, in May 2021 the Australian Government announced that there will be no further Aged Care Approval Rounds (ACAR).

In accordance with Accounting Standards and the guidelines issued by the Australian Securities and Investments Commission ("ASIC"), the Trust has fully amortised the value of its operational places as at 30 June 2024.

The deregulation of operational places presents new opportunities for Advantaged Care 2 Pty Ltd as Trustee for the Prestons Lodge Trust to invest in geographic areas previously not open to the Trust, and most likely increase competition around quality of care, service and accommodation. This presents an advantage to providers such as Advantaged Care 2 Pty Ltd as Trustee for the Prestons Lodge Trust who have a strong balance sheet and access to capital to further develop the sector.

Transitional arrangements are in place for residential aged care providers until the expected commencement of the new Aged Care Act on 1 November 2025. Under the transitional arrangements, residential aged care providers who do not hold allocated operational places can apply for residential care places if they are bed-ready and can demonstrate their ability to meet the needs of potential residents in the community.

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

NOTE 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Leases

Right-of-Use Assets

The Trust recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Trust is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are tested for impairment.

Lease Liabilities

At the commencement date of the lease, the Trust recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Trust uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Previously, the Trust recognised an operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

(f) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either, fair value, amortized cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuations techniques are adopted.

Amortised Cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortization of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

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

NOTE 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial Instruments (continued)

measured at fair value with changes in carrying value being included in profit or loss. The Trust did not hold financial assets at fair value though profit or loss either in the current or comparative financial period.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-To-Maturity Investments

Held-To-Maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Trust's intention to hold these investments to maturity. They are subsequently measured at amortized cost.

Held-to-maturity investments are in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Trust sold or reclassified more than insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

The Trust did not hold any held-to-maturity investments in the current or comparative financial period.

(iv) Available-For-Sale Financial Assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortized cost.

Fair Value

Fair value is the amount at which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair value is determined based on current bid price for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models unless the range of reasonable fair value estimates is significant and the probabilities of various estimates cannot be reasonably assessed, in which case such instruments are measured at cost.

Impairment

At the end of each reporting period, the Trust assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged or significant decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

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

NOTE 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial Instruments (continued)

Financial Guarantees

Where material, financial guarantees issued, that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortization in accordance with AASB 118: Revenue.

Derecognition

Financial assets are derecognised when the contractual right of receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) Impairment of Assets

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

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

(h) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(i) Provisions

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

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

(j) Cash and Cash Equivalents

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

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

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

NOTE 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Trade Receivables

With respect to resident fees, trade receivables are recognised when residents are billed for accommodation fees in advance. For all other sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less a provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(l) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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

Revenue recognition relating to the provision of services to residents including residents' fees and government subsidies is determined with reference to services performed and where outcome of the contract can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable. All revenue is stated net of the amount of goods and services tax (GST).

Government grants which are monetary in nature are recognised when the Trust has reasonable assurance that all conditions attached to the grant will be met and the grant will be received. The monetary grant is recognised at an amount equivalent to what will be received. These amounts are included in revenue. Included in revenue is Government grants of \$NIL (30 June 2024: \$968,529).

(m) Trade and Other Payables

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

(n) Refundable Accommodation Deposits (RADs)

A Refundable Accommodation Deposit ('RAD') is a non-interest-bearing deposit paid or payable to an Approved Provider by a resident for the resident's accommodation in an aged care home.

Prior to 1 July 2014, lump sum RADs were referred to as accommodation bonds. 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.

RADs are refunded after a resident departs a home in accordance with the Aged Care Act 1997. RAD refunds are guaranteed by the Australian Government under the prudential standards legislation. Approved Providers are required to have sufficient liquidity to ensure they can refund RAD balances as they fall due in the following twelve months. Providers are also required to implement and maintain a liquidity management strategy. 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 portion 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. Tenure can be more than

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

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

NOTE 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(n) Refundable Accommodation Deposits (RADs) (continued)

ten years but averages approximately three years. Usually (but not always), when an existing RAD is repaid it is replaced by a new RAD from an incoming resident.

RADs and accommodation bonds are recognised initially at fair value (being the cash received) and subsequently measured at amortised cost using the effective interest rate method. Due to the short-term nature of RADs, their carrying value at balance date approximates their fair value.

(o) Borrowing Costs

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

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

(p) Good and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flow arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in the receipts from customers or payments to suppliers.

(q) Comparative Figures

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

Where the Trust has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

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

NOTE 3 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Key Estimates

Estimation of useful lives of assets

The Trustee Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Trustee Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Trustee Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Trustee Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

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

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

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

	2025 \$	2024 \$
NOTE 4 REVENUE		
Patient care revenue	18,740,333	17,533,083
Interest income	2,356,523	2,721,617
Covid 19 Income	-	968,529
	<u>21,096,856</u>	<u>21,223,229</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Major product lines

Patient care	18,740,333	17,533,083
	<u>18,740,333</u>	<u>17,533,083</u>

Geographical regions

Australia	18,740,333	17,533,083
	<u>18,740,333</u>	<u>17,533,083</u>

Timing of revenue recognition

Services transferred over time	18,740,333	17,533,083
	<u>18,740,333</u>	<u>17,533,083</u>

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

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

	2025	2024
	\$	\$
NOTE 5 CASH AND CASH EQUIVALENTS		
Cash on hand	2,000	2,000
Cash at bank	976,771	423,909
	<u>978,771</u>	<u>425,909</u>
NOTE 6 TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	868,915	818,385
Other receivables	163,267	262,939
<i>Loans receivable from related parties:</i>		
Interest-bearing loans (unsecured)	31,416,594	31,129,389
Interest-free loans (unsecured)	10,236,256	9,542,380
	<u>41,652,850</u>	<u>40,671,769</u>
Trust distribution receivable from related parties	2,324,050	2,324,050
	<u>45,009,082</u>	<u>44,077,143</u>

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

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

	2025 \$	2024 \$
NOTE 7 PROPERTY, PLANT AND EQUIPMENT		
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	791,873	752,861
Less: accumulated depreciation	(586,160)	(535,357)
	205,713	217,504
Computer equipment:		
At cost	192,815	186,328
Less: accumulated depreciation	(180,609)	(174,029)
	12,206	12,299
Furniture and fittings:		
At cost	872,812	863,433
Less: accumulated depreciation	(771,396)	(749,036)
	101,416	114,397
Low value pool:		
At cost	397,780	394,848
Less: accumulated depreciation	(369,595)	(354,079)
	28,185	40,769
Leasehold Improvement		
At cost	5,233	5,233
Less: accumulated depreciation	(1,841)	(1,465)
	3,392	3,768
	350,912	388,737

Movements in Carrying Amounts

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

	Plant and Equipment \$	Computer Equipment \$	Furniture and Fittings \$	Low Value Pool \$	Leasehold Improvement \$	Total \$
Balance at 1 July 2024	217,504	12,299	114,397	40,769	3,768	388,737
Additions	39,012	6,487	9,379	2,932	-	57,810
Depreciation expense	(50,803)	(6,580)	(22,360)	(15,516)	(376)	(95,635)
Balance at 30 June 2025	205,713	12,206	101,416	28,185	3,392	350,912

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

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

	2025	2024
	\$	\$
NOTE 8 TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	5,603,563	5,615,224
Accrued expenses	771,485	569,343
	<u>6,375,048</u>	<u>6,184,567</u>
NOTE 9 BORROWINGS		
<i>Loans payable to related parties:</i>		
Interest-free loans (unsecured)	22,588	22,588
Unpaid present entitlements	4,564,663	4,092,374
	<u>4,587,251</u>	<u>4,114,962</u>
NOTE 10 EMPLOYEE ENTITLEMENTS		
CURRENT		
Annual leave	813,419	782,024
NON-CURRENT		
Long service leave	322,361	234,465
	<u>1,135,780</u>	<u>1,016,489</u>
Provision for Employee Benefits		
A provision has been recognised for employee entitlements relating to annual leave and long service leave for employees. The measurement and recognition criteria for employee benefits have been discussed in Note 2.		
NOTE 11 BONDS AND DEPOSITS		
Accommodation bonds and refundable accommodation deposits	<u>33,997,718</u>	<u>33,497,910</u>

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

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

	2025 \$	2024 \$
NOTE 12 RIGHT TO USE ASSET AND INTEREST-BEARING LIABILITIES		
Right to use asset – at cost	7,709,931	7,709,931
Less: Accumulated depreciation	(2,441,480)	(899,492)
	5,268,451	6,810,439
CURRENT		
Lease liabilities	1,478,955	1,352,816
NON-CURRENT		
Lease liabilities	4,136,602	5,615,553
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	1,688,381	1,621,884
One to five years	4,362,352	6,050,733
More than five years	-	-

Additions to the right-of-use assets during the year were \$NIL and depreciation charged to profit or loss was \$1,541,988.

The building lease is for the aged care facility, has 3.5 years remaining and has a 5 year option extension at the discretion of the Trust

NOTE 13 SEGMENT INFORMATION

The approved provider delivers only residential aged care services and these general-purpose financial statements therefore relate only to such operations.

NOTE 14 EVENTS AFTER THE REPORTING PERIOD

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

NOTE 15 KEY MANAGEMENT PERSONNEL DISCLOSURES

The aggregate compensation made to directors and other members of key management personnel of the Trust is set out below:

Aggregate compensation	-	-
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ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

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

	2025 \$	2024 \$
NOTE 16 AUDITOR REMUNERATION		
During the financial year the following fees were paid or payable for services provided by Goodwin Chivas & Co, the auditor of the Trust:		
<i>Audit services – Goodwin Chivas & Co</i>		
Audit of the financial statements	23,300	33,374
<i>Other services - Goodwin Chivas & Co</i>		
Other services	5,000	7,124
NOTE 17 RELATED PARTY TRANSACTIONS		
Transactions with Related Parties		
<i>Key management personnel</i>		
Disclosures relating to key management personnel are set out in note 15.		
<i>Transactions with related parties</i>		
(a) Transactions with related parties:		
Interest income from related parties	1,807,659	1,917,928
Interest expense to related parties (includes interest paid to beneficiaries and other related entities)	(335,986)	(358,447)
Payment for services from related parties (includes rent paid to related parties and other services)	(4,466,031)	(5,215,682)
During the year, the trust has entered into a lease arrangement with a related party under terms and conditions that are not at arm's length. These arrangements involve the charging of rent amounts above market rates, which differ from the pricing that would apply in a similar transaction with an independent party.		
Management has determined that these arrangements serve to advance the collective objectives of the related parties involved, rather than rental income being on commercial terms.		
These transactions have been accounted for in accordance with Australian Accounting Standard AASB 124 "Related Party Disclosures", with any impact on the fair presentation of financial position or performance duly considered.		
(b) Receivable from related parties:		
Interest-bearing loans (unsecured)	31,416,594	31,129,389
Interest-free loans (unsecured)	10,236,256	9,542,380
Trust distribution receivable from related parties	2,324,050	2,324,050
(c) Payable to related parties:		
Interest-free loans (unsecured)	22,588	22,588
Unpaid present entitlements	4,564,663	4,092,374

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

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

NOTE 18 TRUST DETAILS

The registered office of the Trust is:

Advantaged Care 2 Pty Limited

As Trustee of the Prestons Lodge Trust (RACS ID 1038)

Suite 2, 6 Faraday Road

Padstow NSW 2211

The principal place of business of the Trust is:

Advantaged Care 2 Pty Limited

As Trustee of the Prestons Lodge Trust (RACS ID 1038)

18 Melaleuca Place

Prestons NSW 2170

For Publication

ADVANTAGED CARE 2 PTY LTD AS TRUSTEE FOR THE PRESTONS LODGE TRUST

ABN: 32 390 268 817

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DIRECTORS' DECLARATION

The directors of the Trustee Company declare that:

1. The financial statements and notes are in accordance with the financial reporting requirements of the *Corporation Act 2001* and
 - (a) comply with Australian Accounting Standards, including other authoritative pronouncements of the Australian Accounting Standards Board; and
 - (b) give a true and fair view of the financial position as at 30 June 2025 and of the performance of the Trust for the year ended on that date.
2. In the director's opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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

Director



Mr Michael Kresner

Dated this

19th day of March 2026

For Publication

**INDEPENDENT AUDIT REPORT
TO ADVANTAGED CARE 2 PTY LIMITED AS TRUSTEE FOR
THE PRESTONS LODGE TRUST**

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Advantaged Care 2 Pty Limited as Trustee for the Prestons Lodge Trust which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the director's declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects the financial position of Advantaged Care 2 Pty Limited as Trustee for the Prestons Lodge Trust as at 30 June 2025 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Simplified Disclosures.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia, and we have 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 audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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 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.

Goodwin Chivas & Co. Pty Ltd

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ABN 24 090 597 649

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**INDEPENDENT AUDIT REPORT
TO ADVANTAGED CARE 2 PTY LIMITED AS TRUSTEE FOR
THE PRESTONS LODGE TRUST**

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.
- Conclude on the appropriateness of management'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 appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Goodwin Chivas & Co.

Goodwin Chivas & Co Pty Ltd
Chartered Accountants



Wayne Pobje (Registered Company Auditor 319517)
Director
Suite 401, 29-31 Solent Circuit, Norwest NSW 2153

Dated this 19th day of March 2026

Goodwin Chivas & Co. Pty Ltd

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