Carino Care Pty Limited and Subsidiaries

Consolidated Financial Statements

For the Year Ended 30 June 2025

Carino Care Pty Limited and Subsidiaries

Contents

For the Year Ended 30 June 2025

Carino Care Pty Limited and Subsidiaries

Directors' Report
30 June 2025

The directors present their report on Carino Care Pty Limited and Subsidiaries for the financial year ended 30 June 2025.

1. General information

Carino Care Pty Ltd subsidiaries include Carino Management Services Pty Ltd, Carino Hospitality Services Pty Ltd, Carino at Oatley Pty Ltd, Carino at Russell Lea Pty Ltd, Carino at Rockdale Pty Ltd and Carino at Sylvania Pty Ltd.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:
Dr. James Grealy
Tonia Fridlis
Lorraine Patricia Knight

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

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Principal activities

The Group's principal activity of the Company during the financial year was the provision of residential aged care services in Australia. There were no significant changes in the activities of the Company during the financial year.

2. Operating results and review of operations for the year

Operating results

The surplus of the Company after providing for income tax amounted to $ 1,541,327 (2024: $ (1,409,287)) (deficit). The Company generated an EBITDA for the year ended 30 June 2025 amounting to $4,495,054 (2024: $3,727,701).

	2025	2024
	$	$
Surplus (deficit) after income tax	**1,910,578**	(1,409,287)
Depreciation and amortisation	**-**	1,649,337
EBITDA	**1,910,578**	240,050

Dividends paid or recommended

There were no dividends paid or declared during the current or previous financial year.

Options

No options over issued shares or interests in the company were granted during or since the end of the year and no options were outstanding at the date of this report.

Directors' Report

30 June 2025

2. Operating results and review of operations for the year

Options

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

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

Likely developments and results

Information on likely developments in the operations of the Company 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 Company.

Environmental regulations

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Carino Care Pty Limited and Subsidiaries.

Proceedings on behalf of company

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

The company was not a party to any such proceedings during the year.

Directors' Report
30 June 2025

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2025 has been received and can be found on page 4 of the consolidated financial report.

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

Director: ....
Dr. James Grealy

Dated 23 October 2025

accountants + auditors

accountants + auditors

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CARINO CARE PTY LIMITED AND CONTROLLED ENTITIES

As lead auditor for the audit of Carino Care Pty Limited and controlled entities for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MGI Audit Pty Ltd

S C Greene
Director

Brisbane

23 October 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2025

		Consolidated	
		2025	2024
	Note	$	$
Revenue from continuing operations	4	**33,602,497**	29,798,429
Expenses			
Employee benefits expense	5	**(22,095,251)**	(19,978,511)
Impairment loss of bed licences		**-**	(2,216,594)
Depreciation and amortisation		**(1,380,564)**	(1,649,337)
Finance expenses	5	**(1,203,912)**	(1,271,056)
Other expenses	5	**(7,012,192)**	(6,092,218)
Total expenses		**(31,691,919)**	(31,207,716)
Surplus (deficit) before income tax		**1,910,578**	(1,409,287)
Income tax expense	6	**-**	-
Surplus (deficit) after income tax expense for the year attributable to the owners of Carino Care Pty Limited		**1,910,578**	(1,409,287)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year attributable to the owners of Carino Care Pty Ltd		**1,910,578**	(1,409,287)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As At 30 June 2025

	Note	Consolidated 2025 $	2024 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**13,156,023**	9,357,588
Trade and other receivables	8	**2,377,524**	1,961,669
Other assets	9	**269,110**	161,923
TOTAL CURRENT ASSETS		**15,802,657**	11,481,180
NON-CURRENT ASSETS			
Property, plant and equipment	10	**838,460**	732,873
Intangible assets	11	**46,788**	94,962
Right-of-use assets	12	**18,627,184**	19,653,599
TOTAL NON-CURRENT ASSETS		**19,512,432**	20,481,434
TOTAL ASSETS		**35,315,089**	31,962,614
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**710,739**	1,520,131
Borrowings	14	**1,403,430**	1,696,833
Lease liabilities	12	**644,402**	610,782
Provisions	16	**1,719,925**	1,322,559
Other liabilities	15	**35,324,727**	32,319,602
TOTAL CURRENT LIABILITIES		**39,803,223**	37,469,907
NON-CURRENT LIABILITIES			
Lease liabilities	12	**20,341,872**	20,986,273
Provisions	16	**85,382**	332,400
TOTAL NON-CURRENT LIABILITIES		**20,427,254**	21,318,673
TOTAL LIABILITIES		**60,230,477**	58,788,580
NET ASSETS		**(24,915,388)**	(26,825,966)
EQUITY			
Issued capital	17	**100**	100
Retained earnings		**(24,915,488)**	(26,826,066)
		(24,915,388)	(26,825,966)
TOTAL EQUITY		**(24,915,388)**	(26,825,966)

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2025

2025

	Issued capital	Accumulated losses	Total
	$	$	$
Balance at 1 July 2024	**100**	**(26,826,066)**	**(26,825,966)**
Profit (Loss) after income tax for the year	**-**	**1,910,578**	**1,910,578**
Balance at 30 June 2025	**100**	**(24,915,488)**	**(24,915,388)**

2024

		Consolidated	
	Ordinary Shares	Retained Earnings	Total
	$	$	$
Balance at 1 July 2023	100	(25,416,779)	(25,416,679)
Profit (Loss) after income tax for the year	-	(1,409,287)	(1,409,287)
Balance at 30 June 2024	100	(26,826,066)	(26,825,966)

The accompanying notes form part of these financial statements.

Carino Care Pty Limited and Subsidiaries

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2025

	Note	Consolidated 2025 $	Consolidated 2024 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers including government grants		**31,726,385**	32,260,476
Payments to suppliers and employees		**(29,009,936)**	(29,780,964)
Interest received		**596,520**	356,267
Interest and other finance costs paid		**(59,038)**	(94,532)
Net cash provided by/(used in) operating activities	25	**3,253,931**	2,741,247
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		**19,818**	-
Payments to acquire property, plant and equipment		**(429,125)**	(323,956)
Payments to acquire intangible assets		**(2,255)**	(140,852)
Net cash provided by/(used in) investing activities		**(411,562)**	(464,808)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds of RAD's, RAC's and accommodation bonds		**3,005,125**	2,739,166
Net proceeds (payments) of related party loans		**(293,403)**	665,331
Repayment of lease liabilities		**(1,755,656)**	(1,707,341)
Net cash provided by/(used in) financing activities		**956,066**	1,697,156
Net increase/(decrease) in cash and cash equivalents held		**3,798,435**	3,973,595
Cash and cash equivalents at beginning of year		**9,357,588**	5,383,993
Cash and cash equivalents at end of financial year	7	**13,156,023**	9,357,588

The accompanying notes form part of these financial statements.

General Information

The consolidated financial report covers Carino Care Pty Limited and Subsidiaries ("the Company") as an individual entity. Carino Care Pty Limited and Subsidiaries is a for-profit proprietary Company, incorporated and domiciled in Australia.

Carino Care Pty Limited is a company limited by shares.

The functional and presentation currency of Carino Care Pty Limited and Subsidiaries is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the consolidated financial statements and Directors' Report have been rounded to the nearest thousand dollars.

The financial report was authorised for issue by the Directors on 23 October 2025.

1 Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures, the Age Care Act 1997 and the Corporations Act 2001 as appropriate for-profit oriented entities.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements except cash flow information have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policy information is consistent with prior reporting periods unless otherwise stated.

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 Company'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.

2 Material Accounting Policy Information

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Carino Care Pty Ltd subsidiaries include Carino Management Services Pty Ltd, Carino Hospitality Services Pty Ltd, Carino at Oatley Pty Ltd, Carino at Russell Lea Pty Ltd, Carino at Rockdale Pty Ltd and Carino at Sylvania Pty Ltd. Carino and Care Pty Ltd, as the accounting parent.

The financial statements of the subsidiaries are prepared using consistent accounting policies and for the same reporting period as the parent company. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

2 Material Accounting Policy Information

(b) Parent information

In accordance with the Corporations Act 2001, these financial statements present the results of the Company only. Supplementary information about the parent entity is disclosed in note 29.

(c) Income tax

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

(d) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

2 Material Accounting Policy Information

(e) Revenue and other income

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

For each contract with a customer, the company:

1. identifies the contract with a customer;

2. identifies the performance obligations in the contract;

3. determines the transaction price which takes into account estimates of variable consideration and the time value of money;

4. allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered;

5. and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

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 Aged Care Funding Instrument (‘ACFI’), accommodation supplements, funding for short-term ‘respite’ residents and other Government incomes.

Revenue is recognised over time as services are provided. Funding claims are submitted/updated daily and Government revenue is usually payable with approximately one month of services having been performed.

Resident

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 monthly basis and revenue is usually payable within 30 days.

2 Material Accounting Policy Information

(e) Revenue and other income

Specific revenue streams

Other resident

Other resident revenue represents other fees charged to residents in respect of care and accommodation services provided by the Company and includes means tested care fees, Daily Accommodation Payment (DAP)/Daily Accommodation Contribution (DAC) revenue, additional services revenue and other income.

Other resident revenue is recognised over time as services are provided. Residents are invoiced on a monthly basis and revenue is usually payable within 30 days.

Other operating revenue

Other operating revenue comprises aged care bond retention amounts and other sundry revenue. Revenue is recognised over time as services are provided. Residents are typically invoiced on a monthly basis and revenue is usually payable within 30 days.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax.

(f) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST. 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 in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

2 Material Accounting Policy Information

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses

(i) Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Classifications are determined by both:

- the entities business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets

2 Material Accounting Policy Information

(i) Financial instruments

Financial assets
Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Financial liabilities

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(j) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

(k) Property, plant and equipment

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

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

2 Material Accounting Policy Information

(k) Property, plant and equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Leasehold Improvements	Lease term
Plant and Equipment	3 - 7 years
Furniture, Fixtures and Fittings	2 - 10 years
Motor Vehicles	3 years
Computer Equipment	2 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(l) Intangible assets

Indefinite life intangible assets are not amortised and are measured at cost less any impairment**.**

Bed licences

Bed licences are classified as intangible assets with indefinite useful life. Bed licences are measured at fair value as at the date of acquisition. Following initial recognition, the licences are not amortised but are measured at cost less any accumulated impairment losses. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. Bed licences are tested for impairment annually as at 30 June and when circumstances indicate that the carrying value may be impaired.

Prior to 1 October 2021, bed licences for aged care facilities were assessed as having an indefinite useful life as they were issued for an unlimited period and therefore were not amortised. Following on the government announcement in 2021 that the residential aged care bed licence and the Aged Care Approval Rounds will be abolished from 1 July 2024, the carrying amount of bed licences are impaired annually until the full balance of the bed licence is derecognised as at 30 June 2024.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

2 Material Accounting Policy Information

(l) Intangible assets

Amortisation

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment loss of intangibles

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value in use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Accommodation Bonds/ Refundable Accommodation Deposits (RADs)

Accommodation Bonds

Liabilities are recorded in respect of accommodation bonds received by residents who were admitted to low care accommodation prior to 1 July 2014. The recorded amount represents the amounts received less any retention and interest amount due in accordance with the terms of the bond agreement in compliance with the Aged Care Act 1997 (Cth).

The retention amount is calculated based on the entry anniversary date each month. Accommodation bond liabilities are classified as current liabilities as the entity does not have the unconditional right to defer settlement for at least 12 months after the reporting date. The obligation to settle could occur at any time.

Refundable Accommodation Deposits (RADs)

Liabilities are recorded in respect of RADs received by residents upon their admission after 1 July 2014. The carrying amount represents the amount received from residents. RADs are classified as current liabilities as the entity does not have the unconditional right to defer settlement for at least 12 months after the reporting date. The obligation to settle could occur at any time which is dependent upon resident death or departure.

2 Material Accounting Policy Information

(o) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(p) Leases

At inception of a contract, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

- At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).
- The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

2 Material Accounting Policy Information

(p) Leases

Measurement and recognition of leases as a lessee

- Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

- Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

- The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

(q) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(r) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick 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. Non-accumulating sick leave is expensed to profit or loss when incurred. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is 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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

2 Material Accounting Policy Information

(s) Going concern

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

The Company has reported current liabilities exceeding current assets by $24,000,566 (2024: $25,988,727). See note 2 (n) for more details in relation to this, specifically around Accommodation Bonds and Refundable Accommodations Deposits.

The Board have determined that the financial report should be prepared on a going concern basis for the following reasons:

- The major portion of resident liabilities is refundable accommodation deposits of $35,324,727 (2024: $32,319,602). The timing of the obligation of refundable accommodation deposits will not practically all fall due within the next twelve months, but all are recorded as current liabilities as the Group does not have the ability to defer this liability. Refundable accommodation deposits become payable upon the departure of aged care residents. It is unlikely that all residents will depart in the next twelve months thereby requiring a pay out of the full amount of the liability. Furthermore, as residents exit the facilities within the Group, they are replaced by incoming residents requiring to pay a refundable accommodation deposit. This is closely monitored by the Group for cash flow purposes.

- It is not expected that all of the current employee leave entitlements of $1,719,925 will be required to be paid in full during the year ending 30 June 2026.

- The Group has achieved an EBITDA of $4.4M in the 2025 financial year and is forecasting a similar result for the FY2026 financial year.

- Of the $35,324,727 million in refundable accommodation deposits at 30 June 2025, management does not expect a significant proportion to be repaid within the next twelve months based on historical resident turnover and admission forecasts. This expectation is consistent with observed industry experience across the Australian aged-care sector. The portion expected to be repaid is anticipated to be substantially replaced by incoming residents’ deposits. Management maintains liquidity arrangements to meet refunds as they fall due.

Having regard to these factors, the Board are of the opinion that the basis upon which the financial statements are presented is appropriate in the circumstances. Accordingly, no adjustments have been made relating to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

(t) Economic dependence

Carino Care Pty Limited and Subsidiaries is dependent on its related party loans and ongoing operational funding from the Government to ensure continuance of its operations. At the date of this report management has no reason to believe that this financial support will not continue.

(u) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2025, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

2 Material Accounting Policy Information

(v) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Tax consolidation

Effective 1 July 2017, for the purpose of income taxation, Slainte Group Pty Limited and its 100% owned subsidiaries have formed a tax consolidated group. Slainte Group Pty Limited is the head entity of the tax consolidated group and owns 100% of the share capital of Carino Care Pty Ltd.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at the reporting date have been reviewed to specifically provide for any debts which are considered irrecoverable. The remaining debts have been subject to expected credit loss testing based on the history of the association with the counterparty, the current economic climate and any future expectations relating to the industry and circumstances of the counterparty.

Key estimates - allowance for credit losses

The allowance for expected credit loss is estimated based on the analysis of aged receivables, as the Company assumes that the credit risk on resident debtors increases significantly if it is more than 90 days past due, as based on assumptions made on forward-looking information.

Key estimates - 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.

3 Critical Accounting Estimates and Judgments

Key judgments - lease accounting (AASB 16)

AASB 16 Leases has been applied since 1 July 2019 and an assessment of the probability of taking up the option period on the 4 trading premises leases has been considered probable, accordingly the right of use asset and lease liability include the option period lease payments. Notional interest in the lease liability has been estimated using an incremental borrowing rate.

Key judgments - Estimation of useful lives of assets

The 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.

4 Revenue and other income

Revenue from continuing operations

	Consolidated	
	2025	**2024**
	$	**$**
Operating activities		
- Government benefits	**26,730,841**	22,497,767
- Resident based daily fee revenue	**5,963,645**	5,597,856
	32,694,486	28,095,623
Other revenue		
- Interest received	**596,520**	356,267
- Other revenue	**311,491**	1,346,539
	908,011	1,702,806
Total Revenue	**33,602,497**	29,798,429

Resident fee revenue is recorded at a point in time $5,963,645 while government benefit income of $26,730,841 was recognised over time.

Notes to the Financial Statements
For the Year Ended 30 June 2025

5 Expenses

Finance expenses

	Consolidated	
	2025	2024
	$	$
Interest on obligations under finance leases	**1,144,874**	1,176,524
Other finance expenses	**59,038**	94,532
Total finance expenses	**1,203,912**	1,271,056

Employee benefits expense

	Consolidated	
	2025	2024
	$	$
Salary and wages	**20,150,093**	20,059,517
Superannuation contributions	**1,945,158**	(81,006)
	22,095,251	19,978,511

Other expenses

	Consolidated	
	2025	2024
	$	$
Other expenses		
- Cleaning, laundry supplies, and contractors	**1,261,672**	1,305,735
- Food purchases	**1,043,111**	806,650
- Administration expenses	**942,675**	797,678
- Head Office management fees	**1,080,246**	746,187
- Computer, telephone and internet expenses	**474,606**	518,060
- Repairs and maintenance	**473,935**	408,827
- Resident health expenses	**540,303**	386,355
- Electricity, gas, water, and rates	**347,634**	326,975
- Insurance and workers compensation	**249,217**	310,205
- Allied health expenses	**363,200**	262,555
- Accounting and audit fees	**17,422**	99,725
- Legal fees	**116,615**	60,200
- Property outgoings (i)	**116,300**	1,886
- Bad debts - provision	**(14,744)**	61,180
Total other expenses	**7,012,192**	6,092,218

(i) Property outgoings relate to variable rent payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right of-use asset as permitted under AASB 16 Leases. These related payments are recognised as an expense in profit or loss.

Notes to the Financial Statements
For the Year Ended 30 June 2025

6 Income Tax Expense

	Consolidated	
	2025	2024
	$	$
Current tax expense		
Deferred tax – origination and reversal of temporary tax	-	-
Current tax	-	-
Adjustment recognised for prior periods	-	-
Aggregate income tax	-	-
Total income tax expense	-	-

Tax losses have not been brought to account as the company is part of the Slainte Group Pty Ltd tax consolidated group.

7 Cash and Cash Equivalents

	Consolidated	
	2025	2024
	$	$
Cash at bank and in hand	**1,528,973**	5,709,783
Short-term deposits	**11,627,050**	3,647,805
	13,156,023	9,357,588

Reconciliation of cash

Cash and Cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

	Consolidated	
	2025	2024
	$	$
Cash and cash equivalents	**13,156,023**	9,357,588
Balance as per consolidated statement of cash flows	**13,156,023**	9,357,588

Notes to the Financial Statements
For the Year Ended 30 June 2025

8 Trade and Other Receivables

	Consolidated	
	2025	**2024**
	$	**$**
CURRENT		
Trade receivables	**247,037**	342,587
Allowance for expected credit loss	**(140,000)**	(283,887)
	107,037	58,700
Accommodation bond debtors	**2,201,000**	955,000
GST and PAYG receivables	**69,487**	947,969
Total current trade and other receivables	**2,377,524**	1,961,669

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Reconciliation of changes in the provision for impairment of receivables is as follows:

	Consolidated	
	2025	**2024**
	$	**$**
Balance at beginning of the year	**283,887**	303,025
Amounts written off as uncollectible	**(143,887)**	(19,138)
Balance at end of the year	**140,000**	283,887

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

9 Other Non-Financial Assets

	Consolidated	
	2025	**2024**
	$	**$**
CURRENT		
Accrued income	**121,928**	-
Prepayments	**147,182**	161,923
	269,110	161,923

Notes to the Financial Statements

For the Year Ended 30 June 2025

10 Property, Plant and Equipment

PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**1,329,176**	4,158,394
Accumulated depreciation	**(623,570)**	(3,959,145)
Total plant and equipment	**705,606**	199,249
Furniture, fixtures and fittings		
At cost	**24,323**	1,389,994
Accumulated depreciation	**(4,520)**	(1,104,547)
Total furniture, fixtures and fittings	**19,803**	285,447
Motor vehicles		
At cost	**84,004**	220,648
Accumulated depreciation	**(12,600)**	(220,648)
Total motor vehicles	**71,404**	-
Leasehold Improvements		
At cost	**38,150**	677,727
Accumulated depreciation	**3,497**	(429,550)
Total leasehold improvements	**41,647**	248,177
Total plant and equipment	**838,460**	732,873
Total property, plant and equipment	**838,460**	732,873

Notes to the Financial Statements

For the Year Ended 30 June 2025

10 Property, Plant and Equipment

(a) Movements in carrying amounts of property, plant and equipment

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

Consolidated	Plant and Equipment $	Furniture, Fixtures and Fittings $	Motor Vehicles $	Leasehold Improvement $	Total $
Year ended 30 June 2025					
Balance at the beginning of the year	199,249	285,447	-	248,177	732,873
Additions	284,557	18,913	84,004	38,150	425,624
Disposals	(19,818)	-	-	-	(19,818)
Depreciation	(129,490)	(4,517)	(12,600)	(153,612)	(300,219)
Transfers	371,108	(280,040)	-	(91,068)	-
Balance at the end of the year	705,606	19,803	71,404	41,647	838,460

Notes to the Financial Statements
For the Year Ended 30 June 2025

11 Intangible Assets

	Consolidated 2025 $	Consolidated 2024 $
Low value pool		
Cost	**97,217**	94,962
Accumulated amortisation and impairment	**(50,429)**	-
Net carrying value	**46,788**	94,962
Licenses and franchises		
Cost	**-**	14,718,892
Accumulated impairment	**-**	(12,600,000)
Impairment	**-**	(2,118,892)
Total Intangible assets	**46,788**	94,962
Total Intangible assets	**46,788**	94,962

(a) Movements in carrying amounts of intangible assets

Consolidated	Bed licenses $	Computer software $	Total $
Year ended 30 June 2025			
Balance at the beginning of the year	**-**	**94,962**	**94,962**
Additions	**-**	**2,255**	**2,255**
Amortisation	**-**	**(50,429)**	**(50,429)**
Closing value at 30 June 2025	**-**	**46,788**	**46,788**

Consolidated	Bed licenses $	Computer software $	Total $
Year ended 30 June 2024			
Balance at the beginning of the year	2,118,892	51,812	2,170,704
Additions	97,702	43,150	140,852
Impairment losses recognised in profit or loss	(2,216,594)	-	(2,216,594)
Closing value at 30 June 2024	-	94,962	94,962

Notes to the Financial Statements
For the Year Ended 30 June 2025

12 Leases

The Company has leases over multiple properties primarily land and buildings.

Right-of-use assets

	Consolidated	
	2025	**2024**
	$	**$**
NON-CURRENT		
Right-of-use asset - at cost	**25,140,555**	25,140,555
Accumulated amortisation	**(6,513,371)**	(5,486,956)
Total right-of-use assets	**18,627,184**	19,653,599

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Buildings	**Total**
Consolidated	**$**	**$**
Year ended 30 June 2025		
Balance at beginning of year	**19,653,599**	**19,653,599**
Additions to right-of-use assets	**(1,026,415)**	**(1,026,415)**
Balance at end of year	**18,627,184**	**18,627,184**

	Buildings	**Total**
Consolidated	**$**	**$**
Year ended 30 June 2024		
Balance at beginning of year	13,991,744	13,991,744
Additions to right-of-use assets	6,633,708	6,633,708
Depreciation expense	(971,853)	(971,853)
Balance at end of year	19,653,599	19,653,599

Notes to the Financial Statements
For the Year Ended 30 June 2025

12 Leases

Lease liabilities

	Consolidated 2025 $	Consolidated 2024 $
CURRENT		
Lease liability	**644,402**	610,782
NON-CURRENT		
Lease liability	**20,341,872**	20,986,273
Total lease liabilities	**20,986,274**	21,597,055

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year $	1 - 5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Consolidated Statement Of Financial Position $
2025					
Lease liabilities	**1,755,657**	**7,022,627**	**24,871,802**	**33,650,086**	**20,986,274**
2024					
Lease liabilities	1,755,657	7,022,627	26,627,459	35,405,743	21,597,055

Extension options

The Company has 4 leases for each of the aged care facility land and buildings. The leases commenced in 2024 and were for 5 years. Options on each lease for 3 x 5 years have also been included into the lease liability and right of use assets which end 2044.

13 Trade and Other Payables

	Consolidated 2025 $	Consolidated 2024 $
CURRENT		
Trade payables	**28,173**	690,340
Other payables	**682,566**	829,791
	710,739	1,520,131

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements
For the Year Ended 30 June 2025

14 Borrowings

	Consolidated 2025 $	Consolidated 2024 $
CURRENT		
Loans from Tierra Health Pty Ltd	**1,403,430**	1,696,833
Total borrowings	**1,403,430**	1,696,833

Terms and conditions of related parties

Tierra Health is the related party of the Company. The loans from related parties are unsecured, interest free and repayable on demand.

15 Other Liabilities

	Consolidated 2025 $	Consolidated 2024 $
CURRENT		
Refundable accommodation bonds (RADs)	**35,324,727**	32,319,602
Total current other liabilities	**35,324,727**	32,319,602

Accommodation bonds and RADs are considered current liabilities as they are required to be re-paid to residents within 14 days of leaving the facility. However, there is minimal likelihood that all residents will exit the facility at once and the director is satisfied that lump sum accommodation monies repaid for the Aged Care Facility will be replaced by lump sum accommodation monies from new incoming residents. Sufficient liquidity is maintained by the Company to cover these liabilities as part of the liquidity management strategy.

Expected timing of RADs payments

Management have added this additional disclosure to highlight the estimated amounts expected to be paid out within the next 12 months based on the historical data of RADs refunded on average over the past 3 years.The amounts below are a more accurate representation of the amounts expected to be paid out within and not within the next 12 months.

	Consolidated 2025 $
Expected to be paid within 12 months	
RADs and accommodation bonds	**8,683,510**
Not expected to be paid within 12 months	
RADs and accommodation bonds	**26,641,217**
Total RADs and accommodation bonds	**35,324,727**

16 Provisions

	Consolidated	
	2025	**2024**
	$	**$**
CURRENT		
Annual leave	**1,302,637**	962,056
Long service leave	**417,288**	360,503
	1,719,925	1,322,559
NON-CURRENT		
Long service leave	**85,382**	332,400
	85,382	332,400

17 Issued Capital

	Consolidated	
	2025	**2024**
	$	**$**
2025: 1 (2024: 1) Ordinary shares	**100**	100

(a) Ordinary shares

Ordinary shares
The rights, privileges and conditions attaching to ordinary shares are as follows:

(1) They shall confer to the holders thereof the right to receive notice of and to attend any meeting of the Company's Members and to exercise one vote for every share held;
(2) They shall confer to the holders thereof the right to participate in any dividends declared and payable by the Company; and
(3) Upon a winding up of the Company they shall confer to the holders thereof the right to repayment of capital paid upon such shares and to participate in any distribution of surplus assets of profits of the Company.

(b) Capital management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios. A key objective of the Company's capital risk management is to maintain compliance with the covenants attached to the Company's debts. Throughout the year, the Company has complied with these covenants.

Notes to the Financial Statements
For the Year Ended 30 June 2025

18 Accumulated losses

	2025	2024
	$	$
Accumulated losses at the beginning of the financial year	**(26,826,066)**	(25,416,779)
Surplus/(deficit) after income tax for the year	**1,910,578**	(1,409,287)
Accumulated losses at the end of the financial year	**(24,915,488)**	(26,826,066)

19 Contracted Commitments

There are no contracted commitments as at 30 June 2025 (2024: None).

20 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company‘s overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables
- Accommodation bonds
- Refundable accommodation deposits (RADs)
- Borrowings from related parties
- Lease liabilities

20 Financial Risk Management

	Consolidated	
	2025	2024
	$	$
Financial assets		
Cash and cash equivalents	**13,156,024**	9,357,588
Trade and other receivables	**2,377,524**	1,961,669
Total financial assets	**15,533,548**	11,319,257
Financial liabilities		
Trade payables	**(710,739)**	(1,520,131)
RAD/RAC and accommodation bonds refundable	**(35,324,727)**	(32,319,602)
Borrowings from related party	**(1,403,430)**	(1,696,833)
Lease liabilities	**(20,986,274)**	(21,597,055)
Total financial liabilities	**(58,425,170)**	(57,133,621)
Net exposure	**(42,891,622)**	(45,814,364)

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Carino Care Pty Limited and Subsidiaries's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Carino Care Pty Limited and Subsidiaries's activities.

The day-to-day risk management is carried out by Carino Care Pty Limited and Subsidiaries's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

20 Financial Risk Management

Liquidity risk

Financial guarantee liabilities are treated as payable on demand since Carino Care Pty Limited and Subsidiaries has no control over the timing of any potential settlement of the liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which Carino Care Pty Limited and Subsidiaries holds financial instruments which are other than the AUD functional currency of Carino Care Pty Limited and Subsidiaries.

(ii) Interest rate risk

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

Notes to the Financial Statements
For the Year Ended 30 June 2025

21 Key Management Personnel Remuneration

The remuneration paid to key management personnel of Carino Care Pty Limited and Subsidiaries during the year is as follows:

	2025	2024
	$	$
Short-term employee benefits	**434,801**	591,323

22 Auditors' Remuneration

	Consolidated	
	2025	2024
	$	$
Remuneration of the auditor MGI Audit Pty Ltd (2024: Walker Wayland), for:		
- auditing or reviewing the financial statements	**41,750**	76,718
Total	**41,750**	76,718

23 Contingencies

Other than the guarantee documented at note 15 of the financial statements, In the opinion of the Directors, the Company did not have any contingencies at 30 June 2025 (30 June 2024:None).

24 Related Parties

(a) The Company's main related parties are as follows:

Ultimate parent entity

Slainte Group Pty Ltd is the ultimate parent company of Carino Care Pty Ltd. Slainte Group Pty Ltd owns 100% shares in the below subsidiaries:

-Tierra Health Pty Ltd

- Carino Care Pty Ltd

100% controlled subsidiaries

- Carino Management Services Pty Ltd

- Carino Hospitality Services Pty Ltd

- Carino at Oatley Pty Ltd

- Carino at Russell Lea Pty Ltd

- Carino at Rockdale Pty Ltd

- Carino at Sylvania Pty Ltd

Notes to the Financial Statements
For the Year Ended 30 June 2025

24 Related Parties

Key management personnel - refer to note 21.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

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

The following transactions occurred with related parties:

	2025 $	2024 $
Payment for goods and services		
Loan from Tierra Health Pty Ltd (Note 14)	1,402,809	1,696,833
Management fees and compliance costs paid to related entities		
Management fees paid to Tierra Health Pty Ltd	780,000	887,532
Technology services paid to Mint Moments Pty Ltd, a director related entity (Tom Grealy)	-	105,300

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Notes to the Financial Statements
For the Year Ended 30 June 2025

25 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	Consolidated	
	2025	**2024**
	$	**$**
Profit (Loss) for the year	**1,910,578**	(1,409,287)
Non-cash flows in profit:		
- depreciation and amortisation	**1,380,564**	1,649,338
- impairment of bed licenses	**-**	2,216,594
- Doubtful debt expense/(recovery)	**(14,744)**	61,180
- Interest expense on lease liability	**1,144,874**	1,176,524
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(1,279,593)**	8,752
- (increase)/decrease in other current assets	**(107,187)**	(10,950)
- increase/(decrease) in trade and other payables	**69,090**	(825,934)
- increase/(decrease) in provisions	**150,349**	(124,970)
Cashflows from operations	**3,253,931**	2,741,247

26 Franking account balances

The balance of the Company's franking account at 30 June 2025 is nil.

27 Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on 30 September 2025 by the board of directors.

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

28 Economic dependency

The Company is dependent on its related party loans, detailed in note 24. The company has received letters of comfort from these related entries and loan repayment will not be required within the next 12 months. The related parties consent to future use of funds as required to ensure sufficient cash flow is available as required. The Company is also dependent on Government funding.

Notes to the Financial Statements
For the Year Ended 30 June 2025

29 Parent Entity

	2025 $	2024 $
Statement of Financial Position		
Assets		
Current assets	**92,255,122**	65,807,811
Non-current assets	**885,248**	827,835
Total Assets	**93,140,370**	66,635,646
Liabilities		
Current liabilities	**38,813,678**	34,980,855
Non-current liabilities	**85,382**	332,400
Total Liabilities	**38,899,060**	35,313,255
Equity		
Issued capital	**100**	100
Retained earnings	**54,241,210**	31,322,291
Total Equity	**54,241,310**	31,322,391
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Profit or (loss)	**22,918,919**	16,736,928
Other comprehensive income	**-**	-
Total Consolidated Statement of Profit or Loss and Other Comprehensive Income	**22,918,919**	16,736,928

Guarantees

The parent entity had no guarantees as at 30 June 2025 or 30 June 2024.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2025 or 30 June 2024.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2025 or 30 June 2024.

30 Statutory Information

The registered office and principal place of business of the company is:

7-11 Mimosa Street
Oatley, NSW 2223

Directors' Declaration

In the directors' opinion:

1. *the consolidated financial statements and notes for the year ended 30 June 2025 are in accordance with the Corporations Act 2001 and Aged Care Act 1997 and:*

    a. comply with Accounting Standards - Simplified Disclosures; and

    b. give a true and fair view of the financial position and performance of the Company as at 30 June 2025.

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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

Director ....
Dr. James Grealy

Dated 23 October 2025

accountants + auditors

accountants + auditors

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CARINO CARE PTY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Carino Care Pty Limited and controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2025 and 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, notes comprising material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion:

(a) the financial report of Carino Care Pty Limited and controlled entities is in accordance with the *Corporations Act 2001,* including:

  (i) 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; and

  (ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001.*

Material Uncertainty Related to Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 2(s) in the financial report, which indicates that as of 30 June 2025 the Group's current liabilities exceeded its current assets by $24,000,566. The Group also had overall net liabilities of $24,915,388. This condition, along with other matters set forth in Note 2(s) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. We do note, however, that the Group has achieved an EBITDA of $4.4M in the 2025 financial year (up from 2024 EBITDA of $3.7M) and is forecasting a similar result for the FY2026 financial year. The net current liability position has improved in the 2025 financial year by $1,988,161 from 2024.

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 auditor independence requirements of 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* (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.

Responsibility of the Directors for the Financial Report

The Directors of the Group 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* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
In preparing the financial report, the directors are responsible for assessing the 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 liquidated the Group or to cease operations, or have no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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, internal omissions, misrepresentations, or the override of internal control.

- Obtain and 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude 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 Group 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 audit 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

MGI Audit Pty Ltd

S C Greene
Director

Brisbane

23 October 2025