

Pannavila Enterprises Pty Ltd

ACN 007 061 725

Financial Statements

For the Year Ended 30 June 2025

Pannavila Enterprises Pty Ltd

ACN 007 061 725

Contents

For the Year Ended 30 June 2025

	Page
Financial Statements	
Director's Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Declaration by the Director	28
Independent Audit Report	29

Pannavila Enterprises Pty Ltd

ACN 007 061 725

Director's Report For the Year Ended 30 June 2025

The director presents his report on Pannavila Enterprises Pty Ltd trading a Westgate Aged Care ("the Company") for the financial year ended 30 June 2025.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Kurian Cheriyan	(Appointed 6 December 2024)
Panavila Kochidicula Alexander	(Resigned 9 December 2024)
Ann Amma Alexander	(Resigned 9 December 2024)

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 Pannavila Enterprises Pty Ltd during the financial year was to provide residential and aged care services.

The following significant changes in the nature of the principal activities occurred during the financial year:

Until 9 December 2024, the Company was previously dormant and merely acted as a corporate trustee of a trust, which operated an aged care facility. Effective 9 December 2024, it ceased to act as a corporate trustee and commenced to operate its residential and aged care facility.

Operating results

The profit of the Company after providing for income tax amounted to \$507,243 (2024: \$NIL).

Dividends paid or recommended

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

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show that the Company changed from being a corporate trustee and commenced to operate its residential and aged care facility, the result of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year, except for the points mentioned in the "Principal activities" section above.

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.

Pannavila Enterprises Pty Ltd

ACN 007 061 725

Director's Report For the Year Ended 30 June 2025

Future developments and results

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 issues

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, during or since the end of the financial year, for any person who is or has been an officer or auditor of Pannavila Enterprises Pty Ltd.

The Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of Company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

Auditor's independence declaration

The 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 3 of the financial report.

Signed in accordance with a resolution of the Director:

Director:

Kurian Cheriyan

Dated this 30th day of October 2025

Pannavila Enterprises Pty Ltd

ACN 007 061 725

**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001 to the Director of Pannavila Enterprises Pty Ltd**

Pannavila Enterprises Pty Ltd

ACN 007 061 725

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2025

		2025	2024
	Note	\$	\$
Revenue	5	4,481,097	-
Finance income	6(a)	265,502	-
Employee benefits expense		(2,700,213)	-
Depreciation and amortisation expense	13(a)	(235,380)	-
Supplies and consumables		(136,852)	-
Agency and contractors		(27,219)	-
Property expenses		(238,962)	-
Other expenses		(316,370)	-
Finance expenses	6(b)	(402,058)	-
Profit before income tax		689,545	-
Income tax expense	8	(182,302)	-
Net profit for the year		507,243	-
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		507,243	-

The accompanying notes form part of these financial statements.

Pannavila Enterprises Pty Ltd

ACN 007 061 725

Statement of Financial Position

As At 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	2,433,356	2
Trade and other receivables	11	68,465	-
Other assets	15	202,127	-
TOTAL CURRENT ASSETS		2,703,948	2
NON-CURRENT ASSETS			
Intangible assets	12	4,063,005	-
Right-of-use assets	13	3,715,324	-
Deferred tax assets	14(b)	196,574	-
TOTAL NON-CURRENT ASSETS		7,974,903	-
TOTAL ASSETS		10,678,851	2
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	561,478	-
Lease liabilities	13	297,455	-
Current tax liabilities	14(a)	229,396	-
Employee benefits	17	520,551	-
Refundable Accommodation Deposits		4,885,033	-
TOTAL CURRENT LIABILITIES		6,493,913	-
NON-CURRENT LIABILITIES			
Lease liabilities	13	3,554,945	-
Employee benefits	17	122,748	-
TOTAL NON-CURRENT LIABILITIES		3,677,693	-
TOTAL LIABILITIES		10,171,606	-
NET ASSETS		507,245	2
EQUITY			
Issued capital	18	2	2
Retained earnings	19	507,243	-
TOTAL EQUITY		507,245	2

The accompanying notes form part of these financial statements.

Pannavila Enterprises Pty Ltd

ACN 007 061 725

Statement of Changes in Equity
For the Year Ended 30 June 2025

2025

	Issued Capital	Retained Earnings	Total
Note	\$	\$	\$
Balance at 1 July 2024	19 <u>2</u>	-	<u>2</u>
Net profit/(loss) for the year	19 <u>-</u>	<u>507,243</u>	<u>507,243</u>
Balance at 30 June 2025	19 <u>2</u>	<u>507,243</u>	<u>507,245</u>

2024

	Issued Capital	Retained Earnings	Total
Note	\$	\$	\$
Balance at 1 July 2023	19 <u>2</u>	-	<u>2</u>
Balance at 30 June 2024	19 <u>2</u>	-	<u>2</u>

The accompanying notes form part of these financial statements.

Pannavila Enterprises Pty Ltd

ACN 007 061 725

Statement of Cash Flows For the Year Ended 30 June 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Commonwealth grants and subsidies		3,338,659	-
Receipt of resident fees		1,090,161	-
Payments to suppliers and employees		(2,703,063)	-
Interest received		18,914	-
Finance costs		(155,414)	-
Net GST paid		(84,725)	-
Net cash provided by operating activities		<u>1,504,532</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(25,781)	-
Cash acquired on business combination		1,554,217	-
Net cash provided by investing activities		<u>1,528,436</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Refundable Accommodation Deposits		126,500	-
Refund of Refundable Accommodation Deposits		(665,055)	-
Repayment of lease liabilities		(91,059)	-
Net proceeds from borrowings		30,000	-
Net cash (used in) financing activities		<u>(599,614)</u>	-
Net increase in cash and cash equivalents held		2,433,354	-
Cash and cash equivalents at beginning of year		2	2
Cash and cash equivalents at end of financial year	10(a)	<u>2,433,356</u>	<u>2</u>

The accompanying notes form part of these financial statements.

Pannavila Enterprises Pty Ltd

ACN 007 061 725

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

The financial report covers Pannavila Enterprises Pty Ltd ("the Company") trading as Westgate Aged Care as an individual entity. The Company is a for-profit proprietary company, incorporated and domiciled in Australia.

Until 9 December 2024, the Company was previously dormant and merely acted as a corporate trustee of a trust, which operated an aged care facility. Effective 9 December 2024, it ceased to act as a corporate trustee and commenced to operate its residential and aged care facility.

The functional and presentation currency of the Company is Australian dollars.

The financial report was authorised for issue by the Director on 30 October 2025.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Aged Care Act 1997*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the 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.

Transition from preparing special purpose financial statements to General Purpose Financial Statements - Tier 2

For the financial year ended 30 June 2025, the Company has transitioned from preparing special purpose financial statements to Tier 2 general purpose financial statements in line with AASB 1053 *Application of Tiers of Australian Accounting Standards* ("the transition").

As a result of the transition, the Company has considered and updated its accounting policies to reflect all the recognition and measurement requirements of Australian Accounting Standards in line with the requirements of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Error* and AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

As the Company was dormant and merely acted as a corporate trustee, the transition to preparing general purpose financial statements did not have a material impact on the Company's financial statements with no re-statement required.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policy Information

(a) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer 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. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policy Information (continued)

(b) Revenue and other income (continued)

Specific revenue streams

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

Resident daily care fees

Resident fees are recorded as revenue at the time invoices are raised.

The Company receives Daily Care Fees, which are set by the Australian Government, in accordance with the *Aged Care Act 1997* which are funded directly by the resident. The Daily Care Fee is calculated as a daily rate and is payable by a resident for each day that a resident is in a home.

Accommodation services

The Company provides accommodation services to residents that are directly funded by the resident, under mutually agreed terms and conditions. The services provided are determined on a standalone price, typically as a daily rate and the resident simultaneously receives and consumes the benefits provided by the Company. The transaction price for the rendering of services is allocated to performance obligations on the basis of their relative standalone selling prices and recognised as revenue accordingly as those performance obligations are satisfied over time each day as the customer simultaneously receives and consumes the benefits provided by the Company.

All performance obligations are considered to be met on a daily basis and therefore the Company does not have any outstanding performance obligations that have not been met at the reporting date.

Revenue from other sources

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Lease (imputed) income on RADs and Bonds

Other income includes imputed income from the provision of accommodation, which is accounted for as a Lease under AASB 16 *Leases*. Under AASB 16 *Leases*, the fair value of non-cash consideration (in the form of an interest-free loan) received from a resident that has elected to pay a RAD or accommodation bond is required to be recognised as income and correspondingly, interest expense with no net impact on profit or loss.

Interest income

Interest income is recognised using the effective interest rate 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.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policy Information (continued)

(b) Revenue and other income (continued)

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

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 and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(d) Goods and services tax (GST)

Revenue, expenses, assets and liabilities 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 payables are stated inclusive of GST.

Cash flows in the 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.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policy Information (continued)

(e) 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 which are subject to an insignificant risk of change in value.

(f) Financial instruments

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 category, those measured at:

- amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policy Information (continued)

(f) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectible then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policy Information (continued)

(f) Financial instruments (continued)

Financial assets (continued)

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, lease liabilities and refundable accommodation deposits.

Trade and other payables

Payables represent the principal amounts outstanding at balance date, plus where applicable, any accrued interest. Payables are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received.

(g) Property, plant and equipment

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

Depreciation

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

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Office Equipment	3-7 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.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policy Information (continued)

(h) Intangible assets

Goodwill

Goodwill is carried at cost less accumulated impairment losses.

Goodwill is determined and measured as described in Note 9. Goodwill on acquisitions is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(i) Leases

At inception of a contract, the Company assesses whether a lease exists.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model, depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Adoption of short term leases or low value asset exception

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policy Information (continued)

(j) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any indication that an asset may be impaired.

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.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(k) Employee benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policy Information (continued)

(k) Employee benefits (continued)

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(l) Refundable Accommodation Deposits (RAD)

The liability for RAD is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for retentions and other allowable deductions pursuant to the *Aged Care Act 1997*. These liabilities are considered to be current as the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting period date. The obligation to settle could occur anytime. The Company does not expect that 100% of the liability will need to be settled within the next 12 months, based on past experience.

(m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 1 July 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgements

The Director makes estimates and judgements during the preparation of these 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 - impairment of goodwill

In accordance with AASB 136 *Impairment of Assets*, the Company is required to estimate the recoverable amount of goodwill at each reporting period.

Impairment losses are calculated based on the Company's assessment of the business' recoverable amount. Recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted in determining the recoverable amount.

4 Segment Reporting

The approved provider delivers only residential aged care services at Westgate Aged Care in Newport, Victoria, and this general purpose financial report therefore relates only to such operations.

Notes to the Financial Statements

For the Year Ended 30 June 2025

5 Revenue	2025	2024
	\$	\$
<i>Revenue from contracts with customers *</i>		
- Resident fees	1,106,065	-
- Commonwealth government subsidies and grants	3,375,032	-
Total revenue	<u><u>4,481,097</u></u>	-

* All revenue from contracts with customer is derived from the Company's operations in Victoria, Australia and is recognised "over time".

6 Finance Income and Expenses

(a) Finance income	2025	2024
	\$	\$
<i>Interest income</i>		
- Lease (imputed) income on RADs and bonds	246,588	-
- Other interest income	18,914	-
Total finance income	<u><u>265,502</u></u>	-
(b) Finance expenses		
Lease (imputed) expense in RADs and bonds	246,588	-
Interest paid to residents	2,428	-
Interest expense on lease liability	150,453	-
Other finance expenses	2,589	-
Total finance expenses	<u><u>402,058</u></u>	-

7 Result for the Year

The result for the year includes the following specific expenses:

	2025	2024
	\$	\$
Superannuation contributions	<u>232,672</u>	-

Pannavila Enterprises Pty Ltd

ACN 007 061 725

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

8 Income Tax Expense

(a) The major components of tax expense comprise:

	2025	2024
	\$	\$
<i>Current tax expense</i>		
Current tax on profits for the year	229,395	-
<i>Deferred tax expense</i>		
Decrease (increase) in deferred tax assets	(47,093)	-
Total income tax expense	182,302	-

(b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 25% (2024: 25%)	172,386	-
Add tax effect of:		
- Write off of timing differences	9,916	-
Income tax expense	182,302	-

9 Business Combinations

On 9 December 2024, the Company settled on the acquisition of the business, together with selected assets and liabilities of the Westgate Aged Care business ("Westgate"), which operated a residential aged care facility in Victoria.

The Company has provisionally accounted for the acquisition of the business and recognised the fair value of the identifiable assets and liabilities of Westgate based upon the best information available as at the reporting date.

The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	\$
Purchase consideration:	
- Cash consideration paid/payable	-
Total purchase consideration	-
Assets acquired and liabilities assumed:	
- Cash acquired	1,554,217
- Other assets	243,544
- Deferred tax assets	139,566
- Leave liabilities	(558,264)
- Refundable accommodation bonds ("RAD") liability	(5,423,533)
Fair value of identifiable net assets acquired/(liabilities) assumed	(4,044,470)
Goodwill arising on acquisition	4,044,470

Goodwill is attributable to the workforce and high profitability of the acquired business.

Pannavila Enterprises Pty Ltd

ACN 007 061 725

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

10 Cash and Cash Equivalents

	2025	2024
Note	\$	\$
Cash on hand	2	2
Cash at bank	<u>2,433,354</u>	-
Total cash and cash equivalents	<u><u>2,433,356</u></u>	<u>2</u>

(a) Reconciliation of cash

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

Cash and cash equivalents	10	<u>2,433,356</u>	<u>2</u>
Balance as per statement of cash flows		<u><u>2,433,356</u></u>	<u>2</u>

11 Trade and Other Receivables

	2025	2024
	\$	\$
CURRENT		
Trade receivables	<u>16,189</u>	-
	<u>16,189</u>	-
GST receivable	505	-
Other receivables	<u>51,771</u>	-
Total current trade and other receivables	<u><u>68,465</u></u>	<u>-</u>

Pannavila Enterprises Pty Ltd

ACN 007 061 725

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

12 Intangible Assets

	2025	2024
	\$	\$
Goodwill at cost	4,044,470	-
Formation expenses at cost	18,535	-
Total Intangible assets	4,063,005	-

(a) Movements in carrying amounts of intangible assets

	Formation Expenses	Goodwill	Total
	\$	\$	\$
Year ended 30 June 2025			
Balance at the beginning of the year	-	-	-
Additions arising from business combinations	18,535	4,044,470	4,063,005
Closing value at 30 June 2025	18,535	4,044,470	4,063,005

(b) Assumptions used in the calculation of value in use

The Company has used the following assumptions in the calculation of value in use:

- sales growth rates over the 5 year forecast period that are based on past performance and management's expectation;
- growth in sales based on current market trends and including inflation forecast;
- budgeted margin, operating costs and annual capital expenditure that are based on past performance and management's expectation for the future; and
- pre-tax discount rates that reflect the specific risk of 25%.

Notes to the Financial Statements

For the Year Ended 30 June 2025

13 Leases

Company as a lessee

The Company has leases over the building where Westgate Aged Care operates.

Terms and conditions of leases

The Company leases a property in Newport, Victoria, with a non-cancellable lease term of 10 years commencing 1 December 2024. There is an option to renew the lease for two further terms of 5 years, however, it is not yet probable that the Company will take up the option to renew the lease.

(a) Right-of-use assets

	2025	2024
	\$	\$
Buildings		
At cost	3,943,458	-
Accumulated depreciation	(228,134)	-
Total right-of-use assets	<u>3,715,324</u>	<u>-</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of right-of-use assets between the beginning and the end of the current financial year:

	Buildings	Total
	\$	\$
Year ended 30 June 2025		
Balance at beginning of year	-	-
Additions to right-of-use assets	3,943,458	3,943,458
Depreciation expense	(228,134)	(228,134)
Balance at end of year	<u>3,715,324</u>	<u>3,715,324</u>

(b) Lease liabilities

	2025	2024
	\$	\$
Buildings		
Current liabilities	297,455	-
Non-current liabilities	3,554,945	-
Total lease liabilities	<u>3,852,400</u>	<u>-</u>

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

13 Leases (continued)

(b) Lease liabilities (continued)

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 Statement Of Financial Position \$
2025					
Lease liabilities	557,700	2,230,800	2,509,650	5,298,150	3,852,400
2024					
Lease liabilities	-	-	-	-	-

(c) Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2025 \$	2024 \$
Interest expense on lease liabilities	150,453	-
Total	150,453	-

14 Tax Assets and Liabilities

(a) Current Tax Liability

	2025 \$	2024 \$
CURRENT		
Income tax payable	229,396	-
Total current tax liability	229,396	-

(b) Deferred Tax Assets

	2025 \$	2024 \$
NON-CURRENT		
Deferred tax assets	196,574	-
Total deferred tax assets	196,574	-

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

14 Tax Assets and Liabilities (continued)

(b) Deferred Tax Assets (continued)

Movements in carrying amounts:

	Opening Balance	Charged to Income	Balance Acquired in Business Combination	Closing Balance
	\$	\$	\$	\$
Deferred tax assets				
Annual leave provision	-	14,207	72,135	86,342
Long service leave provision	-	7,052	67,431	74,483
Provision for superannuation	-	12,295	-	12,295
Prepayments	-	(10,815)	-	(10,815)
Right-of-use assets/ Lease liability	-	34,269	-	34,269
Balance at 30 June 2025	-	57,008	139,566	196,574

15 Other Assets

	2025	2024
	\$	\$
CURRENT		
Prepayments	43,259	-
Rental bond	158,868	-
Total current other assets	202,127	-

16 Trade and Other Payables

	2025	2024
	\$	\$
CURRENT		
Trade payables	140,117	-
Related party payable	30,000	-
Payroll accruals	242,849	-
Sundry payables and accrued expenses	15,503	-
ATO payable	133,009	-
Total current trade and other payables	561,478	-

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days.

Pannavila Enterprises Pty Ltd

ACN 007 061 725

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

17 Employee Benefits

	2025	2024
	\$	\$
CURRENT		
Long service leave	175,184	-
Annual leave	345,367	-
Total current employee benefits	520,551	-
NON-CURRENT		
Long service leave	122,748	-
Total non-current employee benefits	122,748	-

18 Issued Capital

	2025	2024
	\$	\$
2 (2024: 2) fully paid ordinary shares	2	2
Total issued capital	2	2

(a) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

19 Retained Earnings

	2025	2024
	\$	\$
Retained earnings at the beginning of the financial year	-	-
Net profit for the year	507,243	-
Retained earnings at end of the financial year	507,243	-

20 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$187,100 (2024: \$NIL).

Pannavila Enterprises Pty Ltd

ACN 007 061 725

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

21 Related Parties

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

Key management personnel:

Any person(s) having authority, and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 20.

Other related entities:

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.

There were no transactions with related parties during the year ended 30 June 2025 (30 June 2024: None).

(c) **Loans to/from related parties**

An unsecured loan was received from the Director. The loan is non-interest bearing and has no fixed repayment terms.

	Opening balance	Closing balance
	\$	\$
Loan from Director		
2025	-	30,000
2024	-	-

22 Auditor's Remuneration

	2025	2024
	\$	\$
Remuneration of the auditor, HLB Mann Judd, for:		
- auditing the financial and prudential audit	19,380	-
- other services - assistance with financial statement compilation	3,120	-
Total auditor's remuneration	22,500	-

23 Capital and Leasing Commitments

The Company did not have any capital or leasing commitments at 30 June 2025 (30 June 2024: None).

Pannavila Enterprises Pty Ltd

ACN 007 061 725

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

24 Contingencies

In the opinion of the Director, the Company did not have any contingencies at 30 June 2025 (30 June 2024: None).

25 Events Occurring After the Reporting Date

The financial report was authorised for issue on 30 October 2025 by the Director of the Company.

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.

26 Statutory Information

The registered office of the Company is:

Pannavila Enterprises Pty Ltd
4-10 William Street
Newport VIC 3015

The principal place of business is:

Westgate Aged Care
4-10 William Street
Newport VIC 3015

Pannavila Enterprises Pty Ltd

ACN 007 061 725

Declaration by the Director

The Director of the Company declares that:

1. The financial statements and notes, as set out on pages 4 to 27, are in accordance with the *Corporations Act 2001* and *Aged Care Act 1997* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures, the *Corporations Regulations 2001* and *Accountability Principles 2014*; and
 - b. give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the Company.
2. In the Director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director



Kurian Cheriyan

Dated this 30th day of October 2025

Pannavila Enterprises Pty Ltd

**Independent Audit Report to the members of Pannavila Enterprises Pty
Ltd**

