2026 Consolidated Annual Report

The Bethanie Group Inc

For the Year ended 30 June 2026
ABN 60 992 323 648

Bethanie





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Chair's Message

On behalf of the Board of Directors, I am pleased to present the 2026 Annual Report for the Bethanie Group Inc ('Bethanie').

The 2026 financial year has been one of significant change across aged care. The commencement of the new Aged Care Act and strengthened Aged Care Quality Standards represented a fundamental shift for the sector, requiring providers to adapt systems, processes and ways of working while maintaining an unwavering focus on customers.

Bethanie responded to this transformation with purpose and discipline.

For the Board, the reforms reinforced the importance of strong governance and stewardship in an increasingly complex operating environment. During the year, we continued to strengthen our oversight and readiness for the Aged Care Act.

Oversight of clinical quality and safety during the year continued to be strengthened by the Board. Independent review and assurance work informed the development of a structured Clinical Excellence program that seeks to fundamentally transform our services to be ready for the future. This work also provides a clear framework for improvement priorities to be identified, governed and monitored across Bethanie.

The Board remains focused on ensuring person centred care centred on the needs, expectations, and choices of individual residents, clients, and tenants inform how Bethanie evolves, from the environments in which people live to the way care and support are delivered. During the year, we continued to consider how our services and environments can better reflect contemporary expectations of ageing, including greater privacy and dignity through the conversion of shared rooms into larger single rooms. We also continued to strengthen services so that more people can age in place with confidence and independence.

Financial sustainability remained a key priority throughout the year and the Board maintained close oversight of Bethanie's financial position and management's response to changing funding and cost pressures, to promote stronger long-term sustainability and resilience.

This year, the Board initiated an organisation-wide approach to international benchmarking and learning, with a group of Bethanie team members undertaking a study tour to explore leading models of care in Norway and the Netherlands and bringing back these learnings to innovate and transform services at Bethanie.

This year marked a significant turning point for Bethanie Housing Limited. With the achievement of Tier 1 Community Housing Provider registration and the appointment of a dedicated Chief Executive Officer, BHL has entered a new phase of growth, capability and impact.

Supported by a significant increase in government investment in social and affordable housing, BHL is well positioned to expand its contribution to the community housing sector. During the year, BHL secured significant projects, including Fremantle Apartments and Dalyellup Apartments, which will expand Bethanie's housing portfolio and help meet growing demand for safe social and affordable housing.

These achievements reflect the maturity, strength, and ambition of our organisation. They enhance our ability to contribute meaningfully to addressing the housing challenges facing our State and, most importantly, enable us to support more people to live with certainty, connection, and a place to call home.

The Board is excited by the opportunities ahead and remains committed to supporting BHL's continued growth and impact in the years to come.

As Bethanie builds the capability needed for the future, the Board remains focused on ensuring new technologies such as AI are adopted intentionally and in ways that support people and human connection.

None of this would be possible without the people who choose to work at Bethanie. On behalf of the Board, I extend my sincere thanks to Bethanie's staff and volunteers for the care, expertise and commitment they bring to their work every day. I also thank our residents, clients, tenants, and their families for the trust they place in Bethanie.

I acknowledge my fellow Board members for their insight and stewardship throughout the year, our Board of Trustees for their continued support, and the Executive Team for its leadership through a period of substantial change.

While the environment in which we operate will continue to evolve, our purpose remains clear: to positively change the way Australians experience ageing.



Diana Forsyth
Chair of the Board



CEO's Message

The 2026 financial year was one of meaningful progress for Bethanie. In a year shaped by significant aged care reform, we continued to strengthen our services, invest in our people and keep our Mission at the centre of our decisions.

The commencement of the new Aged Care Act and strengthened Aged Care Quality Standards marked an important turning point for the sector. For Bethanie, the work extended well beyond compliance, guiding improvements across workforce, technology, governance, clinical oversight, systems and services while our teams continued to provide care, support and connection to older Western Australians every day.

This focus delivered strong outcomes. Employee engagement increased three percentage points to 73 per cent this year, placing Bethanie four points above the Australian Healthcare Industry benchmark, and customer feedback remained positive, reflected in a Net Promotor Score of +44.

Creating capacity

We continued to build organisational capability for the future. During the year, we strengthened our foundations across governance, data, clinical oversight and workforce systems. Compliance remained strong, while clinical quality continued to improve. Our reduced reliance on agency staff is supporting greater consistency of care and familiarity for residents, while aligning care with resident acuity helps ensure people receive the right level of care and support as their needs change.

These outcomes reflect considerable work across Bethanie and give us a stronger platform from which to continue improving the experience of our residents. The quality of that experience is closely linked to the experience of our people.

We continued to build organisational capability for the future. During the year, nine Bethanie team members travelled to Norway and the Netherlands to explore international approaches to ageing and care, bringing back insights into wellbeing-centred care, dementia-inclusive communities, small household living, autonomy and connection.

At the same time, we invested in systems that create capacity for our people to focus on what matters most. We implemented Dayforce, deployed AlayaCare to support the transition to Support at Home, and strategically insourced grounds, gardens and maintenance services, supported by new service delivery systems.

We strengthened connections between Home Care, our Retirement Villages and Bethanie Housing, and established short-term pathways for restorative care, assistive technology and home modifications. Bethanie was also recognised at the 2025 Work Health and Safety Excellence Awards for practical work to reduce workplace violence and aggression through environmental redesign.

Building for the future

Across our services, we continued to evolve environments and models of care to better reflect contemporary expectations of ageing. Shared rooms were converted to single occupancy, supporting greater privacy and dignity, and we progressed the redesign of our Memory Support Areas towards smaller household living.

We strengthened palliative care, with the Palliative Aged Care Outcomes Program moving from pilot to an organisation-wide model across our residential aged care homes.

Bethanie Housing Limited continued to expand its contribution to Bethanie's supporting more than 650 residents across 502 homes, while progressing a development pipeline in Fremantle, Dalyellup and Mount Lawley.

Financial performance

Financial sustainability remained essential to our ability to deliver on our Mission and continue investing in quality care, services, and environments.



Bethanie generated revenue of $240 million, up from $224 million, while continuing to invest across services and operations. Residential occupancy remained strong, Home Care continued to grow and demand across our retirement living portfolio remained positive, despite ongoing cost pressures across the sector.

A continued focus on financial discipline and cash flow management strengthened Bethanie's financial resilience during the year. This enabled debt repayment of $18.6 million and an increase in term deposits of $30 million, supporting prudential obligations and reflecting growth in residential accommodation deposits received. The increase in deposits was driven by favourable residential property market conditions, together with a preference for Refundable Accommodation Deposits (RADs) over Daily Accommodation Payments (DAPs) as the preferred method of accommodation funding.

Executive transitions

We made several important Executive Team changes during the year, strengthening leadership capability for the next stage of Bethanie's work.

We welcomed Enzo Evangelista as Chief Property and Development Officer, Lara Moltoni as Chief Clinical Officer, Victoria Griffith as Chief Operating Officer, Jacqui Hall as Chief Financial Officer and Catherine Bentley as Bethanie Housing Limited's first full-time Chief Executive Officer.

I also thank Marg Denton and Lindsay O'Sullivan for the leadership and support they provided in interim executive roles during the year.

Looking ahead

I am grateful to our people for all they have achieved during a year of significant change, and for the skill, compassion and humanity they bring to Bethanie every day. I also thank our residents, clients, tenants and their families for continuing to place their trust in us, and the Board and Trustees for their guidance and support.

As we look ahead, we will continue to build capability, learn from others and challenge ourselves to think differently about what ageing can look like. Above all, our role remains clear:

To help more Western Australians live life positively, with dignity, connection and confidence.





Roule Jones
Chief Executive Officer

Living our Mission

Bethanie's Mission has shaped how we care for others and how we care for each other for more than 70 years. It is fundamental to why we exist and continues a long tradition of practical care, community service and faith expressed through action.

At Bethanie, we believe belonging brings meaning. Our Mission is experienced through genuine human connection and an understanding of what matters most to the people in our care and to each other. We seek to help each person remain close to the people, experiences, and things that give their life purpose and meaning.

During the year, we continued to strengthen the way our Mission is understood and lived across Bethanie, nurturing experiences of belonging and supporting thriving communities.

Mission and spiritual care in practice

Spiritual care is an important expression of Bethanie's Mission and extends beyond the responsibility of our Chaplaincy team. It is a shared responsibility, expressed through the daily interactions and relationships that help people feel known and connected.

On Mission Day and National Spiritual Care Week reinforced this commitment and provided opportunities to strengthen understanding of the role spiritual care plays in wellbeing and belonging.

Our Spiritual Care Policy was refined to better reflect diversity, individual preferences and a non-judgmental approach. Spiritual care planning was also reviewed, with a greater focus on identifying meaningful connections that nurture purpose and help people feel known.

This approach is reflected in Strengthened Transition Meetings, which bring teams together to support residents transitioning into their new home. Alongside consideration of care needs, the meetings focus on who each person is, how they are feeling, their meaningful connections and what gives them purpose. Through collaboration and shared understanding, the approach supports residents to feel seen, heard, known and understood as unique individuals.

The importance of knowing and understanding the individual was demonstrated through the experience of a resident living with dementia who regularly came to the front doors wanting to leave. By taking the time to learn their story, an employee





discovered the resident had spent much of their earlier life in boarding homes, where movement, routine, and independence held deep meaning.

With this understanding came a different response. Rather than redirecting them, the employee reassured the resident that someone would come and walk with her. Over time, trust formed and the resident began waiting calmly, knowing they had been heard and understood. A simple interaction demonstrated how taking time to truly know a person can help them feel safe and valued.

Creating belonging through connection and community

Bethanie welcomes people from all walks of life, cultures, identities, faiths – and no faith. While our Mission has a clear connection with faith, care can be expressed in many ways through kindness, respect, understanding and shared humanity.

Shared communal experiences of celebration, commemoration, remembrance, honour, gratitude, and healing provide opportunities to strengthen community connection.

Across Bethanie residents, tenants, families, employees and volunteers came together during the year to mark occasions including ANZAC Day and Remembrance Day, National Reconciliation Week, Harmony Week, National Volunteer Week, and National Spiritual Care Week.

Celebration of life and memorial services also provide space for residents, families and employees to acknowledge people who have died, and to share grief and memories. These communal rituals recognise the close bonds that develop within Bethanie communities and reassure residents that they are valued, known, remembered, and honoured.

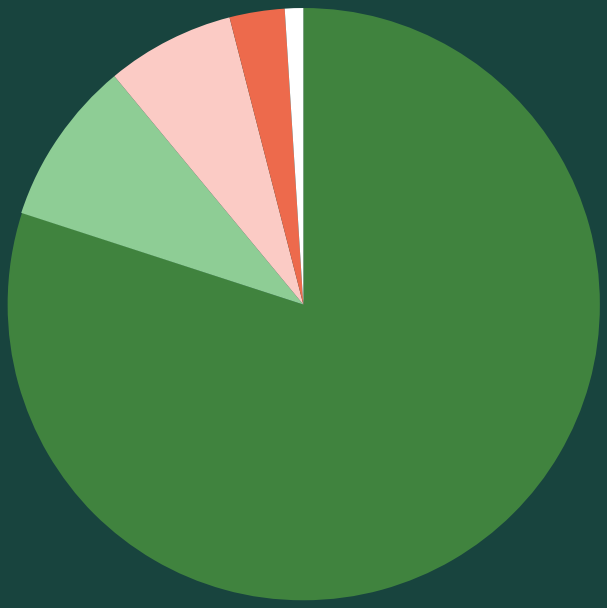
Partnerships and purpose

Belonging is also strengthened when people have opportunities to contribute and connect with the wider community. During the year, residents, tenants, employees, volunteers, Churches of Christ WA and local churches supported community initiatives including Christmas hampers and gift boxes for families in need, charitable giving, and community celebrations.

These activities continue Bethanie's legacy of practical compassion while recognising the people we care for are active and valued contributors to the communities around them.

Through meaningful connections, shared experiences and practical care, our Mission continues to nurture belonging and strengthen thriving communities – every customer, every family, every community, every day.

Financial Performance Overview **FY26**



Total Revenue

$239.9m

- Aged Care Home $192.7m
- Home Care $22.7m
- Retirement Living $17.0m
- Community Housing $6.4m
- Other Revenue $1.1m

Our People

Staff
2,564

Volunteers
219

Staff Retention

84%
Retention Target

90.1%
Achieved

Profit

$1.7m
Net profit in current year

Cash Flow

$58.5m
Net operating cash inflow

Occupancy

96.4%
Residential

96.0%
Retirement

Residential occupancy average for FY26 was 96.4% with 46 rooms converted from shared to single occupancy

Retirement village occupancy average for FY26 was 96.0%


GERALDTON
Home Care Region only
Key
Aged Care Home (14)
Retirement Village (10)
Social Centre (4)
Community Housing (3)
Our Customers
4,769 Total Customers
1,177 Aged Care Home Resisdents
628 Bethanie Housing Limited Tenants
1,101 Residential Village Resisdents
1,863 Home Care Customers
Beachside
JOONDALUP
Kingsley
Warwick
Gwelup
Geneff
Joondanna
Bethanie on the Park
Subiaco
Como
PERTH
Illawong
ROCKINGHAM
Bert England Lodge
Waters - Port Kennedy
Peel
Fields
Esprit
BUNBURY
Maali
Elanora
Dalyellup

Environmental, Social and Governance

Approach to Sustainability

Strengthening our environmental, social and governance (ESG) practices whilst delivering customer-directed care is an important part of how we deliver on our Mission to positively change the way Australians experience ageing.

A transparent approach to sustainability reporting supports accountability, demonstrates our progress and informs decision-making as we respond to changing community expectations, regulatory reform and evolving compliance requirements.

During the year, we continued to strengthen our approach to understanding and reporting our impact through the Global Reporting Initiative (GRI) supporting responsible stewardship and positive outcomes for our customers, our people and the communities we serve.

Our ESG Reporting Journey

The GRI continues to provide the foundation for Bethanie's sustainability reporting and a consistent approach aligned with globally recognised reporting practices.

Our Sustainability Report outlines our performance and key initiatives across the material topics that underpin our ESG program. These topics remain unchanged from last year and continue to reflect the areas most significant to Bethanie and our stakeholders.

Bethanie's Material Topics

- Access and Affordability
- Business Ethics
- Compliance & Regulatory Reform
- Customer Privacy & Data Security
- Employee Engagement & Retention
- Energy Management
- Risk Management
- Service Quality & Safety
- Work Health & Safety



Director's Report

The directors present their report together with the consolidated financial statements of the Group comprising The Bethanie Group Inc ('Bethanie') and its subsidiaries for the financial year ended 30 June 2026.

1. The Directors

The directors of the Company at any time during or since the end of the financial year are:

Directors	
Diana Forsyth	Chair
Celia Hammond	Deputy chair
Maria Foundas	
Ross Hughes	
Dana Dermody	
Paul Lakey	
Stuart Beattie	
Frank Marra	Appointed 29 October 2025
Glen Power	Resigned 13 October 2025

2. Principal activities

The principal activity of the Group during the financial year was the provision of accommodation and care services to people over 55.

There were no significant changes in the nature of the activities of the Group during the year.

3. Review of operations and results of those operations

Bethanie is an aged care provider for seniors seeking to live well and retire into a welcoming and engaging community.

Bethanie is an approved aged care provider under the Aged Care Act 2024.

Bethanie's objective is to positively change the way Australians experience ageing.

Further details about the Group's activities are described below:

Aged Care Homes

The Group owns and operates 14 residential aged care homes for people who require 24-hour care.

Bethanie's aged care homes are in metropolitan Perth and regional Western Australia (WA) with many homes offering specialised dementia care.

Home Care

The Group offers a wide range of care services from nursing and regular checking to helping with chores and community participation that enable people to remain in their own home.

The Group also owns and operates four Social Centres for seniors providing social and therapy wellbeing services.

Retirement Living

The Group owns and operates 10 retirement villages. Bethanie's retirement villages allow people over 55 to live independently in a safe environment and in the company of like-minded people.

Community Housing

Bethanie Housing Ltd, a subsidiary of the Group, owns and manages affordable and appropriate accommodation including apartments, townhouses, and villas for seniors in Perth and regional WA.

Bethanie Housing Ltd also manages two properties owned by the Housing Authority.

Property Development

Bethanie Housing Ltd controls four subsidiaries that are responsible for the development and construction of community housing projects. Upon completion, these subsidiaries will own and operate the community housing assets.

For the year ended 30 June 2026, the Group generated revenue of $239.9 million (2025: $223.8 million) and realised a net profit of $1.7 million (2025: profit of $5.0 million).

The Group's net cash inflow from operating activities for the year ended 30 June 2026 was $58.5 million (2025: $23.1 million).

4. Significant changes in the state of affairs

During the financial year, the Group refinanced its existing Facility Agreement with Commonwealth Bank of Australia. The refinancing resulted in a new Facility Agreement with revised lending terms and an extended maturity date of 12 March 2029.

The Aged Care Act 2024 commenced on 1 November 2025, replacing the previous legislative framework for government-funded aged care. During the year, the Group updated its policies, processes and governance arrangements to align with the new requirements. In addition, the Group transitioned its Home Care Package services to the Support at Home program, which commenced on 1 November 2025.

Bethanie Housing Ltd, a wholly owned subsidiary of the Group transferred land at 8 Queen Victoria Street, Fremantle to its wholly owned subsidiary, BHL QVS Apartments Ltd for the purpose of the QVS Apartments development.

In addition to this, Bethanie Housing Ltd assigned the grant agreements for the Dalyellup Two Apartments and QVS Apartments developments to its wholly owned subsidiaries, BHL Dalyellup Two Apartments Ltd and BHL QVS Apartments Ltd. Following the assignment, the subsidiaries assumed responsibility for the delivery of the projects, including ownership of the related work in progress, and commenced construction during the year. The Group received $10.5 million of grant funding to support the development and commence the construction of these projects. Accordingly, the capital commitment has increased to $51.4 million (2025: $2.8 million).

Apart from these matters, in the opinion of the directors, there were no other significant changes in the state of affairs of the Company during the financial year.

5. Environmental regulation

The Group's operations are not subject to significant environmental regulation under both Commonwealth and State legislation in relation to its activities. The Group conducts its operations with respect to the environment in which it operates and will continue to enhance its focus in this area through Environmental, Social and Governance initiatives as set out on page 10.

6. Events subsequent to reporting date

Subsequent to the reporting date, with effect from 8 July 2026, land was transferred from The Bethanie Group Inc to group members BHL Dalyellup Two Apartments Ltd and BHL Key Worker Housing Ltd, at nil consideration. In accordance with accounting standards and the accounting policy of the Group, the land was recognised by BHL Dalyellup Two Apartments Ltd and BHL Key Worker Housing Ltd as capital contributions at allocated historical costs of $0.6 million and $2.2 million respectively, based on their respective land areas.

On 16 September 2026, BHL Dalyellup Key Worker Housing Ltd entered into a design and construction contract for the Dalyellup Key Worker Housing development. The contract is subject to conditions precedent, including the availability of unconditional project finance.

Funding for the Dalyellup Key Worker Housing development includes a grant from the Housing Authority, under an agreement entered into on 22 September 2026, together with debt facilities from Housing Australia. On 30 September 2026, BHL Dalyellup Key Worker Housing Ltd entered into a senior debt facility with Housing Australia. A pre-existing concessional loan facility is also in place with Housing Australia. As at the date these financial statements were authorised for issue, no amounts had been drawn under either facility.

The first stage of reforms under the Retirement Villages Amendment Act 2024 (WA) and the Retirement Villages Regulations 2026 (WA) commenced on 1 September 2026. The reforms introduce changes for retirement village operators in relation to resident exit entitlements, financial management, governance, resident consultation and operational practices. The Group has reviewed the reforms and is implementing the changes necessary to comply with the new requirements.

Vacant Beds Ltd completed its grant-funded activities, with the Vacant Beds platform ceasing to be available from 31 August 2026. Vacant Beds Limited is not expected to undertake any further operations. The Directors of Vacant Beds Limited have committed to winding up the entity and the wind-up process is currently in progress. The timing of completion is dependent on the finalisation of the remaining wind-up activities.

Other than these matters, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

7. Likely developments

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

8. Indemnification and insurance of officers and auditors

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Group.

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts. Such insurance contracts insure against certain liability persons who are or have been directors or executive officers of the Group.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

9. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 14 and forms part of the directors' report for the financial year ended 30 June 2026.

This report is made out in accordance with a resolution of the directors.



Diana Forsyth

Non-executive Chair

Dated at Perth, Western Australia this 23rd day of October 2026



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the directors of The Bethanie Group Inc

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

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

KPMG

KPMG

Laura Cardy
Partner
Perth
23 October 2026

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Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue	B1	239,945	223,789
Other income	B1	14,973	6,479
Net gain on revaluation	C6	1,408	10,518
Total revenue and other income		**256,326**	**240,786**
Operating expenses	B2	(239,432)	(219,546)
Depreciation		(11,864)	(12,340)
Finance costs	B2	(2,793)	(3,264)
Impairment expense		(578)	(640)
Total expenses		**(254,667)**	**(235,790)**
Profit for the year		**1,659**	**4,996**
Other comprehensive income		-	-
Total comprehensive profit		**1,659**	**4,996**

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 $'000	2025 $'000
ASSETS			
Cash and cash equivalents	C1	16,341	13,926
Financial assets	C2	80,950	51,273
Trade and other receivables	C3	9,138	5,989
Prepayments		1,913	3,468
Right-of-use assets	D2	13,381	13,994
Investment properties	C6	408,270	388,036
Property, plant and equipment	C5	237,570	235,049
Intangible assets	C4	38,538	38,538
Total assets		**806,101**	**750,273**
LIABILITIES			
Trade and other payables	C7	23,712	18,763
Borrowings	D1	11,925	30,379
Employee provisions	C8	27,591	23,278
Lease liabilities	D2	11,568	12,382
Resident liabilities	C9	659,260	595,346
Other liabilities		2,021	1,760
Total liabilities		**736,077**	**681,905**
NET ASSETS		**70,024**	**68,365**
EQUITY			
Retained earnings		**70,024**	68,365
TOTAL EQUITY		**70,024**	**68,365**

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from/(used in) operating activities			
Receipts from government funding		168,263	161,951
Receipts from residents and care recipients		61,081	55,894
Payments to suppliers and employees		(235,559)	(215,294)
Net cash from/(used in) operating activities before interest, refundable accommodation deposits and retirement villages' entry contributions		**(6,215)**	**2,551**
Proceeds from refundable accommodation deposits		122,861	90,427
Repayments of refundable accommodation deposits		(74,323)	(82,187)
Proceeds from retirement villages' entry contribution		37,748	33,038
Repayments of retirement villages' outgoing contribution less deferred management fees		(23,409)	(22,035)
Interest received		3,059	3,148
Interest paid		(1,194)	(1,804)
Net cash from/(used in) operating activities		**58,527**	**23,138**
Cash flows from/(used in) investing activities			
Capital grants received		13,132	-
Payments for property, plant and equipment		(20,757)	(12,237)
Proceeds from the sale of property, plant and equipment		2,069	990
Investment in financial assets - term deposits		(29,677)	(13,750)
Net cash from/(used in) investing activities		**(35,233)**	**(24,997)**
Cash flows from/(used in) financing activities			
Proceeds from borrowings		14,000	10,000
Repayments of borrowings		(32,563)	(18,746)
Repayment of lease liabilities		(2,316)	(2,138)
Net cash from/(used in) financing activities		**(20,879)**	**(10,884)**
Net increase/(decrease) in cash and cash equivalents		**2,415**	**(12,743)**
Cash and cash equivalents at the beginning of the year		13,926	26,669
Cash and cash equivalents at the end of the year	C1	**16,341**	**13,926**

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Retained earnings $'000	Contributed equity $'000	Total $'000
Balance as at 1 July 2025	68,365	-	68,365
Profit for the year	1,659	-	1,659
Balance as at 30 June 2026	**70,024**	**-**	**70,024**
Balance as at 1 July 2024	63,369	-	63,369
Profit for the year	4,996	-	4,996
Balance at 30 June 2025	**68,365**	**-**	**68,365**

The accompanying notes form part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

A. About these statements

This section addresses the basis for compiling the financial statements.

A1 Reporting entity
A2 Basis of preparation
A3 Going concern basis
A4 Functional and presentation currency
A5 Use of judgements and estimates
A6 New and amended standards adopted
A7 Standards issued but not yet effective

A1. Reporting entity

The Bethanie Group Inc ('Bethanie') is domiciled and incorporated in Australia. The principal registered office of Bethanie is Level 4, 1060 Hay St, West Perth, WA, 6005. These consolidated financial statements comprise Bethanie and its controlled entities for the year ended 30 June 2026 (together referred to as the 'Group').

The Bethanie Group Inc is incorporated under the Associations Incorporation Act 2015 and registered with the Australian Not-for-Profit Commission ('ACNC') in accordance with the Australian Not-for-Profit Commission (ACNC) Act 2012.

The Group is a not-for-profit entity and is primarily involved in the provision of care and accommodation services to people over 55 including aged care homes, home care, social centres, community housing and related corporate and management services. The Group also operates several retirement villages.

A2. Basis of preparation

These consolidated financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Association Incorporation Act 2015 and the ACNC Act 2012.

The Group does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements were authorised for issue by the directors on 23 October 2026.

Management is of the view that the requirement under the Accounting Standards to treat refundable accommodation deposits and entry contributions from retirement villages residents as current liabilities do not reflect the true liquidity position of the Group as these liabilities are not likely to be repaid in the next 12 months. Accordingly, the Group has adopted the liquidity balance sheet presentation on the basis that it presents a more reliable and relevant view. Amounts expected to be recovered or settled after 12 months have been disclosed in the notes.

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

A3. Going concern basis

The consolidated financial statements have been prepared on a going concern basis. The Group has a Facility Agreement with the Commonwealth Bank of Australia with a limit for operational activities of $23.5 million, of which $13.4 million is undrawn as at 30 June 2026.

As at 30 June 2026, the Group held cash reserves of $16.3 million and had contractual commitments of approximately $51.4 million, primarily relating to the QVS Apartments and Dalyellup Two Apartments development projects. These commitments are expected to be settled progressively as construction milestones are achieved and will be funded through a combination of grant funding received and receivable under approved project funding arrangements and approved debt funding available to the Group.

Available debt funding includes senior construction loan facilities of up to $38.2 million, concessional loan facilities of up to $7.1 million and a further $4.3 million loan facility available under formal funding arrangements with Commonwealth Bank of Australia.

The Group has a net current liability position at 30 June 2026, which reflects the classification of refundable accommodation deposits and retirement village resident liabilities as current liabilities as the Group does not have an unconditional right to defer settlement for 12 months. These liabilities are not expected to be settled in full within the next 12 months.

Refundable accommodation deposits repaid are generally expected to be replaced by deposits received from incoming residents, while retirement village resident liabilities are generally settled directly from incoming resident contributions, resulting in no net cash outflow to the Group.

In assessing the appropriateness of the going concern basis of preparation, the directors have considered the Group's cash flow forecasts, available funding facilities and expected operating performance. Based on this assessment, the directors are satisfied that the Group will be able to meet its financial obligations as and when they fall due and therefore consider the going concern basis of preparation to be appropriate.

A4. Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is Bethanie's functional and presentation currency.

All values rounded to the nearest thousand dollars ($'000) unless otherwise stated.

A5. Use of judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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 the following notes:

- C4 Intangible assets: assessment of goodwill impairment
- C5 Property, plant and equipment: assessment of indication of impairment
- C6 Investment properties: estimation of fair value

A6. New and amended standards adopted by the Group

The Group has adopted all new and revised Standards, amendments thereof and interpretations effective for the current year that are relevant to the Group.

There is no material impact on the Group's consolidated financial statements.

A7. Standards issued but not yet effective

The Group has considered the impact of standards and amendments issued but not yet effective, including AASB 18 Presentation and Disclosure in Financial Statements.

AASB 18 will replace AASB 101 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2028. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is assessing the impact of the new accounting standard, particularly on the structure and presentation of the Group's statement of profit or loss, the additional disclosures required for MPMs and the grouping of items currently presented as 'other'.

B. Current performance

This section addresses the financial performance of the Group including the accounting policies applied and key estimates and judgements made.

B1 Revenue and other income
B2 Expenses

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

B1. Revenue and other income

	2026 $'000	2025 $'000
Aged care homes		
Care and everyday living		
Government funding	135,539	126,893
Resident fees	36,508	33,688
Accommodation		
Government funding	10,646	11,402
Resident fees	10,054	8,259
Total aged care homes	**192,747**	**180,242**
Home care		
Government funding	21,585	20,696
Client contributions	1,098	1,198
Total home care	**22,683**	**21,894**
Retirement living		
Deferred management fees	7,624	6,224
Resident fees	5,561	5,051
Rental income	1,183	1,141
Sale commission and other fees	1,637	1,366
Management and accounting fees	1,053	1,012
Total retirement living	**17,058**	**14,794**
Community housing		
Rental income	6,386	5,832
Total community housing	**6,386**	**5,832**
Other revenue	1,071	1,027
Total revenue	**239,945**	**223,789**
Other income		
Grant income	9,540	2,382
Interest income	3,523	3,008
Donations	10	5
Profit on disposal of assets	1,478	639
Sundry income	422	445
Total other income	**14,973**	**6,479**

B1. Revenue and other income (continued)

The Group generates revenue primarily from the provision of care and accommodation services to people over 55 including aged care homes, home care and community housing. The Group also operates several retirement villages.

Revenue is derived from government subsidies, care recipient and resident fees.

Accounting policies relevant to the various sources of revenues are described below:

Aged care homes

Bethanie is an approved aged care home provider under the Aged Care Act 2024.

The amount of funding for care is assessed under the Australian National Aged Care Classification (AN-ACC). Independent assessors perform the assessments to distribute funding based on the resident's needs and cost of care.

A supplement is received from the Commonwealth for eligible residents as contribution towards their accommodation and everyday living costs. Government funding is paid monthly in arrears.

Residents are also charged fees, which can include:

- Basic daily fees
- Means tested care fees (for residents who entered care pre-1 November 2025)
- Non-clinical care contribution (for residents who entered care post-1 November 2025)
- Hotelling contributions (for residents who entered care post-1 November 2025)
- Daily accommodation fees
- Additional service fees
- Higher everyday living fees

These fees are contributions towards their care, accommodation and everyday living costs. The fees are determined in accordance with the Government authorised rates. Residents are invoiced fortnightly in advance.

The Group recognises revenue from aged care homes over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily basis.

Home care

Bethanie is an approved provider of Home Care Packages ('HCP') (pre-1 November 2025), Support at Home ('SAH') (post-1 November 2025) and Commonwealth Home Support Programme ('CHSP') under the Aged Care Act 2024. Both programmes aim to support older people to live independently in their own homes. The programmes include support with household tasks, personal care, clinical care, minor home modifications and equipment.

The level of funding per care recipient varies dependent on the level of care needs and the recipient's financial circumstances. Care recipients may be required to make a financial contribution.

The Group recognises revenue from home care over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis.

CHSP subsidies are received monthly based on the agreed funding for the financial year. Any unused funding is recognised as a liability and is included within Trade and Other payables.

HCP and SAH subsidies are received monthly in arrears, for the number of actual services delivered only. The Government holds the portion of unspent funds for each care recipient.

Retirement villages

The Group offers a range of resident arrangements for its retirement lifestyle villages including lease for life agreements and rental agreements.

A lease for life arrangement takes the form of a 60-year lease agreement that gives the resident the exclusive right to occupy a unit or apartment at the lifestyle village.

A deferred management fee is payable by the resident in consideration for the supply of accommodation and the right to use the community facilities. Deferred management fees are paid upon exit, with the amount payable calculated as a percentage of either the initial entry contribution paid by the outgoing resident, or the entry contribution paid by the new incoming resident in accordance with the terms of the lease for life agreement.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

B1. Revenue and other income (continued)

Retirement villages (continued)

Deferred management fee revenue is recognised over the expected length of stay of the resident.

In addition, a fee is payable during the resident stay that covers the running costs of the village including the facilities. Included in these fees are management and accounting fees for support services provided by the Group in relation to operating the villages. Residents are invoiced fortnightly in advance.

The Group recognises revenue from the resident fees over time as performance obligations are satisfied, which is as the services are rendered on a daily basis.

Rental income

Rental income for retirement village units and community housing units is recognised on a straight-line basis over the term of the lease.

Grant income

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions have been complied with. Government grants are classified as other income.

Interest income

Interest income is recognised as other income using the effective interest method.

Donations

Donations are recognised as other income when received.

B2. Expenses

	2026 $'000	2025 $'000
Operating expenses		
Employee benefits expense	184,306	165,391
Food, utilities, rates and service costs	25,058	23,734
Administration costs	17,813	14,641
Repairs and maintenance	12,255	15,780
Total operating expenses	**239,432**	**219,546**
Finance costs		
Interest and finance charges	2,929	3,360
Amount capitalised	(136)	(96)
Total finance costs expensed	**2,793**	**3,264**

Operating expenses

Operating expenses and other financing costs are recognised in profit or loss in the period in which they are incurred.

Finance costs

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

C. Assets and Liabilities

This section addresses assets and liabilities of the Group, excluding leases and borrowings, including the accounting policies applied and key estimates and judgements made.

C1 Cash and cash equivalents
C2 Financial assets
C3 Trade and other receivables
C4 Intangible assets
C5 Property, plant and equipment
C6 Investment properties
C7 Trade and other payables
C8 Employee provisions
C9 Resident liabilities

C1. Cash and cash equivalents

	2026 $'000	2025 $'000
Cash	16,341	13,926
Total cash and cash equivalents	**16,341**	**13,926**

Cash and cash equivalents include cash on hand and short-term deposits with original maturities of three months or less from acquisition date.

Refer to Note D3. Financial risk management for the Group's liquidity policy.

C2. Financial assets

	2026 $'000	2025 $'000
Term deposits	80,950	51,273
Total term deposits	**80,950**	**51,273**

Financial assets consist of term deposits with original maturities of more than three months.

Term deposits are measured at amortised cost.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

C3. Trade and other receivables

	2026 $'000	2025 $'000
Current		
Trade receivables	6,593	2,011
Provision for expected credit loss	(387)	(66)
Other receivables	2,366	3,478
Total current trade and other receivables	8,572	**5,423**
Non-current		
Resident loans	566	566
Total non-current trade and other receivables	**566**	**566**
Total trade and other receivables	**9,138**	**5,989**

Trade and other receivables

Trade receivables are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses measured at lifetime expected credit losses.

Any impairment is recognised in profit or loss.

The ageing of the trade receivables is as follows:

	2026 $'000	2025 $'000
Current	6,248	1,761
1 to 3 months	24	106
Over 3 months	321	144
Total	**6,593**	**2,011**

Trade receivables includes $2.2 million of capital grant funding invoiced but not yet received at the reporting date.

Resident loans

Resident loans are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method. Resident loans are not interest bearing.

Expected credit loss ('ECL') assessment

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The group measures the loss allowances at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the receivables.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted to the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

C4. Intangible assets

	2026 $'000	2025 $'000
Goodwill on acquisition of Berrington	38,538	38,538
Total intangible assets	**38,538**	**38,538**

Goodwill

Goodwill arising in a business combination is initially measured as the excess of the consideration transferred over the acquisition-date fair values of identifiable assets acquired and liabilities assumed. Goodwill is tested annually for impairment and carried at cost less any accumulated impairment losses. An impairment loss recognised for goodwill cannot be reversed in subsequent years.

The goodwill arose from the acquisition of the Berrington Group and its two aged care homes (Como and Subiaco). The two aged care homes, each representing a separate cash generating unit (CGU), have been grouped together for the purpose of testing goodwill for impairment.

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. Impairment testing is performed annually for goodwill and other intangible assets with indefinite useful lives.

The recoverable amount of the combined Bethanie Subiaco and Bethanie Como CGUs and goodwill was determined based on the fair value less cost of disposal (FVLCD) determined using an income-based approach to derive the price that would be received to sell the CGU in an orderly transaction with a market participant, less the costs of disposal.

The recoverable amount was determined to be higher than the carrying amount of the CGU. No impairment loss has therefore been recognised.

This approach has been determined to be Level 3 within the fair value hierarchy.

The determination of FVLCD represents management's assessment of future trends in the relevant industries and has been based on historical data from both external and internal sources and was most sensitive to the following assumptions:

	2026	2025
Occupancy	97%	94%
Discount Rate	14.7%	12%
Average RAD value	$980,700	$886,500
RAD appreciation	Increase of 2.5% per annum	Increase of 2.5% per annum
RAD/DAP Ratio	Ratio of 80:20	Ratio of 75:25
Useful life	to the time remaining on each land lease; Bethanie Subiaco, 35 years; Bethanie Como 51 years	to the time remaining on each land lease; Bethanie Subiaco, 36 years; Bethanie Como 52 years

Management has applied significant judgement in determining and applying these assumptions within the model, considering experience as well as reasonable expectations based upon the best available data.

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the combined CGUs to exceed their recoverable amount.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

C5. Property, plant and equipment

	Land	Buildings	Property under construction	Plant and equipment	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2026						
Opening net book amount	39,055	166,126	10,955	18,518	395	235,049
Additions	-	226	15,576	4,851	15	20,668
Disposals	(311)	(28)	-	(50)	(13)	(402)
Transfer to Investment Properties	-	-	(7,153)	-	-	(7,153)
Transfers	-	41	(2,058)	2,017	-	-
Depreciation expense	-	(6,178)	-	(3,932)	(104)	(10,214)
Impairment expense	-	-	(378)	-	-	(378)
Closing net book value	**38,744**	**160,187**	**16,942**	**21,404**	**293**	**237,570**
Cost	38,744	202,285	16,942	65,293	2,820	326,084
Accumulated depreciation and impairment	-	(42,098)	-	(43,889)	(2,527)	(88,514)
Closing net book value	**38,744**	**160,187**	**16,942**	**21,404**	**293**	**237,570**

	Land	Buildings	Property under construction	Plant and equipment	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2025						
Opening net book amount	39,055	172,260	2,429	19,805	565	234,114
Additions	-	57	9,459	2,585	118	12,237
Disposals	-	-	-	(58)	(154)	(212)
Transfer to Investment Properties	-	-	(715)	-	-	(715)
Transfers	-	18	(218)	218	-	-
Depreciation expense	-	(6,209)	-	(4,032)	(134)	(10,375)
Impairment expense	-	-	-	-	-	-
Closing net book value	**39,055**	**166,126**	**10,955**	**18,518**	**395**	**235,049**
Cost	39,055	202,046	10,955	58,475	2,818	313,349
Accumulated depreciation and impairment	-	(35,920)	-	(39,957)	(2,423)	(78,300)
Closing net book value	**39,055**	**166,126**	**10,955**	**18,518**	**395**	**235,049**

Land and Buildings comprise of the Group's aged care homes, owned community housing and rental retirement villages as well as undeveloped lands.

C5. Property, plant and equipment (continued)

Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and impairment losses, if any. Such cost includes the borrowing costs for long term construction projects if the recognition criteria are met.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items and depreciated accordingly.

Any gains and loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	Up to 40 years
Plant and equipment	Up to 10 years
Motor vehicles	Up to 7 years

Land is not depreciated.

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

Transfers between entities under common control

Transfers of assets between entities under common control are recognised at the carrying amount of the asset at the date of transfer. No gain or loss is recognised in profit or loss, as such transactions are undertaken between entities under common control and do not represent transactions with external parties.

In the transferring entity, the carrying amount of the asset transferred is derecognised, with the corresponding entry recognised as an investment in the receiving entity, where appropriate.

In the receiving entity, the asset is recognised at the transferred carrying amount, with the corresponding credit recognised in accordance with the substance of the transaction, including as contributed equity where appropriate.

Impairment review of non-financial assets

At each reporting date the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. The recoverable amount is the fair value of the asset or Cash Generating Unit (CGU) at the reporting date.

For impairment testing assets are grouped together into CGUs. Each property is considered a separate CGU.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

Key estimates, assumptions and judgements

Management use judgement to review the portfolio of properties for indication of impairment.

As part of the review management consider internal and external sources of information including the external valuation reports prepared by an independent property valuer as required by the bank under the terms of the Facility Agreement.

No indicators of impairment were identified from the assessment performed.

Assets pledged as security

The carrying amount of the land and buildings pledged as security for the borrowings (Note D1. Borrowings) is $121.1 million (30 June 2025: $125.5 million).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

C6. Investment properties

	2026 $'000	2025 $'000
Opening balance at 1 July	388,036	339,499
Additions	7,153	715
Disposals	-	(140)
Fair value adjustment	13,081	47,962
Closing balance at 30 June	**408,270**	**388,036**

Investment properties comprise of the retirement villages that are leased to residents under a lease for life arrangement.

Recognition and measurement

Investment properties are initially measured at cost and subsequently at fair value with change recognised in profit or loss.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

Fair value measurement

The investment property portfolio is valued annually. The fair value of the investment properties was determined as at 30 June 2026 internally using a discounted cash flow valuation model.

Key assumptions include:

	2026	2025
Discount rate	14.7%	12%
Residents' average length of stay	11 years	11 years
Property price increase	(5%)-16%	2%-26%
Growth rate years 1-4	6.0%	3.0%
Long term growth rates	3.0%	3.0%

The net gain on revaluation is as follows:

	2026 $'000	2025 $'000
Gain on revaluation of investment	13,081	47,962
Loss on revaluation of resident liabilities	(11,673)	(37,444)
Total	**1,408**	**10,518**

Assets pledged as security

The carrying amount of the investment properties pledged as security for the borrowing (Note D1. Borrowings) is $408.2 million (2025: $388.0 million).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

C7. Trade and other payables

	2026 $'000	2025 $'000
Current		
Trade payables	2,295	3,740
Sundry creditors and accruals	12,112	10,120
Funding and fees received in advance	9,283	4,890
Unspent client funds	22	13
Total trade and other payables	**23,712**	**18,763**

Trade payables, sundry creditors and accruals

Trade payables, sundry creditors and accruals represent liabilities for goods and services received prior to the end of financial year that remain unpaid at the reporting date, together with other accrued liabilities, including GST payable.

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

They are recognised initially at their transaction price and subsequently measured at amortised cost using the effective interest method.

Funding and fees received in advance

Funding received in advance includes $4.5 million grant funding received in BHL QVS Apartments Ltd and $2.0 million funding received in BHL Dalyellup Two Apartments Ltd under the Social Housing Economic Recovery Package Grants Program, to be spent on the development of properties.

In addition, it also includes various government subsidies received in cash for the services have not been provided to the residents or care recipients at the end of the reporting year.

Fees in advance represent $2.0 million of aged care homes and retirement living resident fees billed in advance.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

C8. Employee provisions

	2026 $'000	2025 $'000
Current		
Annual leave	18,304	15,362
Long service leave	4,986	4,630
Total current employee provisions	**23,290**	**19,992**
Non-current		
Long service leave	4,301	3,286
Total non-current employee provisions	**4,301**	**3,286**
Total employee provisions	**27,591**	**23,278**

Employee provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

The current liability for annual leave and long service leave (for which settlement within 12 months of the reporting date cannot be deferred) is recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The non-current liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted to determine their present values.

A reconciliation of employee provisions is provided below:

	2026 $'000	2025 $'000
1 July	23,278	20,396
Additions	18,734	17,055
Utilised	(14,421)	(14,173)
30 June	**27,591**	**23,278**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

C9. Resident liabilities

	2026 $'000	2025 $'000
Current - expected settlement within 12 months		
Refundable accommodation deposits	78,603	75,060
Retirement village resident liabilities net of accrued deferred management fees	23,342	20,291
Guaranteed buy back	2,410	2,410
Interest free loans	1,926	2,377
Major reserve funds	1,075	944
Total current resident liabilities - expected settlement within 12 months	**107,356**	**101,082**
Current - expected settlement after 12 months		
Refundable accommodation deposits	252,006	207,322
Retirement village resident liabilities net of accrued deferred management fees	299,898	286,942
Total current resident liabilities - expected settlement after 12 months	**551,904**	**494,264**
Total resident liabilities	**659,260**	**595,346**

Refundable accommodation deposits

Refundable accommodation deposits ('RADs') are deposits paid by residents in aged care homes upon admission. Residents can choose to pay a full lump-sum RAD; a regular rental-type payment called a 'daily accommodation payment' ('DAP'), or a combination of both.

RADs are refundable when the resident vacates the aged care home in accordance with the prudential requirements set out in the Aged Care Act 2024.

RADs are non-interest bearing and are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method. As financial liabilities with a demand feature, the carrying value of RADs at balance date approximates their fair value.

Approved Aged Care Providers are required to implement and maintain a liquidity management strategy to ensure they have sufficient liquidity to refund RADs as they fall due. Refer to Note D3. Financial risk management.

Retirement village resident liabilities net of accrued deferred management fees

	2026 $'000	2025 $'000
Retirement village resident liabilities	372,408	352,825
Less: Accrued deferred management fees	(49,168)	(45,592)
Total	**323,240**	**307,233**

The Group owns and operates several retirement villages. The Group recognises a liability for the entry contribution paid by the resident under a lease for life arrangement.

Upon exit the resident is refunded the entry contribution paid by the new incoming resident less any outstanding fees owed (i.e. the outgoing termination payment).

C9. Resident liabilities (continued)

Retirement village resident liabilities net of accrued deferred management fees (continued)

The entry contributions are non-interest bearing and are recognised at fair value through profit or loss with resulting fair value adjustments recognised in profit or loss.

Under a lease for life arrangement a deferred management fee is payable by the resident upon exit (via a deduction from the outgoing termination payment). The deferred management fee receivable is calculated based on the current tenure of the resident and the relevant contract terms.

The Group holds a contractual right to set-off the deferred management fee receivable on termination against the resident liabilities to be repaid.

Guaranteed buy back

A guaranteed buy back clause may be agreed with the resident upon entry into a retirement village under a lease for life arrangement. The entry contribution (less any fees owed including the deferred management fees) under a guaranteed buy back arrangement is refundable upon exit.

Entry contributions under a guaranteed buyback agreement are initially recorded at the amount received and subsequently at amortised cost.

Interest free loans

The Group has a number of interest free loans whereby the entry contribution upon entry into a retirement village was contractually agreed to be an interest free loan from the resident to the Group and repayable upon exit.

Interest-free loans are initially recorded at the amounts received and subsequently at amortised cost.

These interest-free loan arrangements are no longer entered into by the Group.

Major reserve funds

The Group has established major reserve funds for each retirement village it owns and operates.

Major reserve funds are managed by the Group to fund the cost of major replacement, renovation or refurbishment of the villages. Funds are sourced from fixed percentage contributions by outgoing residents at the time of settlement in accordance with their agreement.

Current versus non-current classification

Refundable accommodation deposits and retirement village resident liabilities are classified as current under the Accounting Standards as the Group does not have an unconditional right to defer payment for 12 months however, they are not expected to all be repaid in the next 12 months.

It is expected that the RAD refunded will be replaced by another RAD as another resident moves in. In addition, under the lease for life contractual terms, resident liabilities are repaid directly from incoming residents which results in a nil cash impact to the Group.

The amounts expected to be settled within 12 months are determined based on budgeted cash flows relating to refundable accommodation deposits and retirement village resident liabilities.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

D. Capital and Financing

This section addresses the debt, leases and financial risks of the Group including the accounting policies applied and key estimates and judgements made.

D1 Borrowings
D2 Leases
D3 Financial risk management
D4 Capital commitments

D1. Borrowings

	2026 $'000	2025 $'000
Current		
Bank loans secured	1,119	30,379
Total current borrowings	**1,119**	**30,379**
Non-current		
Bank loans secured	10,806	-
Total non-current borrowings	**10,806**	**-**
Total borrowings	**11,925**	**30,379**

Classification, recognition, measurement and derecognition

Borrowings are initially recognised at the amount drawn; net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss and Other Comprehensive Income.

Borrowings are derecognised where the related obligations are either discharged, cancelled or expired.

The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Facility Agreement

During the financial year, the Group refinanced its existing Facility Agreement with Commonwealth Bank of Australia. The refinancing resulted in a new Facility Agreement with revised lending terms and an extended maturity date of 12 March 2029. Amounts drawn down under each Cash Advance facility bear interest at a rate of BBSY plus a margin of 2.15% per annum.

Bethanie Housing Ltd's subsidiaries are excluded entities and therefore not parties to, nor borrowers under, the Facility Agreement.

At 30 June 2025, borrowings were classified as current as the Facility Agreement was due to expire on 17 May 2026 and there was no legally binding right at that date to defer settlement of the liability for at least 12 months after the reporting date.

At 30 June 2026, as the borrowings are not due for repayment within 12 months after the reporting date, they have been classified as non-current.

Interest is payable at the end of each interest period.

Under the Facility Agreement, the Group has the following facilities in place.

	Facility Limit $'000	Amount Drawn $'000
Cash Advance A	20,000	6,652
Cash Advance B	3,000	722
Cash Advance D	3,500	3,432
Cash Advance E	4,300	-
Asset Finance	3,000	1,119
Total	**33,800**	**11,925**

D1. Borrowings (continued)

Facility Agreement (continued)

Cash advance A is for the Group's general corporate and working capital purposes and assisting in managing the Group's RAD liquidity.

Cash advance B is for funding Bethanie Beachside Independent Living Units project.

Cash advance D is for the purpose of Bethanie Housing Ltd's working capital.

Cash advance E is for the purpose of a cash contribution to the QVS Apartments project.

An additional Cash Advance Facility C for the purpose of refinancing an existing facility relating to construction of the Dalyellup Aged Care Facility was fully repaid during the year ended 30 June 2026.

The loan balances are repayable no later than the termination date of the Facility Agreement, being 12 March 2029, except for the Asset Finance facilities for which the terms (interests, repayments, termination) are subject to separate agreement with the Lender.

Interest is payable at the end of each interest period except for any loans drawn from Cash Advance B used to fund the development of a project for which interest is capitalised.

Covenants

The Facility Agreement contains financial and non-financial covenants. As at 30 June 2026, all covenants were tested and in compliance.

Assets pledged as security

The bank loans are secured by a first mortgage over the Group's freehold land and buildings. These securities do not extend to land and buildings held by Bethanie Housing Ltd's subsidiaries. The terms of the first mortgage preclude the assets being sold or used as security for borrowings without the permission of the bank.

The carrying amount of the assets pledged as security is disclosed in Note C5. Property, plant and equipment and Note C6. Investment properties.

The bank also has a deed of fixed and floating charge over the Group's assets.

D2. Leases

	Right-of-use assets			
	Land and buildings $'000	Equipment $'000	Total $'000	Lease liabilities $'000
Year ended 30 June 2026				
Opening balance as at 1 July	13,530	464	13,994	12,382
Additions	619	418	1,037	1,037
Depreciation expense	(1,231)	(419)	(1,650)	-
Impairment expense	-	-	-	-
Interest expense	-	-	-	465
Payments	-	-	-	(2,316)
Closing balance as at 30 June 2026	**12,918**	**463**	**13,381**	**11,568**
Year ended 30 June 2025				
Opening balance as at 1 July	8,991	919	9,910	7,466
Additions	6,660	27	6,687	6,686
Depreciation expense	(1,483)	(482)	(1,965)	-
Impairment expense	(638)		(638)	-
Interest expense	-	-	-	368
Payments	-	-	-	(2,138)
Closing balance as at 30 June 2025	**13,530**	**464**	**13,994**	**12,382**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

D2. Leases (continued)

Leases are recognised on the balance sheet as a right- of-use asset with a corresponding lease liability.

The Group uses the recognition exemptions for leases that at the commencement date have a lease term of less than 12 months and for lease contracts for which the underlying asset is of low value. These leases are not recognised on the Statement of Financial Position, and the rental payments are expensed in profit or loss.

The Group applies the practical expedient to account for a portfolio of leases with similar characteristics as an individual lease, when the effects are not expected to differ materially from accounting for the leases separately.

The Group uses the Incremental Borrowing Rate where the rate implicit in the lease is not available. Depreciation and finance costs are recognised in profit or loss.

Future lease payments

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, e.g. short-term leases and leases of low-value items) are disclosed for each of the following periods:

	2026 $'000	2025 $'000
Less than one year	1,482	2,211
One to five years	5,696	5,096
More than five years	6,847	7,821
	14,025	**15,128**

D3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and prices.

Market risk is managed and monitored by using sensitivity analysis and minimised through ensuring that all operational activities are undertaken in accordance with the financing and investment strategies of the Group.

Interest risk

The main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

At the reporting date, the Group had 91% (2025: 93%) of its borrowings exposed to variable interest rates amounting to $10.8 million (2025: $28.2 million).

The Group invests prudential funding in fixed term deposits classified as Cash and Cash Equivalents or Financial Assets depending on its length of maturity.

They are therefore not subject to interest rate risk as defined in the Accounting Standards, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

D3. Financial risk management (continued)

Interest risk (continued)

Sensitivity

	Impact on profit/(loss) for the year	
	2026 $'000	2025 $'000
BBSY 90 days – increase by 100 basis points *	108	282
BBSY 90 days – decrease by 100 basis points *	(108)	(282)

**All other variables held constant*

The Group manages its interest payments on borrowings through investing in 12-month term deposits with a combination of maturity dates, to maximise interest income.

The exposure to interest rates is constantly monitored and where appropriate, steps are taken to mitigate the cost to the Group.

Price risk

The Group's exposure to price risk primarily relates to the risk that the Federal Government through the Department of Health, alters the rate of funding provided to Approved Providers of aged care services.

A fluctuation in the rate of Government funding may have a direct material impact on the revenue of the Group. In addition, the Department of Health also administers the pricing of resident and care recipient contributions.

Credit risk

Credit risk arises from cash at bank and term deposits with financial institutions as well as credit exposures to outstanding trade receivables.

Cash at bank, and term deposits are held with financial institutions with credit ratings of at least 'A', as follows:

	Credit Rating (Moody's)	2026 $'000	2025 $'000
Commonwealth Bank of Australia	Aa2	94,934	63,356
St George's bank (part of Westpac Bank Corp)	Aa2	2,357	1,843

The Group has policies in place to ensure that wherever possible services are provided to residents and care recipients with an appropriate credit history. Residential aged care residents undergo an assessment of assets and income.

Liquidity risk

The Group manages liquidity risk by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Due to the dynamic nature of the businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available and surplus funds are generally only invested in instruments that are highly liquid.

The Group has a Liquidity Management Strategy in accordance with the Aged Care Financial and Prudential standards that guides its financial management of liquid assets. Prudent liquidity risk management implies maintaining sufficient cash and term deposits and the availability of funding through adequate credit facilities. Refer to Note D1. Borrowings for details relevant to available credit facilities.

D3. Financial risk management (continued)

Liquidity risk (continued)

The Group's policy is to maintain a minimum of $50 million in liquid assets, ensuring refundable accommodation deposit liabilities can be refunded as and when required.

Maturity analysis

The tables below analyse the Group's financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months approximately equal their carrying balances as the impact of discounting is not significant.

	Carrying amount $'000	Less than 12 months $'000	1 – 2 years $'000	2 – 5 years $'000	Over 5 years $'000	Contractual cashflows $'000
30 June 2026						
Trade and other payables	23,712	23,712	-	-	-	23,712
Borrowings	11,925	1,119	-	10,806	-	11,925
Employee provisions	27,591	23,290	1,107	2,438	756	27,591
Lease liabilities	11,568	1,482	1,426	4,270	6,847	14,025
Resident liabilities	659,260	659,260	-	-	-	659,260
Other liabilities	2,021	384	65	194	1,378	2,021
Total	**736,077**	**709,247**	**2,598**	**17,708**	**8,981**	**738,534**

	Carrying amount $'000	Less than 12 months $'000	1 – 2 years $'000	2 – 5 years $'000	Over 5 years $'000	Contractual cashflows $'000
30 June 2025						
Trade and other payables	18,763	18,763	-	-	-	18,763
Borrowings	30,379	30,379	-	-	-	30,379
Employee provisions	23,278	19,992	540	1,997	749	23,278
Lease liabilities	12,382	2,211	1,289	3,807	7,821	15,128
Resident liabilities	595,346	595,346	-	-	-	595,346
Other liabilities	1,760	58	65	194	1,443	1,760
Total	**681,908**	**666,749**	**1,894**	**5,998**	**10,013**	**684,654**

D4. Capital commitments

The Group is committed to incur capital expenditure of $51.4 million (2025: $2.8 million). The increase in capital commitments is primarily due to the commencement of the Dalyellup Two Apartments and QVS Apartments development projects.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

E. Other

This section addresses information on other items which require disclosure to comply with Australian Accounting Standards.

E1 Remuneration of auditors
E2 Contingent liabilities
E3 Economic dependency
E4 Parent entity
E5 Subsidiaries
E6 Related party transactions
E7 Subsequent events

E1. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by KPMG as the auditor.

	2026 $	2025 $
Audit fees	273,360	213,200
Other assurance services	-	12,000
Other services	79,062	61,213
Total	**352,422**	**286,413**

E2. Contingent liabilities

There are four bank guarantees in relation to rental premises and property development of $1.1 million (2025: $1.4 million). Other than these bank guarantees, there are no contingent liabilities as at the reporting date.

E3. Economic dependency

The Group derives more than 50% of its revenue from Australian Government funding sources in the form of subsidies and supplements.

E4. Parent entity

The ultimate parent entity, which exercises control over the Group, is The Bethanie Group Inc and is incorporated in Australia.

	2026 $'000	2025 $'000
Current assets	101,327	72,955
Non-current assets	612,375	598,792
Total assets	**713,702**	**671,747**
Current liabilities	698,485	659,796
Non-current liabilities	23,398	15,159
Total liabilities	**721,883**	**674,955**
Accumulated losses	(8,181)	(3,208)
Total equity	**(8,181)**	**(3,208)**
Profit/(Loss) for the year	**(4,973)**	**5,021**

Guarantees

Bethanie has guaranteed the debt facility of Bethanie Housing Ltd. The facility limit is $7.8 million, of which $3.4 million was drawn at 30 June 2026.

Contingent liabilities

There are three bank guarantees in relation to rental premises of $0.6 million (2025: $1.4 million). Other than these bank guarantees, there are no contingent liabilities as at the reporting date.

Contractual commitments

Bethanie is committed to incur capital expenditure of $0.6 million (2025: $2.1 million).

E5. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are consolidated in these financial statements from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group balances, transactions and unrealised gains on transactions are eliminated in these consolidated financial statements.

E5. Subsidiaries (continued)

The Group's wholly owned subsidiaries are as follows:

	2026	2025
Bethanie Housing Group	100%	100%
Bethanie Primary Care Limited	100%	100%
Vacant Beds Ltd	100%	100%

The parent entity of Bethanie Housing Group is Bethanie Housing Ltd. Bethanie Housing Group comprises the following wholly owned subsidiaries:

	2026	2025
BHL Dalyellup Two Apartments Ltd	100%	100%
BHL East Parade Apartments Ltd	100%	100%
BHL Dalyellup Key Worker Housing Ltd	100%	100%
BHL QVS Apartments Ltd	100%	100%

E6. Related party transactions

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

During the financial year, BHL Dalyellup Two Apartments Ltd and BHL QVS Apartments Ltd assumed responsibility for the Dalyellup Two and QVS Apartments development projects, respectively, following the assignment of the relevant grant agreements by Bethanie Housing Ltd.

As part of these arrangements, work in progress with the carrying amounts of $1,051,848 and $1,779,284 was transferred from Bethanie Housing Ltd to each respective entity at the assignment date. Following the assignment, a further $121,784 and $324,152 of project costs were capitalised by Bethanie Housing Ltd and subsequently transferred to the respective entities.

The transfers were recognised at carrying amount in accordance with the Group's accounting policy for transfers between entities under common control.

Of the amount transferred to BHL Dalyellup Two Apartments Ltd, $1,000,000 was recognised as an investment in subsidiary, reflecting project costs funded from grant income previously recognised by Bethanie Housing Ltd and not repayable by BHL Dalyellup Two Apartments Ltd.

The remaining $173,632 was recognised as an intercompany receivable from BHL Dalyellup Two Apartments Ltd, as these costs form part of the approved project capital stack and are expected to be reimbursed by the subsidiary from project funding.

Of the amount transferred to BHL QVS Apartments Ltd, 1,000,000 was recognised as an investment in subsidiary, reflecting project costs funded from grant income previously recognised by Bethanie Housing Ltd and not repayable by BHL QVS Apartments Ltd.

The remaining $1,103,436 was recognised as an intercompany receivable from BHL QVS Apartments Ltd, as these costs form part of the approved project capital stack and are expected to be reimbursed by the subsidiary from project funding.

Administration costs of $56,222 and $52,444 were transferred to BHL Dalyellup Two Apartments Ltd and BHL QVS Apartments Ltd respectively and recognised as investments in subsidiary. These costs do not form part of the approved capital stack for the projects and are not expected to be reimbursed by the subsidiary from project funding.

In addition, during the year, land located at 8 Queen Victoria Street, Fremantle WA, with a carrying amount of $2,424,915, was transferred from Bethanie Housing Ltd to BHL QVS Apartments Ltd, for no consideration.

The transfer was recognised as an investment in subsidiary and recorded at the carrying amount of the asset at the date of transfer, in accordance with the Group's accounting policy for transfers between entities under common control.

These transactions were not conducted on arm's length terms and have been accounted for as transfers between entities under common control.

Under the management agreement between the Group and Bethanie Housing Ltd, the management fee is calculated as a fixed amount and is indexed annually.

The Bethanie Group Inc has charged $1,715,000 for managing Bethanie Housing Ltd's properties (2025: $1,779,000) and recharged $1,790,000 (2025: $1,475,000) for expenses incurred on behalf of the Bethanie Housing Ltd.

At 30 June 2026, The Bethanie Group Inc has $1,982,000 receivable from Bethanie Housing Ltd (2025: $2,042,000).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

E6. Related party transactions (continued)

Key management personnel

Key management personnel (KMP) include members of the Board and Senior Executives.

The KMP remuneration comprises short-term employee benefits, post-employment benefits and termination benefits. These are included in employee benefit expenses (Note B2).
The increase in KMP remuneration during FY26 was primarily attributable to changes in the Executive Team, including the appointment of an additional Executive Team member.

	2026 $	2025 $
Remuneration paid/payable to all members of the board and KMP	2,781,080	2,347,646

During the year there were no material transactions between the Group and any KMP.

The names of the non-executive Directors, remuneration paid and membership of Board sub committees in the financial year were as follows:

	2026 $	PCGC	GPTC	RAC	CCGC
Diana Forsyth (Chair)*	95,468	✓			✓
Celia Hammond (Deputy Chair)*	70,177	C			✓
Maria Foundas	61,104				C
Ross Hughes*	38,346		✓	C	
Dana Dermody	55,610				✓
Paul Lakey	61,104	✓	C		
Stuart Beattie	57,337		✓	✓	
Frank Marra (Appointed 29 October 2025)*	42,631			✓	
Glen Power (Resigned 13 October 2025)	16,429		✓		

✓ – Member of the Committee

C – Chair of the Committee

PCGC - People, Culture & Governance Committee

GPTC – Growth, Property & Technology Committee

RAC – Risk & Assurance Committee

CCGC – Clinical and Care Governance Committee

*In addition to the BGI remuneration disclosed above, Diana Forsyth received BHL remuneration $18,865, Celia Hammond received BHL remuneration $17,659, Ross Hughes received BHL remuneration $18,886 and Frank Marra received BHL remuneration $37,870 in non-executive director fees relating to Bethanie Housing Ltd during FY26.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

E7. Subsequent events

Subsequent to the reporting date, with effect from 8 July 2026, land was transferred from The Bethanie Group Inc to group members BHL Dalyellup Two Apartments Ltd and BHL Key Worker Housing Ltd, at nil consideration. In accordance with accounting standards and the accounting policy of the Group, the land was recognised by BHL Dalyellup Two Apartments Ltd and BHL Key Worker Housing Ltd as capital contributions at allocated historical costs of $0.6 million and $2.2 million respectively, based on their respective land areas.

On 16 September 2026, BHL Dalyellup Key Worker Housing Ltd entered into a design and construction contract for the Dalyellup Key Worker Housing development. The contract is subject to conditions precedent, including the availability of unconditional project finance.

Funding for the Dalyellup Key Worker Housing development includes a grant from the Housing Authority, under an agreement entered into on 22 September 2026, together with debt facilities from Housing Australia. On 30 September 2026, BHL Dalyellup Key Worker Housing Ltd entered into a senior debt facility with Housing Australia. A pre-existing concessional loan facility is also in place with Housing Australia. As at the date these financial statements were authorised for issue, no amounts had been drawn under either facility.

The first stage of reforms under the Retirement Villages Amendment Act 2024 (WA) and the Retirement Villages Regulations 2026 (WA) commenced on 1 September 2026. The reforms introduce changes for retirement village operators in relation to resident exit entitlements, financial management, governance, resident consultation and operational practices. The Group has reviewed the reforms and is implementing the changes necessary to comply with the new requirements.

Vacant Beds Ltd completed its grant-funded activities, with the Vacant Beds platform ceasing to be available from 31 August 2026. Vacant Beds Limited is not expected to undertake any further operations. The Directors of Vacant Beds Limited have committed to winding up the entity and the wind-up process is currently in progress. The timing of completion is dependent on the finalisation of the remaining wind-up activities.

Other than these matters, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

Directors' Declaration

In the opinion of the directors of The Bethanie Group Inc ('The Company'):

(a) the consolidated financial statements and notes set out on pages 16 to 43 are in accordance with the Associations Incorporation Act 2015, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements, the Associations Incorporation Act 2015, the ACNC Act 2012 and other mandatory professional reporting requirements.

(b) 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 statement is made in accordance with a resolution of the Board of the directors.

Signed for and on behalf of the Board of the directors by:



Diana Forsyth
Non-Executive Chair
Board of Directors
The Bethanie Group Inc

Perth, Western Australia this 23rd day of October 2026



Independent Auditor's Report

To the members of The Bethanie Group Inc

Opinion

We have audited the ***Financial Report***, of The Bethanie Group Inc (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and the *Associations Incorporations Act* 2015 including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2026, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR)*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2026;
- 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 ende;
- Notes, including material accounting policies;
- Directors' declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *ACNC Act 2012* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Other Information is financial and non-financial information in The Bethanie Group Inc's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR.
- Preparing the Financial Report in accordance with the Associations Incorporations Act 2015.
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of 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 registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG

Laura Cardy

Partner

Perth

23 October 2026


Bethanie



Bethanie