



Uniting (NSW.ACT)
ABN 78 722 539 923
Consolidated Financial Report 30 June 2025

Board Members' Report

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Board Members' Report

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

The members of the Board of Uniting (NSW.ACT) present their report for the financial year ended 30 June 2025.

Board member profiles

Liz Nicol (Chair)

Liz is an experienced executive and non-executive director with expertise in risk, leadership, organisational behaviour and culture change. Liz works across a wide range of sectors, bringing skills in leadership and collaborative approaches to engage people towards achieving organisational vision around culture change, risk and assurance. Liz joined the Uniting (NSW.ACT) Board in October 2017 and was appointed Chairperson of the Board in November 2024.

Rev. Dr Elenie Poulos

Elenie has almost 30 years' experience in the not-for-profit sector, working in public policy, advocacy and government relations including 15 years as the Director of the Uniting Church's national justice policy and advocacy unit. She also consults for not-for-profits and civil society groups. Elenie is ordained in the Uniting Church in Australia. Elenie joined the Uniting (NSW.ACT) Board in July 2019 and was appointed the Chairperson of the Board's Mission Governance and Collaboration Committee in January 2022.

Rev. Jane Fry

Reverend Jane Fry commenced as General Secretary of the Uniting Church Synod of NSW & ACT in 2017. This followed 5 years as Associate Secretary of the Synod. Jane was ordained as a Minister of the Word in 1995 and has worked in congregational ministry, police chaplaincy and presbytery leadership. Jane has served on the Uniting (NSW.ACT) Board since 2017, as an ex officio member in her capacity as the General Secretary of the Uniting Church Synod of NSW & ACT.

Kristal Kinsela

Kristal is a proud Aboriginal woman, a descendant of both the Jawoyn and Wiradjuri nations. Kristal has more than 18 years' experience in education and training, organisational and workforce development, and supplier diversity, working across government, corporate and not-for-profit sectors. Kristal is passionate about creating lasting pathways and growing the capabilities of First Nations businesses and individuals. Kristal joined the Uniting (NSW.ACT) Board in November 2020 and was previously Chairperson of the Board's Communities Committee 2021-2024.

David Pigott AOM

David has worked in senior levels across the charity and government sectors. He is a member of the Council of Wesley College within the University of Sydney and has been a member of the Australian Charities and Not-for-profits Commission Advisory Board, the NSW Ministerial Advisory Council on Ageing, and was a former board member of Child Fund Australia and Chair of the Ella Centre. He is an Elder of St David's Uniting Church in Haberfield. David joined the Uniting (NSW.ACT) Board in November 2020.

Michael Talbot

Michael is an experienced non-executive director and former C-Suite executive responsible for business development and strategy, organisation design, and digital innovation. Michael consults to justice and public sector organisations on reform, and coaches and mentors executives transitioning to higher responsibilities. Michael joined the Uniting (NSW.ACT) Board in October 2017 and was appointed Chairperson of the Board's Remuneration and Board Governance Committee in November 2024.

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Board member profiles (continued)

Sara Watts

Sara is an experienced non-executive director and audit and risk committee chairperson with over 20 years of financial and operational experience from a range of sectors including technology, education, government, and mineral resources. Sara joined the Uniting (NSW.ACT) Board in November 2019 and was appointed the Chairperson of the Board's Audit, Risk and Treasury Committee in January 2022.

David Barrow

David has nearly 20 years of experience in strategy and organisational development in both executive and non-executive director roles. Currently, David is the Regional Director of the Industrial Areas Foundation Pacific, supporting community organising efforts in Australia, Aotearoa, Canada and the Pacific Northwest of the United States. David is a committed Christian and member of the LGBTQIA+ community. David joined the Uniting (NSW.ACT) Board in December 2023, after serving for 3 years as an external committee member of the Board's Mission Governance and Collaboration Committee.

Jackie Howard

Jackie is an experienced executive and non-executive director with an extensive career in health, aged care, community services and clinical governance. She has worked in the public and private health sectors, in acute and primary healthcare, and the not-for-profit aged and disability sectors in the UK, Germany and Australia. Jackie is a Nurse by background. Jackie joined the Uniting (NSW.ACT) Board in December 2023 and was appointed the Chairperson of the Board's Seniors Services Committee in August 2024.

Michelle Tierney

Michelle is a proud Aboriginal woman and Wiradjuri descendant with over 30 years of leadership experience in the property industry, spanning funds management, real estate investment, corporate strategy, and sustainability. Michelle has held senior executive roles with ASX50-200 organisations and is a highly experienced professional non-executive director on ASX and NZX listed, unlisted, federal government statutory body and not-for-profit boards. Michelle joined the Uniting (NSW.ACT) Board in December 2023.

Heather Watson

Heather is a specialist charity lawyer and non-executive director with more than 30 years of commercial, governance and legal experience spanning aged care, health and community services, transport, affordable housing and First Nations communities. Heather joined the Uniting (NSW.ACT) Board in July 2015 and was appointed Chairperson in October 2016. She is also a Board Member of the Uniting Church Synod of NSW & ACT and is a lifelong member of the Uniting Church. Heather retired as Chairperson and Member of the Uniting (NSW.ACT) Board in October 2024.

Dr Andrew Young

Andrew is dedicated to improving the effectiveness of social impact across a variety of sectors. He brings a systems approach and is passionate about having a strong outcomes focus, evidence and measurement, collaboration, and leadership development. Andrew joined the Uniting (NSW.ACT) Board in July 2015 and retired from the Board in October 2024.

Board Members' Report

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

Principal activities

Uniting (NSW.ACT) ("Uniting") is an institution of the Uniting Church in Australia ("the Church") established by the Synod of NSW & ACT ("the Synod") for the Ministry Area of Social Responsibility.

Uniting is registered as a charity with the Australian Charities and Not-for-profits Commission, under the subtype Public Benevolent Institution, and holds Deductible Gift Recipient status. The purpose of Uniting is to provide benevolent relief to people suffering from poverty, sickness, distress, misfortune, destitution or helplessness by any means.

During the financial year ending 30 June 2025, the principal activities of Uniting were:

- Seniors Services including Residential Aged Care, Retirement Living and low-cost Rental Housing for seniors, Home and Community Care services, and specialist rehabilitation support at the Uniting War Memorial Hospital.
- Communities services for children, young people and families covering services that range from early intervention to out-of-home care services, mental health services, care and support for people with disabilities through NDIS services and Local Area Coordination, Early Learning services, Homelessness services, and the Uniting Medically Supervised Injecting Centre.

Uniting also provides social justice advocacy, social research and community engagement programs, chaplaincy and pastoral care.

Operating and financial review

This financial year marked the third year of Uniting's 10 Year Strategy (2022–2032), which aims to create a better future for more people and communities by disrupting entrenched disadvantage. The strategy is shaped by the Uniting Church Synod of NSW and ACT's Future Directions and is supported by Uniting's First Nations People and Place Strategy.

In this financial year, Uniting reported a 6.6% increase in revenue and other income of \$1,448m (2024: \$1,358m). This growth was primarily driven by Residential Aged Care (RAC) funding indexation to support Fair Work wage increases and inflationary pressures, alongside modest growth in Community Services. In contrast, the year also saw significant transformational project expenditure. The net result for 2025 was a surplus of \$38.1m (2024: \$112.3m). The prior year's result reported a number of one-offs including \$18.8m in COVID-19 grant income related to earlier periods.

Investment income remained strong, with \$40.4m (2024: \$31.1m) generated through fair value gains and fixed-term interest returns.

Cashflows for Uniting reflected lower inflows from Operating Activities, increased major Capital Expenditure Developments, and lower proceeds from Retirement Living incoming contributions, offset by an improvement in Investment Income due to higher interest rates.

Residential Aged Care revenue benefitted from measures to support sector sustainability such as increased maximum room prices and bi-annual indexation of hotelling supplements. Workforce shortages, while improved from prior years, remain a challenge and the important imperative to meet increased care minutes has led to higher labour costs from agency use and overtime at some services.

Board Members' Report

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

Operating and financial review (continued)

Home Care services faced ongoing challenges due to low package growth and high delivery costs. Aged care reforms for the home care sector saw the announcement of the Support at Home program, which necessitated a radically different way of delivering Home Care. In response, Uniting launched the Home with U transformation program to improve service offerings, workforce efficiency, and client experience. The Home with U initiative is expected to deliver enhanced care solutions and outcomes for the people we serve.

Retirement Living experienced revenue growth from recent developments and strong occupancy. Uniting Housing benefited from increased Social Affordable Housing Fund subsidies and high occupancy levels, supported by rising interest rates and rental demand.

The Communities Directorate supported over 128,000 individuals (up 8% on FY24) across NSW and ACT, expanding access in targeted areas with the greatest need through place-based and culturally responsive models. Noteworthy developments included the improved restoration performance in the Newpin program, growth in Mental Health and Wellbeing services, and increased occupancy in Outside School Hours Care, which was offset by early learning industry-wide declines in Long Day Care occupancy.

Uniting will continue to disrupt cycles of disadvantage by delivering more effective early intervention and prevention services and drive systemic change in partnership with the Social Impact and Advocacy Directorate by growing government, sector and community partnerships (including First Nations), demonstrating and building evidence for innovative solutions, and advocating for policy change.

Uniting invested \$56.9m in capital projects during the financial year. Major developments included Westmead Stage 2 and Edinglassie Emu Plains, with the Yamba Apartments and Villas completed.

While construction environments remain challenging, the capital strategy reflects clear focus and intent on underserved regions such as Shellharbour, Charlestown, and Bateau Bay. Over a 15-year horizon, these investments are expected to deliver 1,947 new RAC beds, 4,117 Retirement Village units, and 98 replacement Rental Housing units.

In Communities, Uniting is identifying target markets for Early Learning expansion and Youth Transition Housing. Seniors Services will pursue facility acquisitions and modernisation to replace outdated infrastructure.

Board Members' Report

Uniting (NSW.ACT)

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Likely developments and significant changes in the state of affairs

In 2026, Uniting will implement the new Aged Care Act and Support at Home reforms. Transformation initiatives will continue, including Quality of Care and RAC redesign. The organisation anticipates a positive outlook for RAC, supported by AN-ACC indexation and policy changes such as indexation of Daily Accommodation Payments and retention on Refundable Accommodation Deposits.

Uniting will respond to increasing demand for high-care services and low-cost housing, driven by rising property prices. The development pipeline will support integrated Communities and Retirement Living expansion. Strategic workforce planning, digitisation, and technology transformation will underpin sustainable service delivery.

Environmental sustainability remains a priority, with a roadmap to net carbon neutrality by 2040. Building strong portfolio resilience to extreme weather and environment changes will help mitigate the impacts of climate change on disadvantaged communities.

Subsequent events

No matters or circumstances have arisen since the end of the financial year that significantly affect the operations, results, or state of affairs of Uniting.

Lead auditor's independence declaration

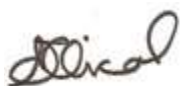
The lead auditor's independence declaration is set out on page 42 and forms part of this Board Members' Report for the financial year ended 30 June 2025.

Rounding off

Uniting is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with that instrument, amounts in this report have been rounded to the nearest thousand dollars unless otherwise stated.

This Board Members' Report is made out in accordance with a resolution of the Uniting Board Members.

Liz Nicol



Chair

30 October 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2025

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

	Note	2025 \$'000	2024 \$'000
Revenue	5	1,399,907	1,296,770
Other income	5	48,055	61,142
		<u>1,447,962</u>	<u>1,357,912</u>
Expenses			
Salaries and employee benefits		(978,288)	(849,193)
Depreciation, amortisation and impairment	12, 13	(106,557)	(96,704)
Program costs		(97,877)	(93,626)
Property costs		(75,747)	(63,138)
Consumables		(85,330)	(78,032)
Administration and other expenses		(26,032)	(26,158)
Consultancy fees		(23,597)	(15,602)
Donations and grant costs		(7,949)	(8,041)
Marketing cost		(4,734)	(4,760)
		<u>(1,406,111)</u>	<u>(1,235,254)</u>
Result from operating activities		<u>41,851</u>	<u>122,658</u>
Finance income	6	40,440	31,068
Finance expense	6	(44,232)	(41,390)
Net finance expense		<u>(3,792)</u>	<u>(10,322)</u>
Surplus for the year		<u>38,059</u>	<u>112,336</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>38,059</u>	<u>112,336</u>

The notes on pages 10 to 40 are an integral part of these consolidated financial statements

Consolidated Statement of Financial Position as at 30 June 2025

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

	Note	2025 \$'000	2024 \$'000
Assets			
Cash and cash equivalents	7	67,116	76,662
Trade and other receivables	8	69,637	63,090
Fixed term investments	9	791,637	658,867
Other financial assets	10	144,927	241,883
Inventory		-	387
Investment property	11	22,200	21,100
Property, plant and equipment	12	1,776,459	1,702,802
Intangible assets	13	5,273	4,683
Assets held for sale	20	3,259	7,997
Total assets		2,880,508	2,777,471
Liabilities			
Trade and other payables	14	153,759	167,277
Interest-bearing liabilities	15	27,606	28,519
Employee benefits expected to be settled within 12 months	16	165,667	147,456
Employee benefits expected to be settled later than 12 months	16	6,969	5,881
Refundable customer deposits expected to be paid within 12 months	17	412,445	366,239
Refundable customer deposits expected to be paid later than 12 months	17	1,207,896	1,193,279
Provisions	18	4,501	5,214
Total liabilities		1,978,843	1,913,865
Net assets		901,665	863,606
Equity			
Accumulated funds		901,665	863,606
Total equity		901,665	863,606

The notes on pages 10 to 40 are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity
for the year ended 30 June 2025

Uniting (NSW.ACT)
Consolidated Financial Report 30 June 2025

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2023	751,270	751,270
Surplus for the year	112,336	112,336
Other comprehensive income	-	-
Total comprehensive income for the year	112,336	112,336
Balance at 30 June 2024	863,606	863,606
Surplus for the year	38,059	38,059
Other comprehensive income	-	-
Total comprehensive income for the year	38,059	38,059
Balance at 30 June 2025	901,665	901,665

Consolidated Statement of Cash Flows for the year ended 30 June 2025

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers and government		1,319,762	1,251,958
Payments to suppliers and employees		(1,279,548)	(1,112,303)
Donations, bequests and fundraising		1,146	716
Interest paid		(2,100)	(3,236)
Net cash inflow from operating activities		<u>39,260</u>	<u>137,135</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		22,284	11,892
Sale of financial assets	10	100,000	50,000
Net payment for fixed term investments		(132,770)	(220,563)
Distributions received		15,319	10,843
Interest received		41,461	21,780
Consideration paid for common control transaction (net of cash received)		-	(300)
Consideration transferred for business combinations	23	(904)	(1,639)
Purchase of property, plant and equipment	12	(173,908)	(143,534)
Purchase of intangible assets	13	(1,436)	(585)
Net cash outflow from investing activities		<u>(129,954)</u>	<u>(272,106)</u>
Cash flows from financing activities			
Proceeds from refundable customer deposits		471,840	518,636
Repayment of refundable customer deposits		(380,318)	(347,191)
Payment for leases		(10,374)	(9,080)
Net cash inflow from financing activities		<u>81,148</u>	<u>162,365</u>
Net (decrease)/increase in cash and cash equivalents		(9,546)	27,394
Cash and cash equivalents at the beginning of the financial year		76,662	49,268
Cash and cash equivalents at end of the financial year	7	<u>67,116</u>	<u>76,662</u>

The notes on pages 10 to 40 are an integral part of these consolidated financial statements

Notes to the Consolidated Financial Report for the year ended 30 June 2025

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

Note 1 - Reporting entity

Uniting (NSW.ACT) is an institution of the Uniting Church in Australia with responsibilities for the Church's social justice, community services, and chaplaincy work, with activities principally based in NSW and in the ACT. These consolidated financial statements comprise Uniting (NSW.ACT) and its subsidiaries (together referred to as the "Group") and have been prepared in accordance with Synod policy and the Church's Regulations and By-Laws. Uniting (NSW.ACT) and subsidiaries are registered charities of the Australian Charities and Not-for-profit Commission, with the exception of Find-A-Carer and Clickability that is not a charity registered with the ACNC.

All assets and liabilities relating to the Group are held by two entities known as The Uniting Church in Australia Property Trust (NSW) and The Uniting Church in Australia (Australian Capital Territory) Property Trust (the "Trusts"). The Uniting Church in Australia Property Trust (NSW) is established by NSW legislation as The Uniting Church in Australia Act 1977 No. 47. The Uniting Church in Australia (Australian Capital Territory) Property Trust is established by ACT legislation as The Uniting Church in Australia Act No.15.

Uniting (NSW.ACT) is entrusted with the stewardship of assets and liabilities related to the activities managed by Uniting (NSW.ACT). These consolidated financial statements, prepared in accordance with the Framework for the Preparation and Presentation of Consolidated Financial Statements under Australian Accounting Standards, recognises those assets and liabilities as controlled by Uniting (NSW.ACT) for accounting purposes.

For the purposes of the Aged Care Act 1997, The Uniting Church in Australia Property Trust (NSW) (the "Trust") is the Approved Provider (NAPS ID 1352) for all Commonwealth funded aged care services in New South Wales and the Australian Capital Territory operated by the Uniting Church.

The consolidated financial statements for the year ended 30 June 2025 were approved and authorised for issue by the Board on 30 October 2025.

Note 2 - Basis of preparation

Statement of compliance

These consolidated financial statements are Tier 2 general purpose consolidated financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

Basis of measurement

The consolidated financial statements have been prepared using the historical cost basis, modified, where applicable, to reflect the fair value of selected non-current assets, financial assets and financial liabilities, such as investment property and equity securities.

These consolidated financial statements are presented in Australian dollars, the Group's functional currency and have been rounded to the nearest thousand dollars, unless otherwise indicated.

Basis of consolidation

Subsidiaries are all entities over which Uniting (NSW.ACT) has control. Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT)
Consolidated Financial Report 30 June 2025

Note 2 - Basis of preparation (continued)

Basis of consolidation (continued)

When the Group does not control a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related gain or loss is recognised through profit and loss.

Presentation of statement of financial position on a liquidity basis

The Group has taken the view that in complying with the requirements of the Australian Accounting Standards, the treatment of refundable accommodation deposits, resident accommodation bonds and resident entry contributions as current liabilities does not reflect the true liquidity position of the Group as a high proportion of these liabilities are not likely to be repaid in the next 12 months.

Accordingly, the Group has chosen to present its consolidated statement of financial position under the liquidity presentation method (AASB 101 Presentation of Financial Statements) to present a more reliable and relevant view. A reconciliation of the allocation of other financial assets, trade and other receivables, bank deposits, investment property, trade and other payables, interest bearing liabilities, employee benefits, refundable customer deposits and provisions according to liquidity has been provided in the notes to the consolidated financial statements.

Critical accounting estimates and judgments

The Group evaluates estimates and judgements incorporated into the consolidated financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

Key judgements in applying AASB 16 Leases

When calculating deferred management fees (operating lease income) on the straight-line basis, the life of the lease is estimated based on the expected average length of stay. If the resident departs before the expiry of the contract term, a pro-rata adjustment is calculated in proportion to the full contract period.

Residential accommodation agreements in which residents who choose to pay a residential accommodation deposits or bond for their accommodation services are considered to be a lease under AASB 16. The Group has recognised as lease income an imputed non-cash charge representing the resident's right to occupy a room under the arrangement. The Group has concluded that the lease term for these arrangements is 14 days (being the notice period required from a resident before departure) resulting in an imputed discount rate being akin to the short-term cash rate.

Note 3 - Material accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on acquisition is recognised in profit or loss immediately. Transaction costs are expensed as incurred.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT)
Consolidated Financial Report 30 June 2025

Note 3 - Material accounting policies (continued)

Business combinations (continued)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Common control transactions

The assets and liabilities of entities acquired via common control transactions have been recognised using their historical values rather than fair values used in other business combinations (see above). The continuation of existing accounting values is consistent with the accounting that would have occurred if the assets and liabilities had already been within the Group and most appropriately reflects the substance of the internal restructure. The difference between cash exchanges as part of the common control transactions and historical values of assets and liabilities acquired is adjusted against accumulated funds in the period that the transaction took place.

Investment in joint venture

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. The investment in the joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture, less any impairment in value.

The statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the joint venture.

The investment in joint venture related to Leap In! Australia Ltd, a joint venture between UnitingCare Queensland and Uniting (NSW.ACT), incorporated on 26 October 2017 ('the joint venture'). The joint venture was sold to a third party on 1 July 2024.

Income tax

Uniting (NSW.ACT) is a not-for-profit endorsed charity and is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs of disposal.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT)

Consolidated Financial Report 30 June 2025

Note 3 - Material accounting policies (continued)

Assets held for sale (continued)

Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on re-measurement are recognised in the statement of profit or loss. Gains are not recognised in excess of any cumulative impairment losses. Assets once classified as held for sale or distribution are not amortised or depreciated. When an asset no longer meets the criteria to be classified as held for sale or distribution, the Group shall cease to classify such as held for sale. Transfers from assets held for sale or distribution are measured at the lower of their carrying amount before the asset was classified as held for sale or distribution, adjusted for any depreciation that would have been recognised had the asset not been classified as held for sale or distribution, and its recoverable amount at the date of the subsequent decision not to sell.

New and amended standards adopted by the group

A number of other new standards are also effective from 1 July 2024, but they do not have a material effect on the Group's financial statements.

Note 4 - Operating segments

The Group voluntarily incorporates disclosures as per AASB 8 – Operating Segments in the consolidated financial statement. This has been made to further enhance transparency of disclosures in the financial report relevant to the industry within which the Group operates.

As at 30 June 2025 the Group has four reportable segments. These segments are distinct, based on their nature of operations, and as a result are managed separately. These segments are based on the internal reports that are viewed and used by the Group's Chief Executive Officer who is the Chief Operating Decision Maker for the purpose of resource allocation and assessment of performance.

The reportable segments are:

Resident aged care (RAC)	Homes where residents are empowered with more choice, voice and control over the decisions that shape daily life, within warm, welcoming communities.
Home and community care (H&CC)	Offering a full range of home care services across NSW and the ACT, providing continuous, high-quality support so older people can stay independent, healthy and socially connected.
Retirement living & rental housing (RL)	Uniting retirement villages provide the freedom of a seniors' community, supporting an active, connected and healthy lifestyle; rental options are available in selected villages.
Communities (Com)	Services for children, young people and families, and housing and homelessness support for people who are homeless, at risk of homelessness, or escaping family violence.
Other	All other operating segments that do not constitute 10% or more of the Group's assets or contribute 10% or more of the Group's revenue.

The Group considers that it is economically dependent on revenue received from the Commonwealth Government Department of Health and Ageing with respect to its residential aged care facilities and community care programs and from the NSW Department of Communities and Justice for Communities programs. The Board believes that this revenue will continue to be made available to the Group for the foreseeable future.

The total amount of recurrent government funding received during the financial year was \$971m (2024: \$894m) and this represented 69.4% (2024: 68.9%) of revenue.

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)
Consolidated Financial Report 30 June 2025

Note 4 - Operating segments (continued)

Information about reportable segments

	RAC		H&CC		RL		Com		Other		Reportable segments Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue*	876,857	816,702	125,562	120,021	73,453	66,486	275,277	264,296	42,539	38,986	1,393,688	1,306,491
Other income	5,411	4,715	1,093	1,515	865	519	4,249	5,658	118	331	11,736	12,738
Segment revenue	882,268	821,417	126,655	121,536	74,318	67,005	279,526	269,954	42,657	39,317	1,405,424	1,319,229
Segment result	21,049	82,147	(15,276)	(1,223)	4,917	(2,386)	(4,415)	(7,112)	(20,368)	(16,404)	(14,093)	55,022
Segment assets	756,363	733,156	17,808	18,638	583,592	586,460	16,768	20,966	11,228	9,984	1,385,759	1,369,204
Segment liabilities	1,105,126	996,504	25,087	35,800	639,597	670,861	85,954	82,316	8,284	3,780	1,864,048	1,789,261
Other material items:												
Salaries and employee benefits	(574,279)	(482,366)	(87,041)	(78,332)	(3,034)	(2,998)	(202,211)	(193,057)	(17,635)	(15,782)	(884,200)	(772,535)
Depreciation, amortisation and impairment expense	(55,526)	(48,634)	(1,003)	(950)	(26,441)	(24,409)	(1,351)	(1,788)	(148)	(78)	(84,469)	(75,859)

* The non cash imputed income on RAD and bond liabilities and corresponding interest expense of \$41.1m has been recorded in the "Other" segment as the Chief Operating Decision Maker ("CODM") does not view this as part of the RAC segment. The net impact of the income and expense on the segment result is nil.

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

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Note 4 - Operating segments (continued)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

	Corporate \$'000	Reportable segments \$'000	Consolidated \$'000
Segment revenues			
2025	42,538	1,405,424	1,447,962
2024	38,683	1,319,229	1,357,912
Segment result			
2025	52,152	(14,093)	38,059
2024	57,314	55,022	112,336
Assets			
2025	1,494,749	1,385,759	2,880,508
2024	1,408,267	1,369,204	2,777,471
Liabilities			
2025	114,795	1,864,048	1,978,843
2024	124,604	1,789,261	1,913,865
Salaries and employee benefits			
2025	(94,088)	(884,200)	(978,288)
2024	(76,658)	(772,535)	(849,193)

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)
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Note 4 - Operating segments (continued)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items (continued)

	Corporate \$'000	Reportable segments \$'000	Consolidated \$'000
Depreciation, amortisation and impairment			
2025	(22,088)	(84,469)	(106,557)
2024	(20,845)	(75,859)	(96,704)

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

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Note 5 - Revenue and other income

	2025 \$'000	2024 \$'000
Revenue from contracts with customers		
Government revenue		
Department of Health & Ageing funding	618,970	551,498
Other government funding	294,286	289,884
Total government revenue	913,256	841,382
Customer revenue		
Basic daily fees	182,009	171,228
Other customer fees	117,842	112,745
Total customer revenue	299,851	283,973
Total revenue from contracts with customers	1,213,107	1,125,355
Lease revenue		
Accommodation revenue - government	57,896	53,077
Accommodation revenue - resident	67,086	63,258
Imputed interest income on refundable accommodation deposits/bonds	41,062	38,046
Rental revenue	20,756	17,034
Total revenue from leases	186,800	171,415
Total revenue	1,399,907	1,296,770
Timing of revenue recognition		
Services transferred at a point in time	832	715
Services transferred over time	1,399,075	1,296,055
	1,399,907	1,296,770
Other income		
Donations, bequest and fundraising	1,146	716
Gains on disposal of assets	13,619	9,478
Distributions	20,993	18,152
Fair value gain on investment property	1,100	5,281
COVID-19 Aged Care Support Program	-	18,763
Other income	11,197	8,752
Total other income	48,055	61,142
Total revenue and other income	1,447,962	1,357,912

During the financial year, the Group received \$nil (2024: \$18.8m) as part of the COVID-19 Aged Care Support Program.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT)
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Note 5 - Revenue and other income (continued)

Accounting policy

Revenue recognition policy

Aged care, home care, disability, childcare and other social service revenue

Government funded subsidies

The Group recognises revenue from aged care, home care, disability, childcare and other social services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services as agreed in contractual agreements with government and other funding bodies. Fees received in advance of services performed are recognised as contract liabilities and included within trade and other payables.

The Group's revenue is primarily derived from contracts with both customers and the government, primarily facilitated through government subsidies and recurrent grants. These funds are obtained through contractual arrangements with various agencies and entities that are integral functions of the broader Australian Federal and State government structure.

Within the Residential aged care segment, funding is allocated in alignment with The Australian National Aged Care Classification ("AN-ACC") funding model, which encompasses fixed, variable, and one-off components.

In the Communities segment, the Group receives recurrent grants aimed at delivering outcome-based services across a diverse array of programs. These programs are designed to provide support to the most vulnerable members of the community. For grants received for home support services in aged care, revenue is recognised over time as services are provided. Funding claims are submitted to the government and are usually payable within one month of services being performed.

Resident and client fees

Client-based fees are generated from charges to customers and are recognised as revenue over time. This includes a basic daily fee and an accommodation charge for residential care, as well as a service charge for home care services and fees for childcare services. The quantum of resident and client fees is subject to government regulation. Additionally, customers who reside in independent living units are subject to a management fee, which is further discussed in note 17.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT)
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Note 5 - Revenue and other income (continued)

Accounting policy (continued)

Other income

Donations, bequests and other grants

Grants such as donations, bequests and legacies and funding agreements which are not enforceable and do not contain sufficiently specific performance obligations are recognised at their fair value when the grant is received. These grants are generally cash but may be property which has been donated or sold to the Group at significantly below its fair value. Once the asset has been recognised, the Group recognises any related liability amounts. Income is then recognised for any difference between the recorded asset and liability.

The timing and recognition of contributions from donations and bequests depends upon when control of these contributions or right to receive these contributions is obtained, which is usually upon receipt of the monies.

Volunteer services

No amounts are included in the financial statement for services donated by volunteers.

Distributions

Distribution income is recognised in statement of profit or loss on the date that the Group's right to receive the payment is established.

Rental income

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Grants - capital

Capital grants received under an enforceable agreement to enable the Group to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the Group are recognised as revenue as and when the obligation to construct or purchase is satisfied.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

For acquisition of assets, the revenue is recognised when the asset is acquired and controlled by the Group.

Gain on acquisition

A gain on acquisition arises through a business combination when the fair value of identifiable net assets exceeds the consideration transferred. The gain on acquisition is measured as the difference between the identifiable net assets and the consideration transferred and is recognised in the consolidated statement of comprehensive income in the financial year in which the business combination is completed.

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

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Note 6 - Finance income and expenses

	2025 \$'000	2024 \$'000
Finance income		
Interest income – UCTAL*	36,205	25,866
Interest income - other	1,191	1,598
Fair value gain on financial assets**	3,044	3,604
Total finance income	<u>40,440</u>	<u>31,068</u>
Finance expense		
Interest expense	(3,170)	(3,344)
Imputed interest expense on RADs and bonds	(41,062)	(38,046)
Total finance expense	<u>(44,232)</u>	<u>(41,390)</u>
Net finance expense	<u>(3,792)</u>	<u>(10,322)</u>

* UCTAL is the Uniting Church (NSW) Trust Association Limited, commonly referred to as Uniting Financial Services.

** Fair value gains and losses represent the market value movement in the Group's investment funds managed by UCTAL.

Accounting policy

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the liability.

Note 7 - Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash on hand	80	84
Cash with UCTAL	33,345	54,174
Cash at bank - other	33,691	22,404
Total cash and cash equivalents	<u>67,116</u>	<u>76,662</u>

Accounting policy

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions and UCTAL.

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

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Note 8 - Trade and other receivables

	Note	2025 \$'000	2024 \$'000
Trade and other receivables - expected to be recovered within 12 months			
Trade receivables		22,907	21,806
Provision for expected credit losses		(2,508)	(2,746)
		<u>20,399</u>	<u>19,060</u>
Other receivables			
Imputation credits receivable		1,327	1,613
Resident accommodation deposits receivable		1,338	1,246
Security deposits		670	500
Other receivables		7,617	6,013
Prepayments		<u>10,739</u>	<u>8,510</u>
		<u>21,691</u>	<u>17,882</u>
Trade and other receivables due from related parties	28	27,547	26,148
Total Trade and other receivables		<u>69,637</u>	<u>63,090</u>
Provision for impairment			
Balance at 1 July 2024		(2,746)	(1,925)
Charge for the year		(256)	(1,107)
Amounts written off		494	286
Balance at 30 June 2025		<u>(2,508)</u>	<u>(2,746)</u>

Accounting policy

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less impairment losses.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is recognised in the statement of profit or loss.

The Group measures loss allowances at an amount equal to lifetime expected credit losses ("ECLs"). Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

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

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)

Consolidated Financial Report 30 June 2025

Note 9 - Fixed term investments

	2025 \$'000	2024 \$'000
Fixed term investments - expected to be received within 12 months		
Fixed term investments - UCTAL	791,637	656,583
Fixed term investments - others	-	2,284
	<u>791,637</u>	<u>658,867</u>
Total fixed term investments	<u>791,637</u>	<u>658,867</u>

Accounting policy

Fixed term investments are recognised at amortised cost and have weighted average interest rates of 4.57% (2024: 4.73%) with maturity terms ranging between 30 days to 12 months (2024: 30 days to 12 months). The Group has a positive intention and ability to hold them until maturity.

Note 10 - Other financial assets

	2025 \$'000	2024 \$'000
Other financial assets - expected to be recovered within 12 months		
Financial assets at fair value through profit or loss		
Investments - Ethical managed funds	-	100,000
Other financial assets - expected to be recovered after more than 12 months		
Financial assets at fair value through profit or loss		
Investments - Ethical managed funds	144,927	141,883
Total other financial assets	<u>144,927</u>	<u>241,883</u>
Movements in carrying amount		
Net carrying amount at 1 July 2024	241,883	288,279
Net disposals*	(100,000)	(50,000)
Movements in fair value	3,044	3,604
Net carrying amount at 30 June 2025	<u>144,927</u>	<u>241,883</u>

*The Group engaged UCTAL to redeem \$100m of Ethical managed funds in 2025 (2024: \$50m) to meet future capital strategy requirements.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT)

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Note 10 - Other financial assets (continued)

Accounting policy

The Group classifies investments in managed funds as financial assets at fair value through profit or loss with any gains or losses recognised through the statement of profit or loss and other comprehensive income.

Non-derivative financial assets - recognition and derecognition

Financial assets are initially recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets are initially measured at fair value.

Non-derivative financial assets - subsequent measurement

A financial asset is subsequently measured at fair value through the statement of profit or loss. Directly attributable transaction costs are recognised in the statement of profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any distribution income, are recognised in statement of profit or loss.

Note 11 - Investment property

	2025 \$'000	2024 \$'000
Investment property - expected to be recovered after more than 12 months	22,200	21,100
Total investment property	<u>22,200</u>	<u>21,100</u>
Movements in carrying amount		
Net carrying amount at 1 July 2024	21,100	15,599
Fair value increase for the year	1,100	(1,833)
Transfer from property, plant and equipment*	-	7,334
Net carrying amount at 30 June 2025	<u>22,200</u>	<u>21,100</u>

* In 2024, 66 Darlinghurst Road, Potts Point, NSW was transferred from property, plant and equipment to investment property which accurately reflects the Group's use of the property for generating rental income and not solely for use in the supply of any of the Group's core services.

Accounting policy

Investment properties are measured at the cost of acquisition upon initial recognition. When the investment properties have been bequeathed or donated to the Group, the investment properties are recorded at fair value that is determined by reference to current market values.

Subsequent to initial recognition, investment properties are measured at their fair value, being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The fair value is supported by an external assessment. Increments and decrements to the fair value are applied to the statement of profit or loss and other comprehensive income in the period in which they occur.

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)
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Note 12 - Property, plant and equipment

	Land Improvements \$'000	Land Cost \$'000	Buildings \$'000	Construction in Progress \$'000	Equipment and Fittings \$'000	Leasehold Improvements \$'000	Right of Use Assets \$'000	Total \$'000
At 30 June 2024								
Cost	25,404	415,575	1,861,982	113,880	411,054	11,110	54,861	2,893,866
Accumulated depreciation and impairment	(15,589)	-	(819,514)	-	(312,921)	(9,832)	(33,208)	(1,191,064)
Net carrying amount	9,815	415,575	1,042,468	113,880	98,133	1,278	21,653	1,702,802
Movements in carrying amounts								
Net carrying amount at 1 July 2024	9,815	415,575	1,042,468	113,880	98,133	1,278	21,653	1,702,802
Additions	-	-	-	173,908	-	-	8,155	182,063
Assets classified as held for sale	-	(3,151)	(106)	-	(2)	-	-	(3,259)
Disposals	-	(180)	(215)	-	(144)	-	(129)	(668)
Reclassification	392	232	42,320	(90,035)	47,091	-	-	-
Additions through business combinations	-	-	-	-	13	-	-	13
Depreciation and impairment	(1,509)	-	(62,316)	(1,064)	(29,765)	(233)	(9,605)	(104,492)
Net carrying amount at 30 June 2025	8,698	412,476	1,022,151	196,689	115,326	1,045	20,074	1,776,459
At 30 June 2025								
Cost or fair value	25,558	412,476	1,895,274	196,689	449,949	10,979	61,969	3,052,894
Accumulated depreciation and impairment	(16,860)	-	(873,123)	-	(334,623)	(9,934)	(41,895)	(1,276,435)
Net carrying amount	8,698	412,476	1,022,151	196,689	115,326	1,045	20,074	1,776,459

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

Note 12 - Property, plant and equipment (continued)

Accounting policy

Estimation of useful life of assets

The estimation of the useful lives of assets is based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets are assessed annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Property, plant and equipment

The value of property, plant and equipment is measured as the cost of the asset, minus the accumulated depreciation and impairment losses. The cost of the asset is the consideration provided plus incidental costs directly attributable to the acquisition.

The value of self-constructed assets includes the cost of material and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent costs in relation to replacing a part of the property, plant and equipment are capitalised in the carrying amount of the item if it is probable that future economic benefits will flow to the Group and its cost can be measured reliably. All other costs are recognised in the statement of profit or loss as incurred.

Depreciation

Depreciation is calculated to expense the cost of items of property, plant and equipment less their estimated residual values on a straight-line basis over their estimated useful lives. The estimated useful lives in the current and comparative years are as follows:

Buildings: 40 years

Land improvement: 10 years

Equipment and fittings: 1.5 - 15 years

Right of use asset: term of the lease

Leasehold improvements: shorter of useful life and term of lease

Depreciation is recognised in the income statement from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation rates and methods, useful lives and residual values are reviewed at each balance sheet date. When changes are made, adjustments are reflected prospectively in current and future financial years only.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

Note 12 - Property, plant and equipment (continued)

Classification of retirement village buildings

The buildings associated with the retirement villages controlled and operated by the Group have been classified as buildings and included as part of property, plant and equipment. While these buildings are not occupied by the Group, and only earn rental income, deferred management fees and for certain units yield capital gains upon turnover of the units, the Group has used the exemption for not-for-profit entities under AASB 140 to classify the buildings as other than investment properties. The Board believes that the buildings have a wider social purpose in that the Group also provides housing for the financially disadvantaged.

Impairment of assets

The Group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using current replacement cost calculations which incorporate various key assumptions.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is recognised immediately in the statement of profit or loss.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Right of use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'interest bearing liabilities' in the statement of financial position.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT)

Consolidated Financial Report 30 June 2025

Note 12 - Property, plant and equipment (continued)

Leases

The Group leases properties for administrative purposes and providing services. The majority of leases typically run for a period of 3 to 5 years, with an option to renew the lease after that date. There are leases that run greater than 8 years. Lease payments are renegotiated at the end of initial term to reflect market rentals. The Group has sub leases within the portfolio.

Some property leases contain extension options exercisable by Uniting (NSW.ACT) up to six months before the end of the non-cancellable contract period. Where practicable, Uniting (NSW.ACT) seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by Uniting (NSW.ACT) and not by the lessors. Uniting (NSW.ACT) assesses at lease commencement date whether it is reasonably certain to exercise the extension options. Uniting (NSW.ACT) reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has several concessionary leases mainly with New South Wales Land and Housing Corporation and Uniting Church. The terms on the majority of leases range between 1 to 5 years with maximum term of 30 years. The majority of leases have options to extend the lease and are intended to continue on an on-going basis. The Group measures these leases at cost on initial recognition.

The Group is dependent on these leases to run certain discrete programs within its Communities segment.

Note 13 - Intangible assets

	Note	*Goodwill \$'000	IT System development \$'000	Total \$'000
At 30 June 2024				
Cost		1,596	46,948	57,734
Accumulated amortisation and impairment		-	(43,861)	(53,051)
Net carrying amount 30 June 2024		1,596	3,087	4,683
Movements in carrying amount				
Net carrying amount at 1 July 2024		1,596	3,087	4,683
Additions		-	1,436	1,436
Acquired through business combination	23	951	268	1,219
Amortisation charge for the year		-	(2,065)	(2,065)
Net carrying amount at 30 June 2025		2,547	2,726	5,273
At 30 June 2025				
Cost		2,547	48,603	51,150
Accumulation amorisation and impairment		-	(45,877)	(45,877)
Net carrying amount		2,547	2,726	5,273

* Goodwill arose on the acquisitions of Find a Carer and Clickability which represents the excess in the consideration paid over the net assets acquired.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

Note 13 - Intangible assets (continued)

Accounting policy

Recognition and measurement

Intangible assets are only recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group, and the costs of the assets are reliably measurable.

Intangible assets are initially measured at cost. Where an intangible asset is acquired at no cost or for a nominal cost, the cost is the fair value as at the date of acquisition.

Intangible assets acquired separately are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets are tested for impairment where an indicator of impairment exists and, in the case of intangible assets with indefinite useful lives, annually, either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Software-as-a-service ("SaaS")

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. Fee for use of application software and customisation costs are recognised as operating expenses over the term of the service contract. Configuration costs, data conversion and migration costs, testing costs, training costs and other initial set-up costs are recognised as operating expense as the service is received. Costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

Software

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of three years and is included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income.

Bed licences

Following the release of the Australian Government's discussion paper Improving Choice in Residential Aged Care - ACAR Discontinuation on 30 September 2021, the useful life of bed licences was reassessed from indefinite to finite-lived intangible assets. The carrying value of bed licences are amortised on a straight-line basis from 1 October 2021 to 30 June 2024, in-line with Australian Accounting Standards.

Goodwill

The consideration transferred in an acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment and is not amortised. Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. An impairment loss in respect of goodwill is not reversed.

Notes to the Consolidated Financial Report (continued)
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Uniting (NSW.ACT)

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Note 14 - Trade and other payables

	Note	2025 \$'000	2024 \$'000
Trade and other payables – expected to be settled within 12 months			
Trade payables		23,060	19,496
Accrued expenses		19,619	6,772
Villages capital works funds		393	742
Workers compensation		4,841	5,989
Other payables		20,073	23,730
		<u>67,986</u>	<u>56,729</u>
Trade and other payables – expected to be settled later than 12 months			
Accrued expenses		-	12,135
Village capital works funds		14,866	14,982
Workers compensation		11,124	10,545
		<u>25,990</u>	<u>37,662</u>
Trade and other payables due to related parties	28	<u>22,165</u>	<u>18,157</u>
Contract liabilities			
Government grants – in advance		4,356	10,277
Government grants – refundable		25,188	26,561
Home care packages – unspent government funds		7,667	10,801
Income in advance		407	7,090
Total trade and other payables		<u>153,759</u>	<u>167,277</u>

Accounting policy

Trade and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Accrued expenses

The value of goods and services received and not yet invoiced as at 30 June 2025.

Capital works funds

In accordance with the *Retirement Villages Act 1999 (NSW)* and the *Retirement Villages Act 2012 (ACT)* ("the Acts") the operator of a retirement village may maintain a capital works fund. Section 99 (5) (NSW) and Section 144 (1) (ACT) of the Acts stipulates that the operator of the retirement village must not use the capital works fund except to meet the cost of capital maintenance, or as agreed by the residents of the retirement village, or as prescribed by the Regulations.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT)

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Note 14 - Trade and other payables (continued)

Government grants received in advance/refundable

The balance of unspent funds from state, territory and federal grants, repayable in accordance with the grant agreement when the funds are not expended in accordance with the terms of the grant by the agreed delivery date.

Home care packages – unspent government funds

The balance of funds available to consumer directed care customers of the Group for services and goods. In accordance with the *User Rights Principle 2014*, these funds are refundable to the contributor of the funds upon the customer leaving the service provider or are transferrable to another service provider.

Other payables

The balance of sundry creditors includes GST payable, and superannuation payable not yet remitted.

Note 15 - Interest bearing liabilities

	2025 \$'000	2024 \$'000
Interest bearing liabilities - expected to be settled within 12 months		
Foyer Central Social Investment Bond	7,000	7,000
Lease liability	9,366	8,815
Interest bearing liabilities - expected to be settled later than 12 months		
Lease liability	11,240	12,704
Total interest-bearing liabilities	<u>27,606</u>	<u>28,519</u>

Accounting policy

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or at fair value through profit or loss ("FVTPL"). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)
Consolidated Financial Report 30 June 2025

Note 15 - Interest bearing liabilities (continued)

Financial liabilities derecognition

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of profit or loss.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate for the portfolio of leases.

Lease liabilities are subsequently increased by the interest cost on the lease liability and decreased by the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index rate, a change in the estimate of the amount expected to be payable under a residual guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Imputed interest on refundable accommodation deposits and resident accommodation bonds balances have been recognised through profit and loss.

Future lease payments

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

	2025 \$'000	2024 \$'000
Less than one year	9,529	9,256
One to five years	10,820	11,937
More than five years	1,730	2,322
	<u>22,079</u>	<u>23,515</u>

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)

Consolidated Financial Report 30 June 2025

Note 16 - Employee benefits

	2025 \$'000	2024 \$'000
Employee benefits - expected to be settled within 12 months		
Salaries and wages accrual	38,531	32,372
Liability – annual leave	76,845	69,556
Liability – other employee entitlements	617	602
Liability – long service leave	49,674	44,926
	<u>165,667</u>	<u>147,456</u>
Employee benefits - expected to be settled later than 12 months		
Liability – long service leave	6,969	5,881
	<u>6,969</u>	<u>5,881</u>

The Group has made payments of \$88.7m (2024: \$74.9m) to defined contribution plans on behalf of employees for the year end 30 June 2025.

Accounting policy

Wages and salaries, annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bond rates which most closely match the terms to maturity of the related liability.

Retirement benefit obligations

Superannuation contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)
Consolidated Financial Report 30 June 2025

Note 17 - Refundable customer deposits

	2025 \$'000	2024 \$'000
Refundable customer deposits - expected to be paid within 12 months		
Resident refundable accommodation deposits and accommodation bonds	316,893	272,435
Resident entry contributions	95,552	93,804
	<u>412,445</u>	<u>366,239</u>
Refundable customer deposits - expected to be paid later than 12 months		
Resident refundable accommodation deposits and accommodation bonds	703,179	658,621
Resident entry contributions	504,717	534,658
	<u>1,207,896</u>	<u>1,193,279</u>

Accounting policy

Refundable accommodation deposits and resident accommodation bonds

Refundable accommodation deposits and resident accommodation bonds are non-interest-bearing for aged care facility residents and are made to the Group upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident. Resident accommodation bonds are measured at the principal amount net of any retentions or any other amounts deducted from the bond at the election of the resident.

The repayment of refundable accommodation deposits and resident accommodation bonds net of any retention is usually funded by refundable accommodation deposits from incoming residents.

The total balance owing to residents has been classified as being "expected to be settled within 12 months" or "expected to be settled after 12 months" on the basis of the immediate past payment history.

Terms and conditions

Refundable accommodation deposits and accommodation bonds (customer deposits) paid by aged care facility residents are repayable on the following basis:

- (i) If the resident gives notice more than 14 days prior to departure, then the deposit is payable on the date of departure;
- (ii) If the resident gives notice less than 14 days prior to departure, then the deposit is payable within 14 days after notice is given;
- (iii) If the resident gives no notice, then the deposit is repayable 14 days after departure; and
- (iv) If the resident dies, then the deposit is repayable within 14 days from the date that notice is received of the granting of probate or letters of administration.

Deferred management fees ("DMF")

Deferred Management Fees or Retention Fees represents the fee that is contractually deducted from the ingoing contribution ("IC") that is paid back to resident upon departure from a retirement village. DMF is recognised over the average length of stay of residents ("ALOS"). The Group discloses this revenue separately from contacts with customers.

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT) Consolidated Financial Report 30 June 2025

Note 17 - Refundable customer deposits (continued)

As the lessor, the Group must recognise the retention fee income on a straight-line basis over the life of the lease. The life of the lease is calculated based on the ALOS. The deferred management fees is recognised based on ALOS. If the resident departs before the expiry of the contract terms, a pro-rata adjustment may be recognised and deducted from the resident's Ingoing contribution.

Resident entry contributions

Resident entry contributions are received from residents of retirement villages and they are non-interest bearing with the net amount repayable after departure. Resident entry contributions are measured at the principal amount net of any retentions or any other amounts deducted from the contribution at the election of the resident, plus the resident's share of the capital gain (if any) based on the expected or actual re-sale value of the underlying dwelling at balance date. The repayment of contributions to residents, including capital gains and net of any retentions, is usually funded by contributions from incoming residents.

The total balance owing to residents has been classified as being "expected to be paid within 12 months" or "expected to be paid after 12 months" on the basis of the immediate past payment history.

Resident entry contributions are non-interest bearing, up to six months after date of departure, and have an average repayment term of two months from the date of departure depending on the nature of client departure.

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)
Consolidated Financial Report 30 June 2025

Note 18 - Provisions

	2025 \$'000	2024 \$'000
Provision – expected to be settled in:		
Less than one year	1,337	314
One to five years	1,920	3,460
More than five years	1,244	1,440
	<u>4,501</u>	<u>5,214</u>
Leasehold restoration		
Movements in provision		
Carrying amount at the beginning of the year	5,214	4,712
Additional provision recognised/(released)	(615)	710
Provision utilised during the year	(98)	(208)
Carrying amount at the end of the year	<u>4,501</u>	<u>5,214</u>

Accounting policy

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions that are recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Note 19 - Contingent liabilities

There were no significant contingent liabilities in respect of the year ended 30 June 2025.

Note 20 - Assets held for sale

	2025 \$'000	2024 \$'000
Property, plant and equipment	3,259	497
Leap in!*	-	7,500
Assets held for sale	<u>3,259</u>	<u>7,997</u>

*The Leap in! joint venture asset was classified as held for sale as at 30 June 2024. During the year, the Group completed the sale of Leap in! for a total consideration of \$15m. The Group's entitlement was \$7.5m, which was received in full during the year.

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)

Consolidated Financial Report 30 June 2025

Note 21 - Financial instruments

Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities at 30 June 2025:

	Note	2025 \$'000	2024 \$'000
Financial assets measured at fair value through profit and loss			
Other financial assets	10	144,927	241,883
Financial assets measured at amortised cost			
Cash and cash equivalents	7	67,116	76,662
Trade and other receivables	8	58,898	54,580
Fixed term investments - UCTAL	9	791,637	658,867
Financial liabilities measured at amortised cost			
Trade and other payables	14	153,759	167,277
Foyer Central Social Investment Bond	15	7,000	7,000
Interest-bearing liabilities	15	20,606	21,519

Accounting policy

Financial assets measured at fair value through profit and loss

Equity securities are valued and measured based on market comparison techniques using quoted prices in active markets for identical assets or liabilities.

Fixed term debt instruments are valued and measured using both market comparisons and discounted cash flows where the fair value is estimated considering:

- (i) current or recent quoted prices for identical securities in markets that are not active and;
- (ii) a net present value calculated using discount rates derived from quoted yields and credit rating that are traded in active markets, adjusted by a liquidity factor.

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)
Consolidated Financial Report 30 June 2025

Note 22 - Auditors' remuneration

	2025 \$'000	2024 \$'000
Audit and review services		
Auditors of the Group - KPMG		
Audit of consolidated financial statements	408	390
Assurance services		
Auditors of the Group - KPMG		
Regulatory assurance services	223	210
Other services		
Auditors of the Group - KPMG		
Advisory services	115	30
	<u>746</u>	<u>630</u>

Note 23 - Business combinations

Clickability

On 31 May 2025, Uniting, through its wholly owned subsidiary Find a Carer Pty Ltd (Find a Carer), acquired 100% of Clickability Pty Ltd (Clickability). Total consideration for the transaction was \$0.9m. The excess over the fair value of net assets has been recognised as goodwill.

Purchase consideration

	\$'000
Cash consideration paid	904
	<u>904</u>
Identifiable assets and liabilities	
The fair value of the identifiable assets and liabilities:	
Cash and cash equivalents	2
Intangible assets	268
Other assets	13
Unearned revenue	(320)
Other liabilities	(10)
Identifiable assets and liabilities	<u>(47)</u>
Purchase consideration	904
Goodwill	<u>951</u>

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)

Consolidated Financial Report 30 June 2025

Note 24 - Australian Charities and Not-for-Profit Commission (ACNC) disclosure

The financial statements are for Uniting (NSW.ACT) (the “Company”) and its controlled entities (the “Group”). Of the four companies in the Group, three are registered with the ACNC.

The ACNC has permitted the joint reporting of the ACNC registered entities (the “ACNC Group”). Under section 60-100 of the ACNC Act 2012, this permission has been granted on the ACNC Group’s compliance with certain conditions. These conditions include specific financial statement disclosures which have been noted below.

Entities within the ACNC Group

Legal Name	ABN	Deductible Gift Recipient
Uniting (NSW.ACT)	78 722 539 923	Yes
Crookwell/ Taralga Aged Care Ltd	49 129 121 259	Yes
Autumn Lodge	81 350 273 467	Yes
Uniting Institute of Education Ltd	77 145 101 864	No

Financial information relating only to the ACNC Group

Apart from Note 25 which relates to the parent entity only, all information in this financial report relates to the Uniting (NSW.ACT) Group including all subsidiaries disclosed in Note 26. Given Find a Carer and Clickability, non ACNC registered entity, are considered to be immaterial to the ACNC group, further disclosure is not required per Condition 3 of Group reporting conditions.

Note 25 - Parent entity disclosures

	2025 \$'000	2024 \$'000
Results of the parent		
Surplus for the period	40,603	111,547
Other comprehensive income	-	-
Total comprehensive income for the period	<u>40,603</u>	<u>111,547</u>
Financial position of parent entity at year end		
Total assets	2,876,335	2,751,555
Total liabilities	1,971,214	1,910,068
Total equity of the parent entity comprising of		
Accumulated funds	905,121	841,487
Total equity	<u>905,121</u>	<u>841,487</u>

Notes to the Consolidated Financial Report (continued) for the year ended 30 June 2025

Uniting (NSW.ACT)

Consolidated Financial Report 30 June 2025

Note 26 - Subsidiaries

Set out below is a list of subsidiaries of the Group:

	2025 Ownership	2024 Ownership
Crookwell/ Taralga Aged Care Ltd	100%	100%
Autumn Lodge	100%	100%
Uniting Institute of Education Ltd	100%	100%
Find A Carer Pty Ltd	100%	100%
Clickability Pty Ltd	100%	0%

Note 27 - Commitments

	2025 \$'000	2024 \$'000
Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:	<u>219,311</u>	<u>4,865</u>

The capital commitments principally relate to the refurbishment, design and construction of residential aged care facilities, retirement villages and childcare centres.

Note 28 - Related party transactions

Parent entity

The reporting Group is Uniting (NSW.ACT). The ultimate parent entity is the Uniting Church in Australia Synod of NSW and the ACT.

Key management personnel

The key management personnel are all the Board members of Uniting (NSW.ACT) and the Executives with the greatest authority for the strategic direction and management of Uniting (NSW.ACT).

Notes to the Consolidated Financial Report (continued)
for the year ended 30 June 2025

Uniting (NSW.ACT)

Consolidated Financial Report 30 June 2025

Note 28 - Related party transactions (continued)

Remuneration to key management personnel

	2025 \$	2024 \$
The aggregate amount of compensation paid to key personnel during the year was:	3,062,769	4,992,716

All related party transactions were between non-controlled entities and are considered either of a benevolent nature or at arm's length.

	Note	2025 \$'000	2024 \$'000
Income received from related parties			
Reimbursements of employee costs - early learning centres		18,498	16,464
Interest income – UCTAL		40,214	13,704
ECBF distributions		16,001	10,843
Other		30	31
		<u>74,743</u>	<u>41,042</u>

Expenses paid to related parties

Risk and insurance services – Uniting Church in Australia Synod NSW & ACT		8,899	8,167
Service fees – Uniting Church in Australia Synod NSW & ACT		3,325	3,427
Property fees – Uniting Church in Australia Synod NSW & ACT		4,200	5,200
Investment management fees – UCTAL		682	517
Other		5,206	6,223
		<u>22,312</u>	<u>23,534</u>

Amounts owed by related parties	8	27,547	26,148
Amounts owed to related parties	14	22,165	18,157

Equity interest in associates

The reporting Group had a joint venture equity investment in Leap in! of \$7.5m which was disposed on 1 July 2024.

Note 29 - Events occurring after balance sheet date

No matter or circumstances has 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 Board Members, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Declaration by the Board

Uniting (NSW.ACT)

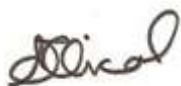
Consolidated Financial Report 30 June 2025

Declaration

In the opinion of the members of the Board of Uniting (NSW.ACT):

1. The accompanying consolidated financial statements comprising the statement of profit or loss and other comprehensive income, the statement of financial position, statement of changes in equity, statement of cash flows and notes to the consolidated financial statements that are set out on pages 6 to 40 are in accordance with the Australian Charities and Not-for-profits Commission Act 2022, including:
 - (a) complying with Australian Accounting Standards - Simplified Disclosure Requirements, Australian Charities and Not-for-profits Commission Regulation 2022; and
 - (b) giving a true and fair view of the Group's financial position as at 30 June 2025 and of the performance for the year ended on that date.
2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Uniting (NSW.ACT) Board and is signed for and on behalf of the Board by:



Mrs Liz Nicol
Chair

Sydney, 30 October 2025



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

To the Board Members of Uniting (NSW.ACT)

I declare that, to the best of my knowledge and belief, in relation to the audit of Uniting (NSW.ACT) for the financial year ended 30 June 2025 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.

A handwritten version of the KPMG logo, with the letters 'KPMG' in a cursive, blue ink style.

KPMG

A handwritten signature in blue ink, which appears to read 'Shara Learmonth'.

Shara Learmonth
Partner

Sydney
30 October 2025



Independent Auditor's Report

To the Board Members of Uniting (NSW.ACT)

Opinion

We have audited the **Financial Report** of Uniting (NSW.ACT) (the Group).

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

- i. giving a true and fair view of the Group's financial position as at 30 June 2025, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022 (ACNCR)*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2025.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- Notes, including material accounting policies.
- Declaration by the Board.

The **Group** consists of the Uniting (NSW.ACT) (the Entity) 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 *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Uniting (NSW.ACT)'s annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Board Members are responsible for the Other Information.

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 Management for the Financial Report

Management are responsible for:

- the preparation of the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures Framework and the ACNC and ACNCR.
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error.
- assessing the Entity and the Group'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 or to cease operations or have no realistic alternative but to do so.

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

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 the 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:

- i. 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 controls.
- ii. 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 Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members.
- iv. Conclude on the appropriateness of the Board members' 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'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 to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members of the Group 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

Shara Learmonth
Partner

Sydney
30 October 2025