The Northcott Society and its controlled entities

ABN 87 302 064 152

General Purpose Financial Report

For the year ended 30 June 2024

Restricted for internal use only.

Contents

Directors' Report

The Directors' present their report together with the consolidated financial statements of the Group comprising of The Northcott Society (the Company or the Society), and its subsidiaries for the financial year ended 30 June 2024 and the auditor's report thereon.

1. Directors

The Directors' of the Society at any time during or since the end of the financial year are:

Name and qualifications	Northcott responsibilities	Experience and other directorships
Ms. Kirsten Armstrong M.Ec, M.PH, FIAA, GAICD	Appointed 7 January 2013 Chair, The Northcott Society since 2023 Member, Finance & Property Committee Member, Nomination Committee Member, Remuneration Committee Member, Risk Committee	Director, icare NSW Director, WIRES NSW Executive Director, Social Impact Initiatives, Social Ventures Australia Fellow, Institute of Actuaries of Australia Graduate, Australian Institute of Company Directors
Mr. Richard Blaiklock B Comm, MBA	Appointed 19 November 2003 Director, Montrose Therapy & Respite - Services Chair, Nomination Committee Chair, Remuneration Committee	Chair, Baresque Australia Pty Ltd group and affiliated companies
Mr. Ricky Casali BComm LLB	Appointed 1 November 2022 Chair, Risk Committee	Partner, Corrs Chambers Westgarth
Ms. Tracey Corbin-Matchett BA (Welfare Studies) Dip Bus (Frontline Mgt)	Appointed 24 March 2022 Director, Northcott Innovation Limited	CEO, Bus Stop Films Ltd Director, Deaf Sports Australia
Ms. Liz Forsyth BA (Hons), BSW (Hons), Dip Mgmt, MAICD	Appointed 1 September 2020 Managing Director and Chief Executive Officer, Northcott Director, Northcott Innovation Limited Director, SpineCare Foundation Director, Montrose Therapy and Respite Services Member, Finance and Property Committee Member, Nomination Committee Member, Remuneration Committee Member, Risk Committee	Member, Australian Institute of Company Directors Director, Ability First Australia
Mr. Mathew Franklin B Comp Sci M Mgt PLDA (HBS) FGIA FRSA FIML GAICD	Appointed 24 March 2022 Member, Risk Committee	Managing Parter Oceania, Consulting, Fujitsu Graduate, Australian Institute of Company Directors

Directors' Report

Name and qualifications	Northcott responsibilities	Experience and other directorships
Dr. Christopher Janssen MB BS (Sydney), MBA (IMD), FAICD	Appointed 27 November 1986	Founder and Managing Director, GPC Electronics Pty Limited and affiliated companies Advisory Board Member, The Warren Centre for Advanced Engineering at the University of Sydney Member of Abbotsleigh School Council Registered (non-practising) Medical Practitioner Fellow of the Australian Institute of Company Directors
Mr. Jeyan Jeevaratnam B Eng (Hons1) MBA, M Eng Sc, MAICD	Appointed 14 May 2020 Director, Montrose Therapy & Respite Services Member, Risk Committee	General Manager, Enterprise Business, Microsoft Asia Member, Australian Institute of Company Directors Member, Young Presidents Organisation
Ms. Christine Kelly BEng-Electrical (Hons) BComm, GAICD	Appointed 15 December 2022 Member, Finance and Property Committee	Portfolio Director – Australia, LINK REIT Graduate, Australian Institute of Company Directors
Ms. Debra Richards BA (Lib Studies), Graduate Diploma, MA, MAICD	Appointed 1 December 2012 Member, Nomination Committee Member, Remuneration Committee	Director, APAC Studio & Production Affairs; ANZ Public Policy, Netflix Vice President, Communications & Media Law Association Director and Treasurer, International Institute of Communications Deputy Chief Adjudicator, Alcohol Beverages Advertising Code Adjudication Panel Member, Australian Film, Television & Radio School (AFTRS) Council Member NSW Film & Television Advisory Committee Member, Australian Institute of Company Directors
Mr. Hugh Wehby BEc (Hons), DipInvRel	Appointed 29 June 2018 Chair, Finance and Property Committee	Chief Commercial Officer, Transurban Director, Transurban Queensland Director, Transurban Chesapeake Director, Sydney Transport Partners

Directors' Report

Name and qualifications	Northcott responsibilities	Experience and other directorships
Mr. Christopher Willocks BComm/BScience	Appointed 24 February 2022 Member, Finance and Property Committee Director, Montrose Therapy & Respite Services	Co-Portfolio Manager, Alphinity Investment Management
Mr. Michael Briggs B Comm, ACA, AGIA, ACG (CGP), MBA Chair	Appointed 27 March 2003 Resigned 31 October 2023 Chair, The Northcott Society since 2009 Chair, Northcott Supported Living Director, Northcott Innovation Limited Member, Finance and Properties Committee Member, Nomination Committee Member, Remuneration Committee Member, Risk Committee	Business Advisor and Investor Chair, Antec Group Pty Limited Director of RLT International Ltd (UK) Director Guided Knowledge Ltd (UK)

In accordance with the Society's Constitution, after a 3-year term, the Directors' retire from the Board of Directors at the forthcoming Annual General Meeting of members and are eligible to offer themselves for re-election upon ratification by the Board.

Company Secretaries

Mr Alex Varley (B.Bus, GradDip Urban Studies), Head of Advocacy and Communications and Director of Creativity Inc. was appointed Company Secretary from 22 March 2018. Mr Andrew Kew (B.Bus, FCPA), Chief Operating Officer and Director of Montrose Therapy and Respite Services was appointed Company Secretary on 24 February 2022. Mr Abbas Alibai (MSc, CA, GAICD) was appointed Company Secretary on 23 June 2022 and resigned on 31 August 2023.

Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the directors of Northcott during the financial year are:

	Board Meetings		Finance and Properties Committee		Nomination Committee		Remuneration Committee		Risk Committee	
	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*
Mr M Briggs	2	3	2	2	1	1	1	1	1	1
Ms K Armstrong	9	9	6	7	2	2	2	2	3	3
Mr R Blaiklock	9	9	-	-	2	2	2	2	-	-
Mr R Casali	9	9	-	-	-	-	-	-	2	3
Ms Tracey Corbin-Matchett	9	9	-	-	-	-	-	-	-	-
Ms L Forsyth	9	9	9	9	2	2	2	2	3	3
Mr M Franklin	6	9	-	-	-	-	-	-	3	3
Dr C Janssen	8	9	-	-	-	-	-	-	-	-
Mr Jeyan Jeevaratnam	9	9	4	5	-	-	-	-	1	1
Ms Christine Kelly	8	9	8	9	-	-	-	-	-	-
Ms D Richards	8	9	-	-	2	2	2	2	-	-
Mr H Wehby	6	9	9	9	-	-	-	-	-	-
Mr C Willcocks	8	9	9	9	-	-	-	-	-	-

* Number of meetings held during the time the director held office during the year.

Directors' Report

2. Environmental regulation

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements. The Group are not aware of any significant breaches during the period covered by their report.

3. Principal activities

The principal activities of the Group during the course of the financial year were the provision of individual and family support, respite, recreation and leisure programs, day programs, accommodation, employment, equipment and technology, specialist services and therapy services to people with disabilities in New South Wales, Queensland (Montrose) and the Australian Capital Territory.

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

The Society's long-term objective:

The Society's long-term objective is to help build an inclusive society where people can live the life they choose. This is achieved in partnership with our customers and stakeholders to ensure we provide services that are professional, customer-focused and designed to assist people with disabilities and their communities achieve their goals and aspirations.

In order to ensure we meet the long-term objectives, the Society will:

- Be innovative in our service delivery, to ensure service provision best meets the needs of our customers.
- Develop a recognised and respected brand to attract and retain customers and supporters.
- Strive to become a provider of choice for both current and prospective customers.
- Grow our services in areas of identified need, particularly regional NSW, the ACT and within Indigenous communities.
- Develop and maintain a skilled workforce to meet the needs of customers as we expand.
- Continue to focus on improving the quality and consistency of our services and measurement of customer outcomes.
- Develop mutual and long-term partnerships with our stakeholders, to ensure our customers have access to the best level of service delivery.
- Develop our knowledge and expertise in person centred planning, which involves identifying what is important to our customers and acting upon it, as well as piloting some person centred services in new areas.
- Develop a number of mechanisms to encourage research and development, including a targeted and holistic program, which translates research into practice. This ensures the services we offer our customers are indicative of best practice and are validated and measured.
- Develop a customer consultation strategy, so that customers can be more meaningfully involved in planning services and evaluating what we do.
- Continually review our services to ensure viability for customers within their NDIS package or available funding.

The Society's short-term objectives:

The Society's shorter-term objectives are based on the organisation's Strategic Plan, which identifies 2 key priorities for Northcott:

a) Quality and Outcomes

A key strategic focus of Quality and Outcomes for our Customers, placing quality, safeguarding and customer outcomes at the forefront. While a driving focus is centred on quality for our customers, we also leverage this strategic priority of 'quality' to drive the transition of our workforce and organisation capabilities.

b) Growth and Evolution

To commence the foundational work that is required to provide a platform for sustainable growth, that is 'true to our purpose', and will evolve our capabilities in the key areas of customer, workforce and organisation. These foundations will ensure we can best serve our communities through innovative ideas and investment in models of support that will promote inclusion for all. This includes a strategy for Indigenous Australians along with a Reconciliation Action Plan.

Directors' Report

A key principle of Consistency and Simplicity

Now that the NDIS is well established, The Northcott Society believes that it's time for a focus on consistency of service delivery and simplicity across its organisation. This principle will underpin all our strategic planning and business planning activities.

4. Review of operations and results of those operations

Overview of the Group

These financial statements are general purpose financial statements prepared in accordance with *Australian Accounting Standards - Simplified Disclosures* made by the *Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.*

Operating results

The operating results for the year ended 30 June 2024 resulted in a consolidated deficit of $16,543 thousand (2023: $12,239 thousand) driven by an operating deficit of $21,041 thousand (2023: deficit of $19,462 thousand) and a non-operating surplus of $4,498 thousand (2023: surplus $7,223 thousand). Contributing factors to the 30 June 2024 operating results are the continued funding pressures faced with the NDIS pricing plus two non-cash or non-recurring items:

- An increase in LPR workers compensation provisioning for premium adjustments $4,945 thousand; and
- Northcott also continued to invest in strategic technology initiatives within our CRM space ($2,805 thousand) which will enable greater insight into our customers journey in a unified environment. This will enable us to:
  - build on customer relationships
  - improve decision making
  - improve workplace efficiencies
  - improve the ease of monitoring compliance

The underlying performance is shown in the below reconciliation of the Comprehensive Loss adjusting for these non-cash and non-recurring items:

	Consolidated	Consolidated
	2024	2023
	$'000	$'000
Reported Comprehensive Loss	(16,543)	(12,239)
Adjusted for the removal of non-cash and non-recurring items:		
CRM Strategic Investment	2,805	3,400
Non-Cash LPR Provision estimation	4,945	-
Non-Cash gain on acquisition from business combination	-	(2,460)
Adjusted loss for non-cash and non-recurring items*	**(8,793)**	**(11,299)**

**the Directors acknowledge that the adjusted loss for non-cash and non-recurring items has not been calculated in accordance with Australian Accounting Standards.*

5. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

6. Dividends

Dividends paid or declared by the Group to members since the start of the financial year were $nil (2023: $nil).

7. Events subsequent to reporting date

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

Directors' Report

8. Likely developments

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

9. Indemnification and insurance of officers and auditors

Indemnifications

The Society has agreed to indemnify the current and former directors of the Society and its controlled entities against all liabilities to another person (other than the Society or a related body corporate) that may arise from their position as directors' of the Society and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Society will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

The Society has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts, for current and former directors and officers, including executive officers of the Society and directors' and executive officers' and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage. Under the terms of the contract of insurance, further details of the insurance cover are not permitted to be disclosed.

10. Members' Guarantee

The Northcott Society is incorporated as a company limited by guarantee. In the event of the Company being wound up, each member undertakes to contribute a maximum of $1 for payment of the Company's liabilities. At 30 June 2024 there were 84 members (2023: 84 members) and the amount of capital that could be called up in the event of the Company being wound up is $84 (2023: $84).

11. Proceedings on behalf of the Company

There are no current proceedings on behalf of the Company.

12. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 9 and forms part of the Directors report for the financial year ended 30 June 2024.

13. Rounding off

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and Directors report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made out in accordance with a resolution of the Directors:

Kirsten Armstrong
Chairperson

Dated at 3 this October day of ____________ 2024.

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

To: the Directors of The Northcott Society and its controlled entities

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2024 there have been:

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

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

KPMG

KPMG

Cameron Roan

Partner

Sydney

3 October 2024

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Statements of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000	The Society 2024 $'000	The Society 2023 $'000
REVENUE FROM OPERATIONS					
Revenue from NDIA participant funding		196,820	189,233	190,637	179,319
Revenue from NDIA grants funding		28,281	22,335	28,281	22,335
Revenue from other government funding		319	297	319	297
Revenue from fundraising and donations		1,235	2,775	1,183	1,627
Revenue from other operating revenue		1,432	2,762	5,841	11,104
TOTAL REVENUE FROM OPERATIONS	2	**228,087**	**217,402**	**226,261**	**214,682**
EXPENSES FROM OPERATIONS					
Cost of sales	3	(91)	(62)	(90)	(62)
Client programme expenses		(215,936)	(206,856)	(214,600)	(206,826)
Fundraising expenses	3	(642)	(701)	(642)	(701)
Corporate support expenses		(32,459)	(29,245)	(31,495)	(25,880)
TOTAL EXPENSES FROM OPERATIONS	3	**(249,128)**	**(236,864)**	**(246,827)**	**(233,469)**
		(21,041)	**(19,462)**	**(20,566)**	**(18,787)**
NON - OPERATING REVENUE					
Revenue from estates and bequests	4	342	700	205	565
Profit from sale of non-current assets		43	328	43	328
Gain on acquisition through business combination		-	2,460	-	-
TOTAL NON - OPERATING REVENUE		**385**	**3,488**	**248**	**893**
NON - OPERATING EXPENSES					
Estates and bequests expenses	4	(17)	(44)	(17)	(44)
TOTAL NON - OPERATING EXPENSES		**(17)**	**(44)**	**(17)**	**(44)**
Net finance income	5	4,130	3,779	3,837	3,531
DEFICIT FOR THE YEAR		**(16,543)**	**(12,239)**	**(16,498)**	**(14,407)**
TOTAL COMPREHENSIVE LOSS		**(16,543)**	**(12,239)**	**(16,498)**	**(14,407)**

Statements of Financial Position

As at 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000	The Society 2024 $'000	The Society 2023 $'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	10,419	36,018	9,078	32,234
Trade and other receivables	7	9,461	5,904	11,353	9,467
Financial assets at fair value through profit or loss	8	41,560	34,922	38,589	32,162
Prepayments		2,980	2,812	2,952	2,672
TOTAL CURRENT ASSETS		**64,420**	**79,656**	**61,972**	**76,535**
NON-CURRENT ASSETS					
Intangible assets	9	3,565	3,647	3,565	3,647
Property, plant and equipment	10	33,013	28,864	28,622	23,569
TOTAL NON-CURRENT ASSETS		**36,578**	**32,511**	**32,187**	**27,216**
TOTAL ASSETS		**100,998**	**112,167**	**94,159**	**103,751**
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	11	3,985	5,035	13,214	14,062
Employee benefits	12	37,535	35,947	37,535	35,947
Provisions	13	6,831	1,221	6,749	1,067
Lease liabilities	14	1,964	2,142	1,604	1,378
Other current liabilities	15	5,766	6,310	5,536	5,692
TOTAL CURRENT LIABILITIES		**56,081**	**50,655**	**64,638**	**58,146**
NON-CURRENT LIABILITIES					
Employee benefits	12	564	864	564	864
Provisions	13	379	290	379	290
Lease liabilities	14	1,261	1,102	1,261	636
TOTAL NON-CURRENT LIABILITIES		**2,204**	**2,256**	**2,204**	**1,790**
TOTAL LIABILITIES		**58,285**	**52,911**	**66,842**	**59,936**
NET ASSETS		**42,713**	**59,256**	**27,317**	**43,815**
EQUITY					
General accumulated funds		42,713	59,256	27,317	43,815
TOTAL EQUITY		**42,713**	**59,256**	**27,317**	**43,815**

The notes on pages 14 to 38 are an integral part of these financial statements.

Statements of Changes in Equity

For the year ended 30 June 2024

	Consolidated	The Society
	$'000	$'000
BALANCE AT 1 JULY 2022	71,495	58,222
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		
Deficit for the year	(12,239)	(14,407)
BALANCE AT 30 JUNE 2023	**59,256**	**43,815**
BALANCE AT 1 JULY 2023	59,256	43,815
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		
Deficit for the year	(16,543)	(16,498)
BALANCE AT 30 JUNE 2024	**42,713**	**27,317**

Statements of Cash Flows

For the year ended 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000	The Society 2024 $'000	The Society 2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from NDIA participant funding		193,263	195,076	188,752	176,546
Cash receipts from NDIA grants and other government funding		28,056	23,463	28,444	23,486
Cash receipts from estates and bequests	4	342	700	205	565
Cash receipts from other revenue sources		2,668	5,537	2,456	3,638
Cash paid to suppliers and employees		(233,838)	(231,597)	(227,660)	(213,919)
CASH USED IN OPERATIONS		**(9,509)**	**(6,821)**	**(7,803)**	**(9,684)**
Interest and distributions received		360	48	323	12
NET CASH USED IN OPERATING ACTIVITIES		**(9,149)**	**(6,773)**	**(7,480)**	**(9,672)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment and intangible assets		208	282	208	456
Acquisition of property, plant and equipment and intangible assets	10	(8,289)	(4,408)	(8,271)	(3,581)
Payments for acquisition of managed fund investments		(19,900)	-	(19,900)	-
Proceeds from managed fund investments		16,000	42,848	16,000	41,482
Acquisition of Montrose, net of cash acquired		-	743	-	-
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		**(11,981)**	**39,465**	**(11,963)**	**38,357**
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments for lease liabilities	14	(4,469)	(4,698)	(3,713)	(3,536)
NET CASH USED IN FINANCING ACTIVITIES		**(4,469)**	**(4,698)**	**(3,713)**	**(3,536)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(25,599)**	**27,994**	**(23,156)**	**25,149**
Cash and cash equivalents at beginning of financial year		36,018	8,024	32,234	7,085
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6	**10,419**	**36,018**	**9,078**	**32,234**

Notes to the Financial Statements

For the year ended 30 June 2024

Note 1 Material Accounting Policies

REPORTING ENTITY

The Northcott Society (the 'Society' or 'Company') is limited by guarantee and domiciled in Australia. The Group's and Company's registered office is at The Northcott Building, 1 Fennell St, North Paramatta, NSW 2151.

These financial statements comprise the Company ("the Society" or "Parent") and its subsidiaries (together referred to as the 'Group').

The Group and Company is a not-for-profit entity and is primarily involved in the provision of individual and family support, respite, recreation and leisure programs, day programs, accommodation, employment, equipment and technology, specialist services and therapy services to people with disabilities in New South Wales, Queensland (Montrose) and the Australian Capital Territory.

BASIS OF PREPARATION

a) Statement of compliance

These consolidated and parent financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Australian Charities and Not-for-profits Commission Act 2012. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

These consolidated and parent financial statements were authorised for issue by the Board of Directors as of the date of the Directors Declaration.

b) Basis of measurement

These consolidated and parent financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

c) Functional and presentation currency and rounding

These consolidated and parent financial statements are presented in Australian dollars, which is the Group and Company's functional currency. The Group and Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the consolidated and parent financial statements and directors' report have been rounded to the nearest thousand, unless otherwise indicated.

d) Use of judgements and estimates

In preparing these consolidated and parent financial statements, management has made judgements and estimates that affect the application of the Group's and Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated and parents' financial statements is included in the following notes:

- lease term: whether the Group and Company is reasonably certain to exercise extension options; and
- revenue recognition: whether revenue from when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration is recognised over time or at a point in time.

Notes to the Financial Statements

For the year ended 30 June 2024

e) Going concern

The financial statements have been prepared on the going concern basis of accounting, which assumes that the Group and Company will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business for a period of at least twelve months from the date these financial statements are approved.

The Group recorded a deficit of $16,543,000 for the year ended 30 June 2024 (2023: deficit of $12,239,000) and used cash in operating activities of $9,149,000 (2023: $6,782,000), while the Company recorded a deficit of $16,498,000 for the year ended 30 June 2024 (2023: deficit of $14,407,000) and used cash in operating activities of $7,480,000 (2023: $9,672,000).

In the opinion of the Directors, the Group and Company will be able to fulfill their obligations as and when they fall due for the foreseeable future being at least twelve months from the date of approval of these financial statements taking into consideration the available cash reserves and investments that can be drawn upon to meet obligations and the forecast reduced operational loss due to:

- Forecast reduction in vacancy rates in housing which is the Group and Company's largest revenue stream. With more efforts into converting leads to customers, monitoring of low performing housing assets, and identifying funding gaps, the Group and Company forecasts revenue uplift. For short-term stay housing, improved monitoring of housing assets and redistributing resources and efforts is expected to better manage costs.
- Cost reduction measures in provision of housing and support services, and normalization of IT expenses following implementation of the digitization project which has been completed during the year, which will bring about forecast cost savings.

Accordingly, no adjustment has been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group and Company not continue as a going concern.

CHANGES IN MATERIAL ACCOUNTING POLICIES

a) Material accounting policy information

The Group and Company also adopted *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060)* from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than "significant' accounting policies. The amendments also provide guidance on the application of materially to disclosures of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information on the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in notes below. Material accounting policies (2023: Significant accounting policies) in certain instance in line with the amendments.

A number of other new accounting standards are also effective from 1 July 2023 but they do not have a material effect on the Group and Company's financial statements.

b) Summary of material accounting policies

Apart from items described above, the Group and Company has consistently applied the following accounting policies to all periods presented in these consolidated and parent financial statements, except if mentioned otherwise.

Notes to the Financial Statements

For the year ended 30 June 2024

BASIS OF CONSOLIDATION

a) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified reassessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expenses as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

INCOME TAX

The Group and Parent are exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

PROPERTY, PLANT & EQUIPMENT

a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Any property, plant and equipment donated to the Group or Company or acquired for significantly below market value are recognised at fair value at the date the Group or Company obtains control of the assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and Company. Ongoing repairs and maintenance are expensed as incurred.

Notes to the Financial Statements

For the year ended 30 June 2024

c) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write-off the cost of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Buildings	40 years
Leasehold improvements	3 years
Plant and equipment	4 - 10 years
Early child early intervention (ECEI) assets	3 years (term of agreement)
Motor vehicles	4 years

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

LEASES

At inception of a contract, the Group and Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group and Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group and Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group and Company 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, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group or Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group or Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and Company's incremental borrowing rate. Generally, the Group or Company uses its incremental borrowing rate as the discount rate.

The Group and Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

Notes to the Financial Statements

For the year ended 30 June 2024

- the exercise price under a purchase option that the Group and Company is reasonably certain to exercise, lease payments in an optional renewal period if the Group and Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's and Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group and Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised insubstance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group and Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' in the statements of financial position.

b) As a lessor

At inception or on modification of a contract that contains a lease component, the Group and Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group and Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group and Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group and Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group and Company applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group and Company applies the derecognition and impairment requirements in AASB 9 Financial Instruments to the net investment in the lease. The Group and Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Short-term leases and leases of low-value assets

The Group and Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group and Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

FINANCIAL INSTRUMENTS

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group and Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Classification and subsequent measurement

i. Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

ii. Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

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

iii. Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c) Derecognition

i. Financial assets

The Group and Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

ii. Financial liabilities

The Group and Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group and Company 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 Financial Statements

For the year ended 30 June 2024

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 profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

EMPLOYEE BENEFITS

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group and Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined contribution plans

Obligations for contributions to defined contribution plans are expenses as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group and Company presents the first two components of defined benefit costs in profit or loss in the line item 'Client programme expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the statements of financial position represents the actual deficit or surplus in the Group's and Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

d) Other long-term employee benefits

The Group's and Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

e) Termination benefits

Termination benefits are expenses at the earlier of when the Group and Company can no longer withdraw the offer of those benefits and when the Group and Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Notes to the Financial Statements

For the year ended 30 June 2024

PROVISIONS

A provision is recognised in the Statements of Financial Position when the Group and Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provision for workers compensation

The Group participates in a Loss Prevention Recovery (LPR) insurance scheme for workers compensation policies over a number of financial years for its employees who are located in New South Wales.

Estimates of the forecast premium payable at the end of each LPR period are based on actual capped claims costs provided by the insurer and extrapolated for each LPR as they mature over 4 years.

The extrapolation is derived by applying:

i. A weighted average development factor that is calculated based on the triangulation of past 3 years of actual claims costs maintained by the insurer for the second to fourth year respectively of each LPR policy; and

ii. An adjustment factor provided by the insurer that is applied to the second to fourth year respectively of each LPR policy weighted by the probability of the claims progressing to the fourth year.

The Group has further incorporated historical claims and policy experience to determine the estimated provision required for all LPR policies that remain open at the end of the financial reporting period.

FINANCE INCOME AND FINANCE COSTS

The Group's and Company's finance income and finance costs include:

- interest income;
- interest expense; and
- the net gain or loss on financial assets at FVTPL.

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 instrument 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 (when the asset is not credit- impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

IMPAIRMENT

a) Financial assets

Financial instruments

The Group and Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group and Company also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Group and Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

Notes to the Financial Statements

For the year ended 30 June 2024

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

Loss allowances for trade receivables 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 and Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and Company's historical experience and informed credit assessment, that includes forward-looking information.

The Group and Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the Statements of Financial Position

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

b) Non-financial assets

At each reporting date, the Group and Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

INTANGIBLES

a) Recognition and measurement

Research and development

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group and Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Notes to the Financial Statements

For the year ended 30 June 2024

Intangible asset is a website developed by the Group and Company, which it anticipates will drive additional revenue streams.

Other development expenditure is recognised in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

Website	5 years
Buildings projects	40 years
Software	7 years

REVENUE FROM CONTRACTS WITH CUSTOMERS

a) Revenue recognition policy for revenue from contracts with customers (AASB 15)

Revenue from contracts with customers is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is recognised and measured at the fair value of the consideration or contributions received, net of goods and services tax ("GST") or similar taxes, to the extent it is probably that the economic benefits will flow to the Group and Company and the revenue can be reliably measured.

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

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

i. Goods sold and services rendered

Revenue from the sale of goods is recognised in the Statements of Profit or Loss and Other Comprehensive Income when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the Statements of Profit or Loss and Other Comprehensive Income in proportion to the stage of completion of the transaction at the reporting date.

The stage of completion is assessed by reference to estimates of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

ii. Rental and accommodation

Revenue from rental and accommodation is recognised in the Statements of Profit or Loss and Other Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

Notes to the Financial Statements

For the year ended 30 June 2024

iii. Funding from the National Disability Insurance Agency (NDIA)

1. Revenue from NDIA grants funding

Reciprocal NDIA grants funding is recognised initially as deferred income at fair value when there is reasonable assurance that they will be received, and the Group and Company will comply with the conditions associated with the grant and are then recognised in the statements of profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Revenue from non-reciprocal grants is recognised when the Group or Company obtains control of the funds.

2. Revenue from NDIA participant funding

Revenue from NDIA participant funding comprises funding for ongoing services and specific purposes. This funding comprises mainly the receipts from NDIA. The remaining funds are individually insignificant and are received from various government associations. These are recognised as income in the statements of profit or loss in the period to which the funding relates to the extent that expenditure has been incurred in accordance with the terms and conditions attached to the funding.

The revenue is recognised once the services have been provided.

3. Unearned income

Where funding in a period exceeds related expenditure, unspent amounts are either:

- Deferred and recognised as unearned income in the Statement of Financial Position if they are repayable to related government bodies under the terms and conditions of the funding; or
- Deferred and recognised as unearned income in the Statement of Financial Position if amounts are not repayable but related expenditure has not yet been incurred in accordance with the terms and conditions of the funding; or
- Recognised as income if the amounts are not repayable and no obligation exists to incur expenditure in accordance with specified terms and conditions. Amounts deferred are presented within "Current liabilities – Other".

b) Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

i. Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the Group or Company at significantly below its fair value.

Once the asset has been recognised, the Group or Company recognises any related liability amounts (e.g. provisions, financial liabilities). Once all assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

ii. Capital grants

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

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

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

iii. Disposal of non-current assets

The net gain on disposal of non-current assets is recognised as other income at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

iv. Donations

Monetary donations are recognised as the Group or Company obtains control, normally on receipt.

Non-monetary donations include pro-bono services and other contributed goods that are recognised at fair value of the goods or services received, once the Group or Company gains control of the contribution and if the fair value can be measured reliably.

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

v. Estates and bequests

Estates and bequests received are recognised as income by the Group or Company when it obtains a legal right and therefore control of the bequeathed items.

vi. Managed fund income distributions

Managed fund income distributions are recognised as finance income in the period in which they are receivable.

GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statements of Cash Flows on a gross basis. The GST components of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

FAIR VALUE MEASUREMENT

A number of the Group's and Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment in equity securities
The fair value of financial instruments classified as fair value through profit and loss is their quoted bid price at the reporting date.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2 Revenue from operations

The Group generates revenue primarily from providing professional, customer-focused services to assist people with disabilities.

In the following table, revenue from contracts with customers is disaggregated by major products and service lines and timing of revenue recognition.

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
Major products/service lines	$'000	$'000	$'000	$'000
Revenue from NDIA participant funding	196,820	189,233	190,637	179,319
Revenue from NDIA grants funding	28,281	22,335	28,281	22,335
Revenue from other government funding	319	297	319	297
Revenue from fundraising and donations	1,235	2,775	1,183	1,627
Revenue from other operating revenue	1,432	2,762	5,841	11,104
TOTAL REVENUE FROM OPERATIONS	**228,087**	**217,402**	**226,261**	**214,682**

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
Timing of revenue recognition	$'000	$'000	$'000	$'000
Services rendered at a point in time	220,495	210,204	218,744	207,524
Products and services transferred over time	7,592	7,198	7,517	7,158
	228,087	**217,402**	**226,261**	**214,682**

Note 3 Expenses

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Cost of sales	91	62	90	62
Depreciation and amortisation expense	5,512	5,106	4,672	4,233
Employee benefits expenses	215,286	204,781	214,796	204,050
Travel expenses	3,872	3,783	3,628	3,498
Technology expenses	6,268	4,252	5,969	3,898
Fundraising expenses	642	701	642	701
Estates and bequests expenses	17	44	17	44
Other expenses	17,440	18,135	17,013	16,983
TOTAL EXPENSES	**249,128**	**236,864**	**246,827**	**233,469**

Notes to the Financial Statements

For the year ended 30 June 2024

Note 4 Revenue from estates and bequests

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
Results of estates and bequests revenue	**$'000**	**$'000**	**$'000**	**$'000**
Proceeds from estates and bequests	342	700	205	565
Less: Direct costs of obtaining estates and bequests funding	(17)	(44)	(17)	(44)
NET SURPLUS FROM ESTATES AND BEQUESTS	**325**	**656**	**188**	**521**

Note 5 Net finance income

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
	$'000	**$'000**	**$'000**	**$'000**
FINANCE INCOME				
Interest income	323	12	323	12
Managed fund income distribution	1,793	2,846	1,613	2,469
Unrealised gain from managed fund investments at FVTPL	2,588	1,196	2,411	1,105
Realised gain from managed fund investments at FVTPL	-	13	-	10
Interest income other parties	37	36	28	23
TOTAL FINANCE INCOME	**4,741**	**4,103**	**4,375**	**3,619**
FINANCE EXPENSE				
Interest on lease liabilities	(242)	(324)	(211)	(88)
Realised loss from managed fund investments at FVTPL	(369)	-	(327)	-
TOTAL FINANCE EXPENSE	**(611)**	**(324)**	**(538)**	**(88)**
TOTAL NET FINANCE INCOME	**4,130**	**3,779**	**3,837**	**3,531**

Note 6 Cash and cash equivalents

Cash and cash equivalents in the statements of financial position and in the statements of cash flows comprises of below:

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
	$'000	**$'000**	**$'000**	**$'000**
Cash on hand	56	58	56	51
Cash at bank	10,363	35,960	9,022	32,183
TOTAL CASH AND CASH EQUIVALENTS	**10,419**	**36,018**	**9,078**	**32,234**

Notes to the Financial Statements

For the year ended 30 June 2024

Note 7 Trade and other receivables	Consolidated 2024 $'000	Consolidated 2023 $'000	The Society 2024 $'000	The Society 2023 $'000
Trade receivables	5,518	3,839	5,515	3,249
Other receivables	3,943	2,065	3,429	1,909
Trade receivables due from related parties	-	-	2,409	4,309
TOTAL TRADE AND OTHER RECEIVABLES	**9,461**	**5,904**	**11,353**	**9,467**

Note 8 Financial assets at fair value through profit or loss	Consolidated 2024 $'000	Consolidated 2023 $'000	The Society 2024 $'000	The Society 2023 $'000
Financial assets at fair value through profit or loss	41,560	34,922	38,589	32,162
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**41,560**	**34,922**	**38,589**	**32,162**

Movements in financial assets measured at FVTPL during the financial year are set out below:

	Consolidated 2024 $'000	The Society 2024 $'000
Opening balance at 1 July 2023	34,922	32,162
Additions	19,900	19,900
Withdrawals	(16,000)	(16,000)
Change in fair value of investment	2,738	2,527
CLOSING BALANCE AT 30 JUNE 2024	**41,560**	**38,589**

Notes to the Financial Statements

For the year ended 30 June 2024

Note 9 Intangible assets

	Consolidated	
	Right of use-building projects	Total
a) Reconciliation of carrying amount	**$'000**	**$'000**
COST		
BALANCE AT 1 JULY 2023		
Gross carrying amount	4,920	4,920
Accumulated depreciation	(1,273)	(1,273)
NET CARRYING AMOUNT AT 1 JULY 2023	**3,647**	**3,647**
AMORTISATION		
Amortisation for the year	(82)	(82)
Disposals	-	-
NET CARRYING AMOUNT AT 30 JUNE 2024	**3,565**	**3,565**
BALANCE AT 30 JUNE 2024		
Gross carrying amount	4,920	4,920
Accumulated depreciation	(1,355)	(1,355)
NET CARRYING AMOUNT AT 30 JUNE 2024	**3,565**	**3,565**

	The Society	
	Right of use-building projects	Total
	$'000	**$'000**
COST		
BALANCE AT 1 JULY 2023		
Gross carrying amount	4,920	4,920
Accumulated depreciation	(1,273)	(1,273)
NET CARRYING AMOUNT AT 1 JULY 2023	**3,647**	**3,647**
AMORTISATION		
Amortisation for the year	(82)	(82)
Disposals	-	-
NET CARRYING AMOUNT AT 30 JUNE 2024	**3,565**	**3,565**
BALANCE AT 30 JUNE 2024		
Gross carrying amount	4,920	4,920
Accumulated depreciation	(1,355)	(1,355)
NET CARRYING AMOUNT AT 30 JUNE 2024	**3,565**	**3,565**

Notes to the Financial Statements

For the year ended 30 June 2024

The Company has completed two building projects, one at Wagga Wagga and another at Mount Hutton in previous years. The building projects are utilised for disability housing. The Company was awarded grants from the NSW government in the total amount of $4,494 thousand to enable construction. Under the agreement, the Company has a right to continued use of the properties for their intended purpose until such time as the Company believes it is unable to continue to provide those services. The terms of the agreement establish that at such time, when either the property is sold or no longer used for its intended purpose, the government has a caveat that provides a 100% equitable interest. Accordingly, the government has the right to take title of the land and the proceeds associated with the sale at such time. The total amount of $4,494 thousand has been recognised as capital grants income in previous years and the cost of the project has been recognised as an intangible asset in previous years ($4,983 thousand). The intangible asset is written off over the estimated period Northcott expects to provide services at these locations.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 10 Property, plant and equipment

	Consolidated							
	Freehold land	Buildings	Leasehold improvements	Capital work in progress	Early child early intervention	Plant and equipment	Right of use asset	Total
a) Reconciliation of carrying amount	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
COST								
BALANCE AT 1 JULY 2023								
Gross carrying amount	5,233	23,416	5,880	904	911	14,362	14,504	65,210
Accumulated depreciation	-	(8,770)	(3,748)	-	(911)	(11,665)	(11,252)	(36,346)
NET CARRYING AMOUNT AT 1 JULY 2023	**5,233**	**14,646**	**2,132**	**904**	**-**	**2,697**	**3,252**	**28,864**
DEPRECIATION								
Depreciation charge for the year	-	(555)	(1,002)	-	(32)	(1,005)	(2,836)	(5,430)
Additions	-	-	1,342	4,856	163	699	1,229	8,289
Disposals	-	(104)	(55)	-	-	(29)	-	(188)
Lease modifications	-	-	-	-	-	-	1,478	1,478
NET CARRYING AMOUNT AT 30 JUNE 2024	**5,233**	**13,987**	**2,417**	**5,760**	**131**	**2,362**	**3,123**	**33,013**
BALANCE AT 30 JUNE 2024								
Gross carrying amount	5,233	23,312	7,167	5,760	1,074	15,032	17,211	74,789
Accumulated depreciation	-	(9,325)	(4,750)	-	(943)	(12,670)	(14,088)	(41,776)
NET CARRYING AMOUNT AT 30 JUNE 2024	**5,233**	**13,987**	**2,417**	**5,760**	**131**	**2,362**	**3,123**	**33,013**

Notes to the Financial Statements

For the year ended 30 June 2024

	The Society							
	Freehold land	Buildings	Leasehold improvements	Capital work in progress	Early child early intervention	Plant and equipment	Right of use asset	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
COST								
BALANCE AT 1 JULY 2023								
Gross carrying amount	3,855	20,644	5,927	904	911	14,438	12,443	59,122
Accumulated depreciation	-	(8,700)	(3,846)	-	(911)	(11,740)	(10,356)	(35,553)
NET CARRYING AMOUNT AT 1 JULY 2023	**3,855**	**11,944**	**2,081**	**904**	**-**	**2,698**	**2,087**	**23,569**
DEPRECIATION								
Depreciation charge for the year	-	(497)	(963)	-	(32)	(1,043)	(2,055)	(4,590)
Additions	-	-	1,324	4,856	163	699	1,229	8,271
Disposals	-	(104)	(46)	-	-	-	-	(150)
Lease modifications	-	-	-	-	-	-	1,522	1,522
NET CARRYING AMOUNT AT 30 JUNE 2024	**3,855**	**11,343**	**2,396**	**5,760**	**131**	**2,354**	**2,783**	**28,622**
BALANCE AT 30 JUNE 2024								
Gross carrying amount	3,855	20,540	7,205	5,760	1,074	15,137	15,194	68,765
Accumulated depreciation	-	(9,197)	(4,809)	-	(943)	(12,783)	(12,411)	(40,143)
NET CARRYING AMOUNT AT 30 JUNE 2024	**3,855**	**11,343**	**2,396**	**5,760**	**131**	**2,354**	**2,783**	**28,622**

Notes to the Financial Statements

For the year ended 30 June 2024

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
Note 11 Trade and other payables	$'000	$'000	$'000	$'000
Trade payables	601	1,500	595	1,443
Other payables and accrued expenses	3,384	3,535	2,293	2,293
Trade payables due to related parties	-	-	10,326	10,326
TOTAL TRADE AND OTHER PAYABLES	**3,985**	**5,035**	**13,214**	**14,062**

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
Note 12 Employee benefits	$'000	$'000	$'000	$'000
CURRENT				
Liability for long service leave	14,077	13,476	14,077	13,476
Liability for annual leave	15,792	16,057	15,792	16,054
Other wages payable	7,490	6,238	7,490	6,241
Recognised asset for defined benefit obligations	176	176	176	176
TOTAL CURRENT	**37,535**	**35,947**	**37,535**	**35,947**
NON-CURRENT				
Liability for long service leave	564	864	564	864
TOTAL NON-CURRENT	**564**	**864**	**564**	**864**

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
Note 13 Provisions	$'000	$'000	$'000	$'000
CURRENT				
Provision of make good obligation	1,086	1,221	1,004	1,067
Provision for workers compensation	5,745	-	5,745	-
TOTAL CURRENT	**6,831**	**1,221**	**6,749**	**1,067**
NON-CURRENT				
Provision of make good obligation	379	290	379	290
TOTAL NON-CURRENT	**379**	**290**	**379**	**290**

The provision for workers compensation of $5,745,171 (2023: $nil) represents workers compensation premiums for a LPR insurance scheme.

Notes to the Financial Statements

For the year ended 30 June 2024

Movements in each class of provision during the financial year are set out below:

	Consolidated	Consolidated	The Society	The Society
	Provision of make good obligation	Provision for workers compensation	Provision of make good obligation	Provision for workers compensation
	$'000	$'000	$'000	$'000
Carrying amount at start of year	1,511	-	1,357	-
Charged/(credited) to profit or loss				
Additional provisions recognised	183	5,745	183	5,745
Amounts used during the year	(229)	-	(157)	-
CARRYING AMOUNT AT END OF YEAR	**1,465**	**5,745**	**1,383**	**5,745**

Note 14 Leases

a) Leases as lessee

Information about leases for which the Group is a lessee is presented below.

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
i. Lease liabilities	$'000	$'000	$'000	$'000
Less than one year	1,969	2,401	1,606	1,482
Between one and five years	1,302	895	1,302	622
TOTAL UNDISCOUNTED LEASE LIABILITIES	**3,271**	**3,296**	**2,908**	**2,104**
Current	1,964	2,142	1,604	1,378
Non-current	1,261	1,102	1,261	636
TOTAL DISCOUNTED LEASE LIABILITIES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**3,225**	**3,244**	**2,865**	**2,014**

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
ii. Amounts recognised in profit or loss	$'000	$'000	$'000	$'000
Interest on lease liabilities	242	95	211	88
Depreciation expense	2,836	2,920	2,055	2,024
TOTAL LEASE RELATED AMOUNTS RECOGNISED IN PROFIT OR LOSS	**3,078**	**3,015**	**2,266**	**2,112**

Notes to the Financial Statements

For the year ended 30 June 2024

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
iii. Amounts recognised in consolidated statement of cash flows	$'000	$'000	$'000	$'000
Total cash outflow for leases	4,469	4,689	3,713	3,536

iv. Extension options

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

b) Leases as lessor

The Group leases out its property consisting of its owned commercial properties as well as leased property. All leases are classified as operating leases from a lessor perspective.

Operating lease
The Group leases out part of its property under an operating lease. The future minimum lease payments under non-cancellable leases are as follows:

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Less than one year	411	338	411	338
One to five years	84	1,014	84	1,014
TOTAL UNDISCOUNTED LEASE RECEIVABLE	**495**	**1,352**	**495**	**1,352**

During the financial year ended 30 June 2024, $1,088 thousand was recognised as rental income in the income statement (2023: 1,027 thousand).

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
Note 15 Other current liabilities	$'000	$'000	$'000	$'000
Unearned income - government grants	4,089	4,185	3,859	3,567
Unearned income - other sources	1,677	2,125	1,677	2,125
TOTAL OTHER CURRENT LIABILITIES	**5,766**	**6,310**	**5,536**	**5,692**

Notes to the Financial Statements

For the year ended 30 June 2024

Note 16 List of subsidiaries

Set out below is a list of material subsidiaries of the Group.

	Place of incorporation	2024	2023
Northcott Supported Living Pty Limited	Australia	100%	100%
Spinecare Foundation	Australia	100%	100%
Northcott Innovation Limited	Australia	100%	100%
Northcott Therapy ACT Pty Limited	Australia	100%	100%
Creativity Services Limited (formally Creativity Incorporated)	Australia	100%	100%
Montrose Therapy & Respite Services	Australia	100%	100%

Note 17 Financial instruments

a) Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities:

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
FINANCIAL ASSETS MEASURED AT AMORTISED COST				
Trade receivables	9,461	5,904	11,353	9,467
Cash and cash equivalents	10,419	36,018	9,078	32,234
	19,880	**41,922**	**20,431**	**41,701**
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST				
Trade payables	3,985	5,035	13,214	14,062
	3,985	**5,035**	**13,214**	**14,062**

Note 18 Commitments

The Group and Company has issued bank guarantees with respect to its leased premises to the value of $723 thousand (2023: $587 thousand).

Note 19 Related parties

a) Parent and ultimate controlling party

The ultimate controlling party of the Group is The Northcott Society.

b) Transactions with key management personnel

i. Key management personnel compensation

Key management personnel compensation comprised short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits and share-based payments.

Notes to the Financial Statements

For the year ended 30 June 2024

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
	$	$	$	$
Total key management personnel compensation	2,323,304	2,468,318	2,107,340	2,304,368

No directors in their capacity as directors received any compensation during the year.

ii. Key management personnel transactions

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available. or which might reasonably be expected to be available, in similar transactions with non-key management personnel-related companies on an arm's length basis.

c) Other related party transactions

When dealings occur with directors of Northcott, or their director related entities, where they purchase from or supply goods and services to Northcott, the transactions are reviewed to ensure they are on the same terms and conditions as those entered into by other Northcott employees, customers and suppliers. Apart from items transacted within the Group which are detailed below, there were no other transactions with directors, director related entities or other key management personnel of Northcott during the year.

During the year, The Northcott Society, the controlling entity, provided management, administrative and personnel services to Spinecare Foundation, for which fees of $47,863 (2023: $17,962) were charged based on the cost to The Northcott Society.

During the year, The Northcott Society, provided a cash donation to Northcott Innovation Limited for $100,000 (2023: $100,000). Furthermore, The Northcott Society recharged Northcott Innovation Limited for settlements of liabilities on behalf of Northcott Innovation Limited, for $495,594 (2023: $431,893) inclusive of GST.

During the year, The Northcott Society incurred production costs amounting to $122,860 (2023: $nil) for services provided by Bus Stop Films, a company that is controlled by another director. The contract terms are based on commercial rates and payable under normal payable terms.

During the year, The Northcott Society provided personnel services to Montrose Therapy & Respite, for which fees of $4,568 thousand (2023: $9,093 thousand) were charged based on the cost to The Northcott Society.

Note 20 Contingencies

The Group had no known contingent liabilities as at 30 June 2024 (2023: nil).

Note 21 Auditors' remuneration

	2024	2023
	$	$
Audit and review of financial statements - Group	167,700	155,000
Other services	-	19,000
	167,700	**174,000**

Notes to the Financial Statements

For the year ended 30 June 2024

Note 22 Subsequent events

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

Note 23 Fundraising appeals conducted during the financial year

Fundraising appeals conducted during the financial year included various fundraising projects and general receiving of direct and indirect solicited donations. The total cash received from fundraising is $1,822 thousand (2023: $2,937 thousand). Cash received from fundraising is used to fund various Northcott projects and is recognised in revenue throughout the length of each project.

	Consolidated	Consolidated	The Society	The Society
	2024	2023	2024	2023
Results of fundraising	$'000	$'000	$'000	$'000
GROSS PROCEEDS FROM FUNDRAISING				
Monetary	1,235	1,725	1,183	1,627
Non-monetary	-	1,050	-	-
Less: Direct costs of fundraising appeals	(642)	(701)	(642)	(701)
NET SURPLUS OBTAINED FROM FUNDRAISING APPEALS	**593**	**2,074**	**541**	**926**

Declaration by Chief Executive Officer in respect of fundraising appeals

For the year ended 30 June 2024

I, Liz Forsyth, Chief Executive Officer of The Northcott Society and its controlled entities (the Group), declare that in my opinion:

a) The financial report gives a true and fair view of all income and expenditure of the Group and Company with respect to fundraising appeal activities for the financial year ended 30 June 2024;

b) The Statements of Financial Position gives a true and fair view of the state of affairs of the Group and Company with respect to fundraising appeal activities as at 30 June 2024;

c) The provisions of the Charitable Fundraising (NSW) Act 1991 and Regulations under the Act and the conditions attached to the authority have been complied with during the year ended 30 June 2024; and

d) The internal controls exercised by the Group and Company are appropriate and effective in accounting for all income received and applied by the Group and Company from any of its fundraising appeals.

Signed in accordance with a resolution of the directors:

Dated at ________________ on 3 day of October 2024.

Liz Forsyth
Chief Executive Officer

Directors' Declaration

In the opinion of the directors of The Northcott Society (the 'Company'):

a) The Group is not publicly accountable;

b) The financial statements and notes that as set out on pages 10 to 38 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   i. giving a true and fair view of the Group's and Company's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and

   ii. complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at ________________ on 3 day of October 2024.

Kirsten Armstrong
Director

Independent Auditor's Report

To the members of The Northcott Society and its controlled entities

Opinion

We have audited the ***Financial Report***, of The Northcott Society (the Company) and its controlled entities (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*, and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991*, including:

i. giving a true and fair view of the Group and Company's financial position as at 30 June 2024, 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 Regulations 2022 (ACNCR)* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

The ***Financial Report*** comprises:

i. Statements of financial position as at 30 June 2024.

ii. Statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the year then ended.

iii. Notes, including material accounting policies.

iv. Directors' declaration of the Group.

v. Declaration by the Chief Executive Officer of the Group.

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

Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the 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.

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Other information

Other Information is financial and non-financial information in The Northcott Society and its controlled entities' annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021.*

ii. Preparing the Financial Report in accordance with Section 24 of the Charitable Fundraising (NSW) Act 1991.

iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

iv. Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

ii. to issue an Auditor's Report that includes our opinion.

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

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

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 control.

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 registered Group's internal control.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company to cease to continue as a going concern.

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

KPMG

KPMG

Cameron Roan

Partner

Sydney

3 October 2024