

# **The Northcott Society and its controlled entities**

**ABN 87 302 064 152**

**Financial Report - 30 June 2025**

## **The Northcott Society and its controlled entities**

### **Directors' report**

**30 June 2025**

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity') consisting of The Northcott Society (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

#### **Directors**

The following persons were Directors of The Northcott Society during the whole of the financial year and up to the date of this report, unless otherwise stated:

| <b>Name and qualifications</b>                                             | <b>Northcott responsibilities</b>                                                                                                                                                                                                                                                                                                                           | <b>Experience and other directorships</b>                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ms. Kirsten Armstrong<br>M.Ec, M.PH. FIAA, GAICD                           | Appointed 7 January 2013<br>Chair, The Northcott Society since 2023<br>Member, Finance & Property Committee<br>Member, Nomination Committee<br>Member, Remuneration Committee<br>Member, Risk Committee                                                                                                                                                     | Director, icare NSW<br>Executive Director, Social Impact Initiatives, Social Ventures Australia<br>Fellow, Institute of Actuaries of Australia.<br>Graduate Australian Institute of Company Directors                                                                                                                                       |
| Mr. Richard Blaiklock<br>B Comm, MBA                                       | Appointed 19 November 2003<br>Director, Montrose Therapy & Respite - Services<br>Chair, Nomination Committee<br>Chair, Remuneration Committee                                                                                                                                                                                                               | Chair, Baresque Australia Pty Ltd group and affiliated companies                                                                                                                                                                                                                                                                            |
| Mr. Ricky Casali<br>B Comm LLB                                             | Appointed 1 November 2022<br>Chair, Risk Committee                                                                                                                                                                                                                                                                                                          | Partner, Corrs Chambers Westgarth                                                                                                                                                                                                                                                                                                           |
| Ms. Liz Forsyth<br>BA (Hons), BSW (Hons), Dip Mgmt, MAICD                  | Appointed 1 September 2020<br>Managing Director and Chief Executive Officer, Northcott<br>Director, Northcott Innovation Limited<br>Director, SpineCare Foundation<br>Director, Montrose Therapy and Respite Services<br>Member, Finance and Property Committee<br>Member, Nomination Committee<br>Member, Remuneration Committee<br>Member, Risk Committee | Member, Australian Institute of Company Directors<br>Director, Ability First Australia                                                                                                                                                                                                                                                      |
| Mr. Mathew Franklin<br>B Comp Sci M Mgt PLDA (HBS)<br>FGIA FRSA FIML GAICD | Appointed 24 March 2022<br>Member, Risk Committee                                                                                                                                                                                                                                                                                                           | Managing Partner Oceania, Consulting, Fujitsu<br>Graduate Australian Institute of Company Directors                                                                                                                                                                                                                                         |
| Dr. Christopher Janssen<br>MBBS (Sydney), MBA (IMD), FAICD                 | Appointed 27 November 1986                                                                                                                                                                                                                                                                                                                                  | Founder and Managing Director, GPC Electronics Pty Limited and affiliated companies.<br>Advisory Board Member, The Warren Centre for Advanced Engineering at the University of Sydney<br>Member of Abbotsleigh School Council<br>Registered (non-operating) Medical Practitioner<br>Fellow of the Australian Institute of Company Directors |

## **The Northcott Society and its controlled entities**

### **Directors' report**

**30 June 2025**

| <b>Name and qualifications</b>                                                | <b>Northcott responsibilities</b>                                                                                     | <b>Experience and other directorships</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Jeyan Jeevaratnam<br>B Eng (Hons1) MBA, M Eng Sc,<br>MAICD                | Appointed 14 May 2020<br>Director, Montrose Therapy &<br>Respite Services<br>Member, Risk Committee                   | General Manager, Enterprise<br>Business. Microsoft Asia<br>Member, Australian Institute of<br>Company Directors<br>Member, Young Presidents<br>Organisation                                                                                                                                                                                                                                                                                                                                    |
| Ms. Christine Kelly<br>BEng-Electrical (Hons) BComm,<br>GAICD                 | Appointed 15 December 2022<br>Member, Finance and Property Committee<br>Appointed Chair 1 November 2024               | Portfolio Director - Australia. LINK<br>Asset Management.<br>Graduate. Australian Institute of<br>Company Directors                                                                                                                                                                                                                                                                                                                                                                            |
| Ms Debra Richards<br>BA (Libs Studies), Graduate<br>Diploma, MA<br>MAICD      | Appointed 1 December 2012<br>Member, Nomination Committee<br>Member, Remuneration Committee                           | Director, APAC Studio & Production<br>Affairs; ANZ Public Policy, Netflix<br>Vice President, Communications &<br>Media Law Association<br>Director and Treasurer, International<br>Institute of Communications<br>Deputy Chief Adjudicator, Alcohol<br>Beverages Advertising Code<br>Adjudication Panel<br>Member, Australian Film, Television<br>& Radio School (AFTRS) Council<br>Member NSW Film & Television<br>Advisory Committee<br>Member, Australian Institute of<br>Company Directors |
| Mr. Christopher Willocks<br>BComm/BScience                                    | Appointed 24 February 2022<br>Member. Finance and Property Committee<br>Director, Montrose Therapy & Respite Services | Co-Portfolio Manager, Alphinity<br>Investment Management                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Mr. Matthew Freeman<br>BBus, CA, EMBA (MBS), GAICD                            | Appointed 1 November 2024<br>Member, Finance and Property Committee                                                   | CFO, Delta Agribusiness<br>Member AICD                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Mr. Hugh Wehby<br>BEc (Hons), DipInvRel                                       | Appointed 29 June 2018<br>Resigned 31 October 2024<br>Chair, Finance and Property<br>Committee                        | Chief Commercial Officer,<br>Transurban<br>Director, Transurban Queensland<br>Director, Transurban Chesapeake<br>Director, Sydney Transport Partners                                                                                                                                                                                                                                                                                                                                           |
| Ms. Tracey Corbin-Matchett<br>BA (Welfare Studies) Dip Bus<br>(Frontline Mgt) | Appointed 24 March 2022<br>Resigned 31 March 2025<br>Director, Northcott Innovation Limited                           | CEO, Bus Stop Films Ltd<br>Director, Deaf Sports Australia                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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. Ms Jennifer Shaideen (BComm, CA, Dip Mgt), the Chief Financial Officer was appointed Company Secretary from 29 April 2025. Mr Jamie Hodgson (GradCertSocImp BSW DipMgt), the Chief Operating Officer was appointed Company Secretary from 29 April 2025. 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 and resigned on 14 March 2025.

## The Northcott Society and its controlled entities

### Directors' report

30 June 2025

#### Meetings of Directors

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

\* Number of meetings held during the time the Director held office during the year.

#### Principal activities

The principal activities of the Consolidated entity 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 Consolidated entity during the year.

#### Short-term objectives:

The Consolidated entity's short-term objectives are based on the organisation's Strategic Plan, which identifies two key priorities for Northcott:

##### *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.

##### *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.

#### Long-term objectives:

The Consolidated entity'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 Consolidated entity 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.

***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 to deliver financial sustainability. This principle will underpin all our strategic planning and business planning activities.

**Review of operations**

The operating results for the year ended 30 June 2025 resulted in a consolidated deficit of \$14,307,000 (2024: \$16,543,000).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Consolidated entity during the financial year.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

**Likely developments**

Information about likely developments in the operations of the Consolidated entity 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 Consolidated entity.

**Environmental regulation**

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

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

**Indemnity and insurance of officers**

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

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

## **The Northcott Society and its controlled entities**

### **Directors' report**

**30 June 2025**

#### **Indemnity and insurance of auditor**

The Consolidated entity has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Consolidated entity or any related entity against a liability incurred by the auditor.

During the financial year, the Consolidated entity has not paid a premium in respect of a contract to insure the auditor of the Consolidated entity or any related entity.

#### **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 2025 there were 84 members (2024: 84 members) and the amount of capital that could be called up in the event of the Company being wound up is \$84 (2024: \$84).

#### **Proceedings on behalf of the Company**

No person has applied to the Court for leave to bring proceedings on behalf of the Consolidated entity, or to intervene in any proceedings to which the Consolidated entity is a party for the purpose of taking responsibility on behalf of the Consolidated entity for all or part of those proceedings.

#### **Rounding of amounts**

The Consolidated entity is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors

On behalf of the Directors



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Kirsten Armstrong  
Chairperson

23 September 2025

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**Grant Thornton Audit Pty Ltd**

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## Auditor's Independence Declaration

### To the Directors of The Northcott Society

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of The Northcott Society for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B Narsey  
Partner – Audit & Assurance

Sydney, 23 September 2025

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## **The Northcott Society and its controlled entities**

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### **General information**

The financial statements cover The Northcott Society and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is The Northcott Society's functional and presentation currency.

The Northcott Society is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

The Northcott Building  
1 Fennell Street  
North Paramatta, NSW 2151

A description of the nature of the Consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 23 September 2025.



**The Northcott Society and its controlled entities**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2025**

|                                              | <b>Note</b> | <b>Consolidated<br/>2025<br/>\$'000</b> | <b>2024<br/>\$'000</b> |
|----------------------------------------------|-------------|-----------------------------------------|------------------------|
| <b>Revenue</b>                               |             |                                         |                        |
| Revenue from operations                      | 3           | 225,547                                 | 228,087                |
| Total revenue                                |             | <u>225,547</u>                          | <u>228,087</u>         |
| <b>Expenses</b>                              |             |                                         |                        |
| Cost of sales                                | 4           | (94)                                    | (91)                   |
| Client programme expenses                    |             | (210,901)                               | (215,936)              |
| Fundraising expenses                         | 4           | (451)                                   | (642)                  |
| Corporate support expenses                   |             | <u>(35,090)</u>                         | <u>(32,459)</u>        |
| Total expenses                               |             | <u>(246,536)</u>                        | <u>(249,128)</u>       |
| <b>Operating deficit</b>                     |             | (20,989)                                | (21,041)               |
| <i>Other income/(expenses)</i>               |             |                                         |                        |
| Non-operating income                         | 5           | 3,207                                   | 385                    |
| Non-operating expenses                       | 6           | -                                       | (17)                   |
| Net finance income                           | 7           | <u>3,475</u>                            | <u>4,130</u>           |
|                                              |             | <u>6,682</u>                            | <u>4,498</u>           |
| <b>Deficit for the year</b>                  |             | (14,307)                                | (16,543)               |
| Other comprehensive income for the year      |             | <u>-</u>                                | <u>-</u>               |
| <b>Total comprehensive loss for the year</b> |             | <u><u>(14,307)</u></u>                  | <u><u>(16,543)</u></u> |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**The Northcott Society and its controlled entities**  
**Consolidated statement of financial position**  
**As at 30 June 2025**

|                                                       | <b>Note</b> | <b>Consolidated<br/>2025<br/>\$'000</b> | <b>2024<br/>\$'000</b> |
|-------------------------------------------------------|-------------|-----------------------------------------|------------------------|
| <b>Assets</b>                                         |             |                                         |                        |
| <b>Current assets</b>                                 |             |                                         |                        |
| Cash and cash equivalents                             | 8           | 5,426                                   | 10,419                 |
| Trade and other receivables                           | 9           | 12,357                                  | 9,461                  |
| Financial assets at fair value through profit or loss | 10          | 34,991                                  | 41,560                 |
| Prepayments                                           | 11          | 2,993                                   | 2,980                  |
| Total current assets                                  |             | <u>55,767</u>                           | <u>64,420</u>          |
| <b>Non-current assets</b>                             |             |                                         |                        |
| Property, plant and equipment                         | 12          | 29,619                                  | 29,890                 |
| Right-of-use assets                                   | 13          | 3,896                                   | 3,123                  |
| Intangibles                                           | 14          | 3,483                                   | 3,565                  |
| Total non-current assets                              |             | <u>36,998</u>                           | <u>36,578</u>          |
| <b>Total assets</b>                                   |             | <u>92,765</u>                           | <u>100,998</u>         |
| <b>Liabilities</b>                                    |             |                                         |                        |
| <b>Current liabilities</b>                            |             |                                         |                        |
| Trade and other payables                              | 15          | 3,654                                   | 3,985                  |
| Borrowings                                            | 16          | 300                                     | -                      |
| Lease liabilities                                     | 17          | 1,865                                   | 1,964                  |
| Employee benefits                                     | 18          | 36,273                                  | 37,535                 |
| Provisions                                            | 19          | 6,128                                   | 3,397                  |
| Other current liabilities                             | 20          | 4,506                                   | 5,766                  |
| Total current liabilities                             |             | <u>52,726</u>                           | <u>52,647</u>          |
| <b>Non-current liabilities</b>                        |             |                                         |                        |
| Borrowings                                            | 16          | 4,700                                   | -                      |
| Lease liabilities                                     | 17          | 2,263                                   | 1,261                  |
| Employee benefits                                     | 18          | 1,616                                   | 564                    |
| Provisions                                            | 19          | 3,054                                   | 3,813                  |
| Total non-current liabilities                         |             | <u>11,633</u>                           | <u>5,638</u>           |
| <b>Total liabilities</b>                              |             | <u>64,359</u>                           | <u>58,285</u>          |
| <b>Net assets</b>                                     |             | <u>28,406</u>                           | <u>42,713</u>          |
| <b>Equity</b>                                         |             |                                         |                        |
| General accumulated funds                             |             | <u>28,406</u>                           | <u>42,713</u>          |
| <b>Total equity</b>                                   |             | <u>28,406</u>                           | <u>42,713</u>          |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**The Northcott Society and its controlled entities**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2025**

| <b>Consolidated</b>                     | <b>General<br/>accumulated<br/>funds<br/>\$'000</b> | <b>Total equity<br/>\$'000</b> |
|-----------------------------------------|-----------------------------------------------------|--------------------------------|
| Balance at 1 July 2023                  | 59,256                                              | 59,256                         |
| Deficit for the year                    | (16,543)                                            | (16,543)                       |
| Other comprehensive income for the year | -                                                   | -                              |
| Total comprehensive loss for the year   | (16,543)                                            | (16,543)                       |
| Balance at 30 June 2024                 | <u>42,713</u>                                       | <u>42,713</u>                  |

| <b>Consolidated</b>                     | <b>General<br/>accumulated<br/>funds<br/>\$'000</b> | <b>Total equity<br/>\$'000</b> |
|-----------------------------------------|-----------------------------------------------------|--------------------------------|
| Balance at 1 July 2024                  | 42,713                                              | 42,713                         |
| Deficit for the year                    | (14,307)                                            | (14,307)                       |
| Other comprehensive income for the year | -                                                   | -                              |
| Total comprehensive loss for the year   | (14,307)                                            | (14,307)                       |
| Balance at 30 June 2025                 | <u>28,406</u>                                       | <u>28,406</u>                  |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**The Northcott Society and its controlled entities**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2025**

|                                                                  | <b>Note</b> | <b>Consolidated<br/>2025<br/>\$'000</b> | <b>2024<br/>\$'000</b> |
|------------------------------------------------------------------|-------------|-----------------------------------------|------------------------|
| <b>Cash flows from operating activities</b>                      |             |                                         |                        |
| Cash receipts from NDIA funding                                  |             | 204,977                                 | 206,900                |
| Cash receipts other government funding                           |             | 7,752                                   | 8,544                  |
| Cash receipts from estates and bequests                          |             | 2,538                                   | 342                    |
| Cash receipts from other revenue sources                         |             | 8,123                                   | 8,543                  |
| Cash paid to suppliers and employees                             |             | <u>(239,080)</u>                        | <u>(233,838)</u>       |
| <b>Cash used in operations</b>                                   |             | <b>(15,690)</b>                         | <b>(9,509)</b>         |
| Interest and distributions received                              |             | <u>298</u>                              | <u>360</u>             |
| Net cash used in operating activities                            |             | <u>(15,392)</u>                         | <u>(9,149)</u>         |
| <b>Cash flows from investing activities</b>                      |             |                                         |                        |
| Payments for property, plant and equipment                       | 12          | (3,119)                                 | (8,289)                |
| Payments for acquisition of managed fund investments             |             | -                                       | (19,900)               |
| Proceeds from disposal of property, plant and equipment          |             | 1,474                                   | 208                    |
| Proceeds from managed fund investments                           |             | <u>10,000</u>                           | <u>16,000</u>          |
| Net cash from/(used in) investing activities                     |             | <u>8,355</u>                            | <u>(11,981)</u>        |
| <b>Cash flows from financing activities</b>                      |             |                                         |                        |
| Proceeds from borrowings                                         |             | 5,000                                   | -                      |
| Repayment of lease liabilities                                   |             | <u>(2,956)</u>                          | <u>(4,469)</u>         |
| Net cash from/(used in) financing activities                     |             | <u>2,044</u>                            | <u>(4,469)</u>         |
| Net decrease in cash and cash equivalents                        |             | (4,993)                                 | (25,599)               |
| Cash and cash equivalents at the beginning of the financial year |             | <u>10,419</u>                           | <u>36,018</u>          |
| Cash and cash equivalents at the end of the financial year       | 8           | <u><u>5,426</u></u>                     | <u><u>10,419</u></u>   |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 1. Material accounting policy information**

The accounting policies that are material to the Consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated entity.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 as appropriate for not-for-profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated entity's and parent entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Going concern**

The financial statements have been prepared on the going concern basis of accounting, which assumes that the Consolidated entity and parent entity 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 Consolidated entity recorded a deficit of \$14,307,000 for the year ended 30 June 2025 (2024: deficit of \$16,543,000) and used cash in operating activities of \$15,392,000 (2024: \$9,149,000).

The Consolidated entity was in a statutory net asset position of \$28,406,000 (2024: \$42,713,000) and net current asset position of \$3,041,000 (2024: \$11,773,000). Cash and cash equivalents and financial assets at 30 June 2025 totalled \$40,417,000 (2024: \$51,979,000).

For the year ended June 2025, actions that were taken to reduce operational losses included:

- review of staff rostering in housing to reduce unfunded staffing costs
- organisational restructures to reduce indirect, management and corporate costs
- exits from loss-making housing services
- rationalisation of loss-making sites providing community and therapy services

The 2026 financial year is expected to see the full year impact of these changes above.

In the opinion of Directors, the Consolidated entity and parent entity will be able to fulfil 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 and cash equivalents and financial assets that can be drawn upon to meet obligations and the forecast reduced operational loss.

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 1. Material accounting policy information (continued)**

Should the Consolidated entity be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

**Parent entity information**

In accordance with the Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012, these financial statements present the results of the Consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The Northcott Society ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. The Northcott Society and its subsidiaries together are referred to in these financial statements as the 'Consolidated entity'.

Subsidiaries are all those entities over which the Consolidated entity has control. The Consolidated entity controls an entity when the Consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**Revenue recognition**

One of the two criteria for determining whether AASB 15 or AASB 1058 applies to the recognition of revenue and income of NFP entities is identifying whether a contract has sufficiently specific performance obligations. This is an important and fundamental concept as the specificity of performance obligations (together with enforceability) will determine whether the transaction is accounted for under AASB 1058 (which may result in point in time upfront income recognition) or under AASB 15 (which may require overtime and/or point in time revenue recognition depending on the contract terms of the arrangement). Judgement is required to assess whether a promise is sufficiently specific. Such judgement takes into account any conditions specified in the arrangement, whether explicit or implicit, regarding the promised goods or services.

The Consolidated entity recognises revenue as follows:

***Revenue from contracts with customers (AASB 15)***

Revenue arising from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised when or as each performance obligation is satisfied. Such funds if received in advance will be deferred as contract liabilities until recognised as income.

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

To determine whether to recognise revenue, the Consolidated entity follows a five-step process:

**Note 1. Material accounting policy information (continued)**

- Identifies the contract with a customer;
- Identifies the performance obligations;
- Determines the transaction price;
- Allocates the transaction price; and
- Recognises revenue when or as each performance obligation is satisfied.

Within certain agreements there may be some performance obligations where control of the good or service transfers at a point in time and others which have continuous transfer of control of the good or service over the life of the contract. Where control transfers at a point in time, revenue is recognised at this point. Where control transfers over the life of the contract, revenue is recognised based on either cost incurred or time whichever better reflects the transfer of control.

Revenue streams recognised under AASB 15 include revenue from NDIA funding, rental and accommodation fees and certain grant agreements that are enforceable and carry specific performance obligations.

*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.

*Funding from the National Disability Insurance Agency (NDIA)*

*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 Consolidated and parent entity 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 Consolidated entity or parent entity obtains control of the funds.

*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.

*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 other current liabilities.

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

*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 may be property which has been donated or sold to the Consolidated entity or parent entity at significantly below its fair value.

Once the asset has been recognised, the Consolidated entity or parent entity 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.

**Note 1. Material accounting policy information (continued)**

*Capital grants*

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

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Consolidated entity or parent entity.

*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).

*Donations and Estates and bequests*

Income for which there are either non enforceable contracts or contracts which do not have sufficiently specific performance obligations, including income from fundraising and donations and income from estates and bequest, is brought to account when received in accordance with AASB 1058 Income of Not-for-Profit Entities.

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 Consolidated entity 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.

*Managed fund income distributions*

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

**Income tax**

As the Consolidated entity is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

**Current and non-current classification**

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

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

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

**Financial Instruments**

***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 Consolidated entity or parent entity 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.



**Note 1. Material accounting policy information (continued)**

***Classification and subsequent measurement***

***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 Consolidated entity or parent entity 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 Consolidated entity or parent entity 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.

***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.

***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.

**Derecognition**

***Financial assets***

The Consolidated entity and parent entity 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 Consolidated entity and parent entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Consolidated entity and parent entity enter 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

***Financial liabilities***

The Consolidated entity and parent entity derecognise a financial liability when its contractual obligations are discharged or cancelled or expire. The Consolidated entity and parent entity also derecognise 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

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.

**Note 1. Material accounting policy information (continued)**

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Consolidated entity and parent entity 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.

**Impairment**

*Financial instruments*

The Consolidated entity and parent entity recognise loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Consolidated entity and parent entity also recognise loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

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

- 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 Consolidated entity and parent entity 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 Consolidated entity's and parent entity's historical experience and informed credit assessment, that includes forward-looking information.

The Consolidated entity and parent entity assume 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 Consolidated entity 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 Consolidated entity and parent entity 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.

**Non-financial assets**

At each reporting date, the Consolidated entity and parent entity 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.

**Note 1. Material accounting policy information (continued)**

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.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| <i>Class of assets</i>                | <i>Estimated useful life</i> |
|---------------------------------------|------------------------------|
| Buildings                             | 40 years                     |
| Leasehold improvements                | 3 years                      |
| Plant and equipment                   | 4-10 years                   |
| Early child early intervention assets | 3 years (term of agreement)  |

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 1. Material accounting policy information (continued)**

*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 Consolidated entity and parent entity 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.

Intangible asset is a website developed by the Consolidated entity and parent entity, 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 Consolidated entity and parent entity and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

*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:

| <i>Class of assets</i> | <i>Estimated useful life</i> |
|------------------------|------------------------------|
| Website                | 5 years                      |
| Buildings projects     | 40 years                     |
| Software               | 7 years                      |

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

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

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Note 1. Material accounting policy information (continued)**

**Provisions**

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

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**Rounding of amounts**

The Consolidated entity is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Comparatives**

Where necessary, comparative figures have been reclassified to conform with the changes in presentation in the current year.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Revenue recognition*

To determine if a funding contract should be accounted for under AASB 1058 or AASB 15, the Consolidated entity has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Consolidated entity has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation and holding discussions with relevant parties. Income recognition from grants received by the Consolidated entity has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

**Note 3. Revenue from operations**

|                                        | <b>Consolidated</b> |                |
|----------------------------------------|---------------------|----------------|
|                                        | <b>2025</b>         | <b>2024</b>    |
|                                        | <b>\$'000</b>       | <b>\$'000</b>  |
| Revenue from NDIA funding              | 207,419             | 211,001        |
| Revenue from other government funding  | 8,401               | 8,544          |
| Revenue from fundraising and donations | 1,458               | 1,235          |
| Revenue from other operating revenue   | 8,269               | 7,307          |
|                                        | <u>225,547</u>      | <u>228,087</u> |

Revenue from NDIA, other government funding, fundraising and donations and other operating revenue is recognised under AASB 15 Revenue from Contracts with Customers. These revenue streams are recognised over time as the Consolidated entity satisfies performance obligations through the delivery of services. The Consolidated entity applies an input method to measure progress towards complete satisfaction of the performance obligations.

**Note 4. Expenses**

|                                       | <b>Consolidated</b> |                |
|---------------------------------------|---------------------|----------------|
|                                       | <b>2025</b>         | <b>2024</b>    |
|                                       | <b>\$'000</b>       | <b>\$'000</b>  |
| Cost of sales                         | 94                  | 91             |
| Depreciation and amortisation expense | 5,609               | 5,512          |
| Employee benefits expenses            | 210,901             | 215,286        |
| Technology expenses                   | 10,077              | 6,268          |
| Travel expenses                       | 3,620               | 3,872          |
| Fundraising expenses                  | 451                 | 642            |
| Other expenses                        | 15,784              | 17,457         |
|                                       | <u>246,536</u>      | <u>249,128</u> |

**Note 5. Non-operating income**

|                                        | <b>Consolidated</b> |               |
|----------------------------------------|---------------------|---------------|
|                                        | <b>2025</b>         | <b>2024</b>   |
|                                        | <b>\$'000</b>       | <b>\$'000</b> |
| Income from estates and bequest        | 2,538               | 342           |
| Income from sale of non-current assets | 669                 | 43            |
|                                        | <u>3,207</u>        | <u>385</u>    |

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 5. Non-operating income (continued)**

Income for which there are either non enforceable contracts or contracts which do not have sufficiently specific performance obligations, including income from estates and bequest, is brought to account when received in accordance with AASB 1058 Income of Not-for-Profit Entities.

**Note 6. Non-operating expenses**

|                               | <b>Consolidated</b> |               |
|-------------------------------|---------------------|---------------|
|                               | <b>2025</b>         | <b>2024</b>   |
|                               | <b>\$'000</b>       | <b>\$'000</b> |
| Estates and bequests expenses | -                   | 17            |

**Note 7. Net finance income**

|                                                        | <b>Consolidated</b> |                     |
|--------------------------------------------------------|---------------------|---------------------|
|                                                        | <b>2025</b>         | <b>2024</b>         |
|                                                        | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Finance income</i>                                  |                     |                     |
| Interest income                                        | 274                 | 360                 |
| Managed fund income distribution                       | 930                 | 1,793               |
| Realised gain from managed fund investments at FVTPL   | 681                 | -                   |
| Unrealised gain from managed fund investments at FVTPL | 1,884               | 2,588               |
|                                                        | <u>3,769</u>        | <u>4,741</u>        |
| <i>Finance expense</i>                                 |                     |                     |
| Borrowings related interest expense                    | (95)                | -                   |
| Lease related interest expense                         | (199)               | (242)               |
| Realised loss from managed fund Investments at FVTPL   | -                   | (369)               |
|                                                        | <u>(294)</u>        | <u>(611)</u>        |
| <b>Net finance income</b>                              | <u><b>3,475</b></u> | <u><b>4,130</b></u> |

**Note 8. Cash and cash equivalents**

|                       | <b>Consolidated</b> |               |
|-----------------------|---------------------|---------------|
|                       | <b>2025</b>         | <b>2024</b>   |
|                       | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Current assets</i> |                     |               |
| Cash on hand          | 31                  | 56            |
| Cash at bank          | 5,395               | 10,363        |
|                       | <u>5,426</u>        | <u>10,419</u> |

**Note 9. Trade and other receivables**

|                       | <b>Consolidated</b> |               |
|-----------------------|---------------------|---------------|
|                       | <b>2025</b>         | <b>2024</b>   |
|                       | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Current assets</i> |                     |               |
| Trade receivables     | 5,252               | 5,518         |
| Other receivables     | 7,105               | 3,943         |
|                       | <u>12,357</u>       | <u>9,461</u>  |

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 10. Financial assets at fair value through profit or loss**

|                                                      | <b>Consolidated</b> |               |
|------------------------------------------------------|---------------------|---------------|
|                                                      | <b>2025</b>         | <b>2024</b>   |
|                                                      | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Current assets</i>                                |                     |               |
| Managed funds - at fair value through profit or loss | 34,991              | 41,560        |

Movements in financial assets measured at fair value through profit or loss during the financial year are set out below:

|                                    | <b>Consolidated</b> |
|------------------------------------|---------------------|
|                                    | <b>2025</b>         |
|                                    | <b>\$'000</b>       |
| Balance at 1 July 2024             | 41,560              |
| Withdrawals                        | (10,000)            |
| Change in fair value of investment | 3,431               |
| Balance at 30 June 2025            | 34,991              |

**Note 11. Prepayments**

|                       | <b>Consolidated</b> |               |
|-----------------------|---------------------|---------------|
|                       | <b>2025</b>         | <b>2024</b>   |
|                       | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Current assets</i> |                     |               |
| Prepayments           | 2,993               | 2,980         |

**Note 12. Property, plant and equipment**

|                                       | <b>Consolidated</b> |               |
|---------------------------------------|---------------------|---------------|
|                                       | <b>2025</b>         | <b>2024</b>   |
|                                       | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Non-current assets</i>             |                     |               |
| Buildings - at cost                   | 29,813              | 23,312        |
| Less: Accumulated depreciation        | (10,511)            | (9,325)       |
|                                       | 19,302              | 13,987        |
| Freehold land- at cost                | 5,188               | 5,233         |
| Leasehold improvements - at cost      | 3,698               | 4,063         |
| Less: Accumulated depreciation        | (2,824)             | (3,256)       |
|                                       | 874                 | 807           |
| Plant and equipment - at cost         | 20,959              | 20,525        |
| Less: Accumulated depreciation        | (17,005)            | (16,553)      |
|                                       | 3,954               | 3,972         |
| Capital work in progress              | 212                 | 5,760         |
| Early child early intervention assets | 1,060               | 1,074         |
| Less: Accumulated depreciation        | (971)               | (943)         |
|                                       | 89                  | 131           |
|                                       | 29,619              | 29,890        |



**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 12. Property, plant and equipment (continued)**

*Reconciliations*

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

| <b>Consolidated</b>     | <b>Buildings<br/>\$'000</b> | <b>Freehold land<br/>\$'000</b> | <b>Leasehold<br/>improvements<br/>\$'000</b> | <b>Plant and<br/>equipment<br/>\$'000</b> | <b>Capital work<br/>in progress<br/>\$'000</b> | <b>Early child<br/>early<br/>intervention<br/>assets<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|-------------------------|-----------------------------|---------------------------------|----------------------------------------------|-------------------------------------------|------------------------------------------------|---------------------------------------------------------------------|-------------------------|
| Balance at 1 July 2024  | 13,987                      | 5,233                           | 807                                          | 3,972                                     | 5,760                                          | 131                                                                 | 29,890                  |
| Additions               | 591                         | -                               | 662                                          | 1,657                                     | 200                                            | 9                                                                   | 3,119                   |
| Disposals               | (228)                       | (45)                            | (428)                                        | (104)                                     | -                                              | -                                                                   | (805)                   |
| Transfers in/(out)      | 5,748                       | -                               | -                                            | -                                         | (5,748)                                        | -                                                                   | -                       |
| Depreciation expense    | (796)                       | -                               | (167)                                        | (1,571)                                   | -                                              | (51)                                                                | (2,585)                 |
| Balance at 30 June 2025 | <u>19,302</u>               | <u>5,188</u>                    | <u>874</u>                                   | <u>3,954</u>                              | <u>212</u>                                     | <u>89</u>                                                           | <u>29,619</u>           |

**Note 13. Right-of-use assets**

|                                | <b>Consolidated<br/>2025<br/>\$'000</b> | <b>2024<br/>\$'000</b> |
|--------------------------------|-----------------------------------------|------------------------|
| <i>Non-current assets</i>      |                                         |                        |
| Right-of-use assets            | 17,026                                  | 17,211                 |
| Less: Accumulated depreciation | <u>(13,130)</u>                         | <u>(14,088)</u>        |
|                                | <u>3,896</u>                            | <u>3,123</u>           |

The Consolidated entity leases land and buildings for its offices under agreements of between 3 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

*Reconciliations*

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

| <b>Consolidated</b>     | <b>Right-of-use<br/>assets<br/>\$'000</b> |
|-------------------------|-------------------------------------------|
| Balance at 1 July 2024  | 3,123                                     |
| Additions               | 3,715                                     |
| Depreciation expense    | <u>(2,942)</u>                            |
| Balance at 30 June 2025 | <u>3,896</u>                              |

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 14. Intangibles**

|                                | <b>Consolidated</b> |               |
|--------------------------------|---------------------|---------------|
|                                | <b>2025</b>         | <b>2024</b>   |
|                                | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Non-current assets</i>      |                     |               |
| Building projects - at cost    | 4,920               | 4,920         |
| Less: Accumulated amortisation | (1,437)             | (1,355)       |
|                                | <u>3,483</u>        | <u>3,565</u>  |

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 \$4,494,000 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 state at such time. The total amount of \$4,494,000 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 (\$4,920,000). The intangible asset is written off over the estimated period Northcott expects to provide services at these locations.

During the year, there were no additions to building projects and amortisation expense of \$82,000.

**Note 15. Trade and other payables**

|                                     | <b>Consolidated</b> |               |
|-------------------------------------|---------------------|---------------|
|                                     | <b>2025</b>         | <b>2024</b>   |
|                                     | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Current liabilities</i>          |                     |               |
| Trade payables                      | 688                 | 601           |
| Other payables and accrued expenses | 2,966               | 3,384         |
|                                     | <u>3,654</u>        | <u>3,985</u>  |

**Note 16. Borrowings**

|                                | <b>Consolidated</b> |               |
|--------------------------------|---------------------|---------------|
|                                | <b>2025</b>         | <b>2024</b>   |
|                                | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Current liabilities</i>     |                     |               |
| Bank loans                     | 300                 | -             |
| <i>Non-current liabilities</i> |                     |               |
| Bank loans                     | 4,700               | -             |
|                                | <u>5,000</u>        | <u>-</u>      |

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 16. Borrowings (continued)**

*Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

|                              | <b>Consolidated</b> |               |
|------------------------------|---------------------|---------------|
|                              | <b>2025</b>         | <b>2024</b>   |
|                              | <b>\$'000</b>       | <b>\$'000</b> |
| Total facilities             |                     |               |
| Bank loans                   | 5,000               | -             |
| Used at the reporting date   |                     |               |
| Bank loans                   | 5,000               | -             |
| Unused at the reporting date |                     |               |
| Bank loans                   | -                   | -             |

During the year, the Company entered into a Market Rate Loan for \$5,000,000. The loan, which is due to mature and is repayable in full in three years from the funding date (December 2027), is a principal and interest payment loan, with \$300,000 in principal repayable annually. The loan is secured against the property located at 1 Fennell Street, Parramatta NSW 2150 and against all present and after acquired property of the Company. The variable interest rate is 4.49% p.a.

Consistent with prior year, the Company had access to a \$5,000,000 overdraft facility from the lender, which was unused at year end.

**Note 17. Lease liabilities**

|                                           | <b>Consolidated</b> |               |
|-------------------------------------------|---------------------|---------------|
|                                           | <b>2025</b>         | <b>2024</b>   |
|                                           | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Current liabilities</i>                |                     |               |
| Lease liability                           | 1,865               | 1,964         |
| <i>Non-current liabilities</i>            |                     |               |
| Lease liability                           | 2,263               | 1,261         |
|                                           | <u>4,128</u>        | <u>3,225</u>  |
| <i>Future lease payments</i>              |                     |               |
| Future lease payments are due as follows: |                     |               |
| Within one year                           | 2,150               | 1,969         |
| One to five years                         | 2,362               | 1,302         |
|                                           | <u>4,512</u>        | <u>3,271</u>  |

**Leases as a lessor**

The Consolidated entity 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.

The future minimum lease payments under non-cancellable leases are as follows:

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 17. Lease liabilities (continued)**

|                      | <b>Consolidated</b> |               |
|----------------------|---------------------|---------------|
|                      | <b>2025</b>         | <b>2024</b>   |
|                      | <b>\$'000</b>       | <b>\$'000</b> |
| Within one year      | 458                 | 411           |
| One to five years    | 558                 | 84            |
| More than five years | 78                  | -             |
|                      | <u>1,094</u>        | <u>495</u>    |

**Note 18. Employee benefits**

|                                | <b>Consolidated</b> |               |
|--------------------------------|---------------------|---------------|
|                                | <b>2025</b>         | <b>2024</b>   |
|                                | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Current liabilities</i>     |                     |               |
| Annual leave                   | 15,525              | 15,792        |
| Long service leave             | 13,585              | 14,077        |
| Other wages payable            | 7,163               | 7,666         |
|                                | <u>36,273</u>       | <u>37,535</u> |
| <i>Non-current liabilities</i> |                     |               |
| Long service leave             | 1,616               | 564           |
|                                | <u>37,889</u>       | <u>38,099</u> |

Contributions to superannuation recognised as an expense in the profit and loss were \$19,474,656 (2024: \$18,924,206) for the consolidated entity and \$19,448,565 (2024: \$18,875,419) for the parent entity.

**Note 19. Provisions**

|                                    | <b>Consolidated</b> |               |
|------------------------------------|---------------------|---------------|
|                                    | <b>2025</b>         | <b>2024</b>   |
|                                    | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Current liabilities</i>         |                     |               |
| Make good provision                | 767                 | 1,086         |
| Provision for workers compensation | 5,361               | 2,311         |
|                                    | <u>6,128</u>        | <u>3,397</u>  |
| <i>Non-current liabilities</i>     |                     |               |
| Make good provision                | 843                 | 379           |
| Provision for workers compensation | 2,211               | 3,434         |
|                                    | <u>3,054</u>        | <u>3,813</u>  |
|                                    | <u>9,182</u>        | <u>7,210</u>  |

The provision for worker compensation of \$7,571,388 (2024: \$5,745,171) represents workers compensation premiums for a LPR insurance scheme.

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 19. Provisions (continued)**

*Movements in provisions*

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

|                                          | <b>Make good<br/>provision<br/>\$'000</b> | <b>Provision for<br/>workers<br/>compensation<br/>\$'000</b> |
|------------------------------------------|-------------------------------------------|--------------------------------------------------------------|
| <b>Consolidated - 2025</b>               |                                           |                                                              |
| Carrying amount at the start of the year | 1,465                                     | 5,745                                                        |
| Additional provisions recognised         | 373                                       | 8,251                                                        |
| Amounts used                             | (228)                                     | (6,424)                                                      |
|                                          | <hr/>                                     | <hr/>                                                        |
| Carrying amount at the end of the year   | 1,610                                     | 7,572                                                        |
|                                          | <hr/>                                     | <hr/>                                                        |

**Note 20. Other current liabilities**

|                                    | <b>Consolidated</b>    |                        |
|------------------------------------|------------------------|------------------------|
|                                    | <b>2025<br/>\$'000</b> | <b>2024<br/>\$'000</b> |
| <i>Current liabilities</i>         |                        |                        |
| Unearned income- government grants | 4,035                  | 4,089                  |
| Unearned income- other sources     | 471                    | 1,677                  |
|                                    | <hr/>                  | <hr/>                  |
|                                    | 4,506                  | 5,766                  |
|                                    | <hr/>                  | <hr/>                  |

**Note 21. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to key management personnel of the Consolidated entity is set out below:

|                        | <b>Consolidated</b> |                    |
|------------------------|---------------------|--------------------|
|                        | <b>2025<br/>\$</b>  | <b>2024<br/>\$</b> |
| Aggregate compensation | 2,369,724           | 2,323,304          |
|                        | <hr/>               | <hr/>              |

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

**Note 22. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd (2024: KPMG), the auditor of the Consolidated entity, and its network firms:

|                                                                   | <b>Consolidated</b> |                    |
|-------------------------------------------------------------------|---------------------|--------------------|
|                                                                   | <b>2025<br/>\$</b>  | <b>2024<br/>\$</b> |
| <i>Audit services - Grant Thornton Audit Pty Ltd (2024: KPMG)</i> |                     |                    |
| Audit of the financial statements                                 | 141,500             | 167,700            |
|                                                                   | <hr/>               | <hr/>              |
| <i>Other services - Grant Thornton Australia Limited</i>          |                     |                    |
| Assistance with the compilation of financial statements           | 15,000              | -                  |
|                                                                   | <hr/>               | <hr/>              |
|                                                                   | 156,500             | 167,700            |
|                                                                   | <hr/>               | <hr/>              |

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 23. Contingent assets and liabilities**

The Company's assets, as disclosed in note 16, have been provided as security to the bank against the \$5,000,000 Market Rate Loan (2024: nil).

The Consolidated entity has issued bank guarantees with respects to its leased premises as at 30 June 2025 of \$499,500 (2024: \$723,000).

These contingent liabilities are subject to the terms of the respective rental and borrowing agreements.

The Consolidated entity has no contingent assets as at 30 June 2025 (2024: \$nil).

**Note 24. Related party transactions**

*Parent and ultimate controlling party*

The ultimate controlling party of the Consolidated entity is The Northcott Society.

*Subsidiaries*

Interests in subsidiaries are set out in note 25.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 21.

*Transactions with related parties*

During the year, The Northcott Society, the controlling entity, provided management, administrative and personnel services to Spinecare Foundation, for which fees of \$58,482 (2024: \$47,863) 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 (2024: \$100,000). Furthermore, The Northcott Society recharged Northcott Innovation Limited for settlements of liabilities on behalf of Northcott Innovation Limited, for \$484,049 (2024: \$495,594) inclusive of GST.

In 2024, The Northcott Society incurred production costs amounting to \$122,860 for services provided by Bus Stop Films, a company that is controlled by another Director. The contract terms were based on commercial rates and payable under normal payable terms. No costs were incurred under this contract in 2025.

*Receivable from and payable to related parties*

Receivable and payable balances between entities within the Consolidated entity (Group) have been eliminated on consolidation. There were no other receivable or payable balances for other related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 25. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

| Name                                                           | Principal place of business /<br>Country of incorporation | Ownership interest |           |
|----------------------------------------------------------------|-----------------------------------------------------------|--------------------|-----------|
|                                                                |                                                           | 2025<br>%          | 2024<br>% |
| Northcott Supported Living Pty Limited                         | Australia                                                 | 100.00%            | 100.00%   |
| Spinecare Foundation                                           | Australia                                                 | 100.00%            | 100.00%   |
| Northcott Innovation Limited                                   | Australia                                                 | 100.00%            | 100.00%   |
| Northcott Therapy ACT Pty Limited                              | Australia                                                 | 100.00%            | 100.00%   |
| Creativity Services Limited (formally Creativity Incorporated) | Australia                                                 | 100.00%            | 100.00%   |
| Montrose Therapy & Respite Services                            | Australia                                                 | 100.00%            | 100.00%   |

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 26. 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 \$857,000 (2024: \$1,822,000). Cash received from fundraising is used to fund various Northcott projects and is recognised in revenue throughout the length of each project.

|                                                      | <b>Consolidated</b> |               |
|------------------------------------------------------|---------------------|---------------|
|                                                      | <b>2025</b>         | <b>2024</b>   |
|                                                      | <b>\$'000</b>       | <b>\$'000</b> |
| <b>Results of fundraising</b>                        |                     |               |
| <i>Gross proceeds from fundraising</i>               |                     |               |
| Monetary                                             | 1,458               | 1,235         |
| Less: Direct costs of fundraising appeals            | (451)               | (642)         |
| <b>Net surplus obtained from fundraising appeals</b> | <b>1,007</b>        | <b>593</b>    |

**Note 27. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

|                          | <b>Parent</b> |               |
|--------------------------|---------------|---------------|
|                          | <b>2025</b>   | <b>2024</b>   |
|                          | <b>\$'000</b> | <b>\$'000</b> |
| Deficit                  | (14,647)      | (16,498)      |
| Total comprehensive loss | (14,647)      | (16,498)      |

*Statement of financial position*

|                           | <b>Parent</b> |               |
|---------------------------|---------------|---------------|
|                           | <b>2025</b>   | <b>2024</b>   |
|                           | <b>\$'000</b> | <b>\$'000</b> |
| Total current assets      | 53,260        | 61,971        |
| Total assets              | 85,948        | 94,159        |
| Total current liabilities | 60,898        | 64,638        |
| Total liabilities         | 73,278        | 66,842        |
| Equity                    |               |               |
| Retained surpluses        | 12,670        | 27,317        |
| Total equity              | 12,670        | 27,317        |

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

**The Northcott Society and its controlled entities**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 27. Parent entity information (continued)**

*Contingent liabilities*

The Company's assets, as disclosed in note 16, have been provided as security to the bank against the \$5,000,000 Market Rate Loan (2024: nil).

The Company has issued bank guarantees with respects to its leased premises as at 30 June 2025 of \$471,500 (2024: \$723,000).

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the Consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 28. Events after the reporting period**

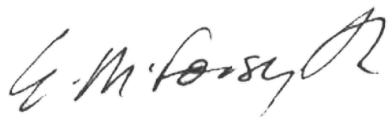
No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.



**The Northcott Society and its controlled entities**  
**Declaration by chief executive officer in respect of fund raising appeals**  
**30 June 2025**

On behalf of The Northcott Society, I declare that:

- The Company is able to pay all of its debts as and when the debts become due and payable;
- The 30 June 2025 financial statements of the Company satisfy the requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2021;
- The contents of the 30 June 2025 financial statements of the Company are true and fair; and
- The Company has appropriate and effective internal controls.



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Liz Forsyth  
Chief Executive Officer

23 September 2025

**The Northcott Society and its controlled entities**  
**Directors' declaration**  
**30 June 2025**

In the opinion of the Directors of The Northcott Society:

1. The financial statements and notes of The Northcott Society are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) Giving a true and fair view of its financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- (b) Complying with Australian Accounting Standards - Simplified Disclosures, and the Australian Charities and Not-for-profits Commission Regulations 2022; and

2. There are reasonable grounds to believe that The Northcott Society will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.

On behalf of the Directors



---

Kirsten Armstrong  
Chairperson

23 September 2025

## Independent Auditor's Report

### To the Members of The Northcott Society

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of The Northcott Society (the "Registered Entity") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the Directors' declaration.

In our opinion, the financial report of The Northcott Society and its controlled entities has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The Directors are responsible for the other information. The other information comprises the information included in the Declaration by the Principal Officer in accordance with the Charitable Fundraising Act 1991 and the Registered Entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

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 and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the financial report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the ACNC Act, the Charitable Fundraising Act (NSW) 1991, the Charitable Fundraising Regulation 2021 (NSW) and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Registered Entity's financial reporting process.

## Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.



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Sydney, 23 September 2025