ENDEAVOUR FOUNDATION

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2023

ENDEAVOUR FOUNDATION
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2023

Contents | Pages

ENDEAVOUR FOUNDATION
DIRECTORS' REPORT
For the Year Ended 30 June 2023

The Directors present their report together with the consolidated financial report of Endeavour Foundation ("the Company"), being the Company and its controlled entities ("the Group"), for the year ended 30 June 2023 and the Auditor's Report thereon.

Directors

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

Name	**Qualifications and Special Responsibilities**	**Experience (in years) Board of Directors**	**Area Committee**
Current at 30 June 2023			
Elizabeth Marie Jameson AM (Independent Director) (13 October 2020)	*BA Law (Hons), BA (Japanese), LSDA, FAICD* Chair (appointed 01/03/2023) Member of Client Care Committee (ceased 24/03/2023) Member of Nominations, Remuneration & Governance Committee (ceased 24/03/2023)	3	-
Scott Robinson Elton Ellis (Elected Director) (22 November 2013)	*BBus, ASA, AAICD* Deputy Chair (appointed 24/03/2023) Chair of Audit, Finance, Risk & Compliance Committee Member of People & Culture Committee (appointed 24/03/2023) Member of Nominations, Remuneration & Governance Committee (ceased 24/03/2023)	10	23
Mark Andrew Gibson (Elected Director) (28 November 2022)	*Assoc BSc, Communication Engineering, MAICD* Chair of Client Care Committee (appointed 24/03/2023) Member People & Culture Committee (appointed 24/03/2023)	1	1
Richard George Andrew Haire (Independent Director) (4 October 2018)	*BEcon, Grad Dip Corp Mgt, FAICD* Previous Chair (resigned 01/03/2023) Member of People & Culture Committee (appointed 24/03/2023) Member of Audit, Finance, Risk & Compliance Committee (appointed 24/03/2023) Chair of Nominations, Remuneration & Governance Committee (ceased 24/03/2023)	5	-
Beverley Narelle Knowles (Elected Director) (20 November 2017)	*BA, DipEd, MMktg, FAICD* Member of Client Care Committee Member of Audit, Finance, Risk & Compliance Committee	6	10
Robyn Lyn McGuiggan (Elected Director) (22 November 2021)	*PhD (Marketing), MCom, BSC (Hons), FAICD* Chair of People & Culture Committee (appointed 24/03/2023) Member of Client Care Committee Member of Information & Communication Technologies Committee (ceased 24/03/2023)	2	4
Pedro Mendiolea (Elected Director) (22 November 2013)	*BE (Hons), GDMgt, MIEAust, RPEQ, CPEng* Member of Client Care Committee (appointed 24/03/2023) Member of Audit, Finance, Risk & Compliance Committee Chair of Information & Communication Technologies Committee (ceased 24/03/2023)	10	12

ENDEAVOUR FOUNDATION
DIRECTORS' REPORT (continued)
For the Year Ended 30 June 2023

Directors (continued)

Name	Qualifications and Special Responsibilities	Experience (in years) Board of Directors	Area Committee
Past Directors who served during the year			
Maxwell Colin Voigt (Elected Director) (22 November 2021)	*DM, GDBA* Member of Audit & Risk Committee Member of Information & Communication Technologies Committee Resigned 09/08/2022	1	4
Yvonne Dianne Keane AM (Independent Director) (25 June 2014)	Deputy Chair Member of Nominations, Remuneration & Governance Committee Chair of Client Services Committee Resigned 06/02/2023	9	-

Appointments or resignations since the end of the financial year

None

Company Secretary

The Company Secretaries of the Company at any time during or since the end of the financial year were:

Joint Company Secretaries

Darryn Lee Hammond	BSci (Hons), LLB, G.Dip Corp Gov, MQLS, FGIA, FCIS, GAICD	Appointed 10/01/2023
Eric Duncan Campbell	CA, BAcc, Grad Dip Project Mgt, GAICD	Appointed 28/11/2013 Resigned 31/08/2023
David Alexander Blower	MBA, FCPA, GAICD	Appointed 25/11/2019 Resigned 10/01/2023

ENDEAVOUR FOUNDATION
DIRECTORS' REPORT (continued)
For the Year Ended 30 June 2023

Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year are:

	Board Meetings		People & Culture Committee Meetings		Client Care Committee Meetings[1]		Audit, Finance, Risk & Compliance Committee Meetings[2]		Nominations, Remuneration & Governance Committee Meetings (Dissolved 24/03/2023)		Information & Communication Technologies Committee Meetings (Dissolved 24/03/2023)	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
S R E Ellis	9	9	1	1	-	3	5	5	5	5	-	1
M A Gibson	5	5	1	1	1	2	-	-	-	1	-	1
R G A Haire	9	7	1	1	-	1	1	2	5	5	-	1
E M Jameson	9	8	-	-	3	4	-	2	5	3	-	-
Y D Keane	5	4	-	-	2	2	-	-	4	4	-	-
B N Knowles	9	9	-	-	4	3	5	5	-	-	-	-
R L McGuiggan	9	8	1	1	4	4	-	-	-	-	3	3
P Mendiolea	9	9	-	-	1	1	5	5	-	-	3	3
M C Voigt	1	-	-	-	-	-	1	-	-	-	1	-

[1] Formerly named the Client Services Committee.
[2] Formerly named the Audit and Risk Committee.
These Committees were renamed as part of a Board Committee governance structure review in March 2023.

A – Number of meetings held during the time the Director held office during the year as a member of the Board or one of the Committees
B – Number of meetings attended

Board Processes

To assist in the execution of its responsibilities, the Board has established several Board committees. During the financial year the Board conducted a review of the Board Committee structure, which resulted in the creation of a new Committee, the dissolution of two Committees and a revised scope for two Committees.

The Board established on 24/03/2023 a People & Culture Committee, a Client Care Committee (previously called the Client Services Committee), and an Audit, Finance, Risk & Compliance Committee (previously called the Audit & Risk Committee). As part of the Board Committee stricture review the Nominations, Remuneration & Governance Committee and the Information & Communication Technologies Committee were dissolved on 24/03/2023.

All Board Committees have written charters, which are reviewed regularly.

Board Processes (continued)

Details of each Board committee are as follows:

People & Culture Committee
The People & Culture Committee was established on 24/03/2023 and assists the Board in fulfilling its responsibilities by monitoring, reviewing and making recommendations related to the Company's people and culture matters. It makes recommendations to the Board with respect to the composition and desired competencies of the Board, as well as monitoring Board succession. The Committee makes recommendations on the selection, appointment and succession planning process for the Chief Executive Officer (CEO), including conducting an annual review of the CEO and Executive Leadership Team's remuneration. The Committee reviews the overall remuneration framework, monitors organisational culture and the diversity and inclusion strategy.

The People & Culture Committee comprised the following members during or since the end of the financial year:

- Mrs R L McGuiggan (Chair appointed 24/03/2023)
- Mr S R E Ellis (appointed 24/03/2023)
- Mr M A Gibson (appointed 24/03/2023)
- Mr R G A Haire (appointed 24/03/2023)

Client Care Committee
The Client Care Committee, previously called the Client Services Committee, provides assistance to the Board in fulfilling its responsibilities by monitoring, reviewing and making recommendations relating to the delivery of safe, effective and person-centred care to all clients receiving services from the Company. The Committee also reviews strategies to engage with clients, families, carers and advocates, and reviews reporting by Management on incident, complaint, and client satisfaction data.

The Client Care Committee comprised the following members during or since the end of the financial year:

- Mr M A Gibson (Chair) (appointed 24/03/2023)
- Mrs B N Knowles
- Mr P Mendiolea (appointed 24/03/2023)
- Mrs R L McGuiggan
- Ms E M Jameson (ceased 24/03/2023)
- Ms Y D Keane (Previous Chair - ceased 06/02/2023)
- Mr G M Crotty (non Board Member – ceased 28/02/2023)

Audit, Finance, Risk & Compliance Committee
The Audit, Finance, Risk & Compliance Committee, previously called the Audit & Risk Committee, provides assistance to the Board in fulfilling its responsibilities by monitoring, reviewing and making recommendations relating to the Company's financial reporting, risk management, internal and external audit functions and monitoring of compliance. The Committee also maintains free and open communication between the Committee and the Auditors, both internal and external.

The Audit, Finance, Risk & Compliance Committee comprised the following members during or since the end of the financial year:

- Mr S R E Ellis (Chair)
- Mr R G A Haire (appointed 24/03/2023)
- Ms B N Knowles
- Mr P Mendiolea
- Mr M C Voigt (ceased 09/08/2022)

Board Processes (continued)

Nominations, Remuneration & Governance Committee
The Nominations, Remuneration & Governance Committee was dissolved on 24/03/2023, following the Board governance review of the Committee structure. The new People and Culture Committee assists the Board in relation to the selection, succession planning and performance monitoring of the Board and the CEO, as well as overseeing the remuneration framework.

The Nominations, Remuneration & Governance Committee comprised the following members during the financial year:

- Mr R G A Haire (Chair) (ceased 24/03/2023)
- Mr S R E Ellis (ceased 24/03/2023)
- Ms E M Jameson (ceased 24/03/2023)
- Ms Y D Keane (ceased 06/02/2023)

Information & Communication Technologies Committee
The Information & Communication Technologies Committee was dissolved on 24/03/2023, following the Board governance review of the Committee structure. The revised Audit, Finance, Risk and Compliance Committee assists the Board in oversight responsibilities in relation to the Company's information and communication strategy, systems and policies.

The ICT Committee comprised the following members during the financial year:

- Mr P Mendiolea (Chair - ceased 24/03/2023)
- Mrs R L McGuiggan (ceased 24/03/2023)
- Mr C Tuesley (non Board Member – ceased 24/03/2023)
- Mr M C Voigt (ceased 09/08/2022)

Principal Activity and Objectives

The principal activities of the Endeavour Foundation Group during the year were the provision of support services to people with a disability, with a particular focus on people with an intellectual disability, including Residential Accommodation & Support Services, Learning & Lifestyle Support Services, Supported Employment Services and Community Advocacy & Support Services. In addition, Open Employment and Apprenticeship Training services are also provided. In the opinion of the Directors no significant changes have occurred in the nature of these activities during the financial year.

The Endeavour Foundation Group's Purpose and Mission are:

Purpose : **Make possibilities a reality**
We are dedicated to helping people with a disability to live fulfilling lives, working together to turn possibilities into reality for each individual.

Mission : **We partner with people to aspire for more**
We believe in ability, and understand that everyone is different. We will work with our clients to make the most of their individual skills and interests, whether that is developing life skills, trying a new activity, work or learning.
Our goal is to ensure we are there for our clients – both now and in the future – and we're committed to achieving more together, making their possibilities a reality.

The Group's Purpose and Mission is delivered through its **four core organisational values**:

One : We are one, valuing individual strengths and experience so we can achieve more together;

Imaginative : We never stop imagining a better future for our clients;

Care : We care, and treat everyone with respect and kindness;

Passionate : We are passionate, our clients are at the heart of everything that we do.

ENDEAVOUR FOUNDATION
DIRECTORS' REPORT (continued)
For the Year Ended 30 June 2023

Preparation of Consolidated Financial Statements

The consolidated annual financial statements comprise Endeavour Foundation ("the Company") and its controlled entities ("the Group").

Results

The Group battled a number of headwinds that have contributed to reporting a disappointing operating deficit for the year of ($6,602,000) compared to an operating deficit of ($7,274,000) in the previous year.

The operating result for the year included a one-off reversal of $4,900,000 in respect of a charge for estimated wage remediation costs that was raised in the prior period that, after updated information from the Fair Work Ombudsman and legal advice, was not due. Likewise, the prior year's operating result included a one-off NDIA lump-sum funding amount of $5,448,000 in respect of additional COVID-19 related costs, that was not replicated in the current period.

After adjusting for these abnormal one-off amounts, the decline of ($3,680,000) in the operating deficit from FY2022 to FY2023 primarily results from the following factors:

- a decline in the operating results in the Home & Community Division due to an increasingly competitive environment putting pressure on client numbers, reduced NDIA funding and increased operating costs. A range of strategies are being implemented to ensure services delivered are in line with the NDIA funding envelope;
- a strongly improved performance from the Work Division as operations returned to normal capacity following the COVID-19 shutdowns, bolstered by the commencement of the Defence Force employment contract that provides a new revenue stream;
- a decline in the operating surplus from the Community Solutions Group due to caseload numbers not achieving tender process projections on the transition to the new Federal Government funded Workforce Australia program, combined with a delay in government transition to this program. Caseload numbers improved towards the end of the financial year and are expected to further improve over the medium term as the new services bed down;
- increased pressure on the performance of the Sales & Marketing Division in light of higher property acquisition and other associated costs impacting on the performance of Lotteries and reduced general fundraising revenues. A refresh of the lotteries program over this financial year is expected to see increasing return over the medium term;
- the Group continues to be well placed to tackle the challenging operating environment, with multiple diverse revenue streams and sources of cash.

The Group's net deficit for the current financial year, after recognising income from non-operating items of $1,388,000, was ($5,214,000). The income from non-operating items in the current period included gains on the disposal of properties of $1,232,000 and non-recurrent government capital grants of $156,000. In the previous year the Group recorded a comparative net deficit for the year of ($4,964,000) after recognising non-operating items of $2,310,000, comprising gains on the disposal of properties of $287,000, a significant bequest of $1,446,000 and non-recurrent government capital grants of $577,000.

Since the end of the financial year, a review of the financial performance of the main operating divisions has identified opportunities to improve the operating performance. These opportunities include increased revenue streams and operating cost recoveries. This process is ongoing.

Dividends

The Company and its controlled entities are prohibited by their Constitutions from paying dividends.

ENDEAVOUR FOUNDATION
DIRECTORS' REPORT (continued)
For the Year Ended 30 June 2023

Events Subsequent to Balance Date

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

Environmental Regulations

The Group's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Group has an established risk management system which identifies environmental hazards and ensures appropriate controls are adopted. The appropriate licences and consents are in place at each site in accordance with various environmental regulations.

The Directors are not aware of any breaches of the legislation which are material in nature.

Review of Operations

Operations of the Group during the year are reviewed in the Chair's and CEO's report in the separately issued Annual Report.

Directors' Benefits

Information on Directors' benefits is set out in the following notes to the Annual Financial Report:

(a) No Directors' Fees are payable

(b) No Related Party Transactions with Directors exist (Note 22)

Directors' Interests in Contracts

No contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the financial year (Note 22).

Indemnification and Insurance of Officers

Indemnification
The Endeavour Foundation Constitution requires Endeavour Foundation to indemnify any person who is an officer of Endeavour Foundation, including the Directors, the Secretary and other executive officers, against a liability incurred as such an officer, unless the liability arises out of conduct involving a lack of good faith. Officers of Endeavour Foundation are also indemnified against a liability for costs and expenses incurred in defending civil or criminal proceedings involving them as such officers, if judgement is given in their favour or if they are acquitted or granted relief.

Insurance
Endeavour Foundation has paid a premium in respect of a contract insuring Directors and Officers of Endeavour Foundation, against a liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with some exceptions.

The external auditors of Endeavour Foundation are not included in this policy.

ENDEAVOUR FOUNDATION
DIRECTORS' REPORT (continued)
For the Year Ended 30 June 2023

Non-audit services

During any year KPMG, the Group's auditor, may perform certain other services in addition to their statutory duties.

All non-audit services are subject to the corporate governance procedures adopted by Endeavour Foundation and are reviewed by the Audit, Finance, Risk & Compliance Committee to ensure they do not impact the integrity and objectivity of the auditor.

The Board considers any non-audit services provided to satisfy itself that the provision of the non-audit services during any year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Details of amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out in note 3 to the Annual Financial Report.

Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on page 10 and forms part of the Directors' Report.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016. Accordingly amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars unless otherwise indicated.

Signed on behalf of the Board in accordance with a resolution of Directors.

E M Jameson – Chair
Brisbane
5th October 2023

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

To: the directors of Endeavour Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2023 there have been:

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

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

KPMG

KPMG

Ben Flaherty

Partner

Brisbane

5 October 2023

ENDEAVOUR FOUNDATION
Consolidated Balance Sheet
As at 30 June 2023

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	4	50,314	69,337
Trade and other receivables	5	14,434	19,701
Inventories	6	22,338	18,733
Other current assets	7	4,939	3,136
Assets classified as held-for-sale	8	1,414	1,813
Total current assets		**93,439**	**112,720**
Non-current assets			
Investments	9	1,990	1,712
Net defined benefit plan asset	10	2,658	2,403
Other intangible assets	11	-	86
Property, plant & equipment	12	154,893	140,884
Total non-current assets		**159,541**	**145,085**
Total assets		**252,980**	**257,805**
Current liabilities			
Trade and other payables	13	17,871	16,698
Lease liability	14	1,438	1,050
Revenue received in advance	15	4,001	3,389
Provision for employee entitlements and other provisions	16	26,288	29,543
Total current liabilities		**49,598**	**50,680**
Non-current liabilities			
Lease liability	14	2,483	1,606
Provision for employee entitlements	17	3,272	3,115
Total non-current liabilities		**5,755**	**4,721**
Total liabilities		**55,353**	**55,401**
Net assets		**197,627**	**202,404**
Equity			
Reserves		396	396
Retained earnings		197,231	202,008
Total equity		**197,627**	**202,404**

The Consolidated Balance Sheet is to be read in conjunction with the Notes to the Financial Statements.

ENDEAVOUR FOUNDATION
Consolidated Income Statement
For the Year Ended 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue			
Sale of goods and services		237,505	221,016
Fundraising activities		41,986	42,088
Service user contributions		6,384	5,964
Government subsidies		34,520	39,054
Rent received		6,741	6,084
Interest income		1,964	237
Other revenue		1,679	936
	2(a)	330,779	315,379
Expenses			
Cost of goods sold & commercial fundraising activities		(48,722)	(42,423)
Employee expenses		(209,283)	(204,838)
Supported employee expenses		(15,379)	(14,992)
Utilities & leased property expenses		(9,469)	(8,782)
Transport expenses		(6,958)	(5,985)
Maintenance expenses		(17,681)	(16,048)
Household consumables		(2,174)	(2,015)
Depreciation & amortisation expenses		(11,927)	(10,965)
Other expenses		(15,788)	(16,605)
		(337,381)	(322,653)
Operating deficit		(6,602)	(7,274)
Significant bequest	2(a)	-	1,446
Government capital grants and other capital donations	2(a)	156	577
Gain on disposal of properties	2(a)	1,232	287
Net deficit for the year		**(5,214)**	**(4,964)**

The Consolidated Income Statement is to be read in conjunction with the Notes to the Financial Statements.

ENDEAVOUR FOUNDATION
Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2023

	Note	2023 $'000	2022 $'000
Net deficit for the year		**(5,214)**	**(4,964)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net increase/(decrease) in fair value of investments	9	212	(367)
Realised (loss)/gain on disposal of investments		(18)	91
Actuarial adjustment to defined benefit superannuation plan	24(b)	243	(132)
Other comprehensive income for the year		**437**	**(408)**
Total comprehensive income for the year		**(4,777)**	**(5,372)**

ENDEAVOUR FOUNDATION
Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2023

	Subsidies reserve $'000	Retained earnings $'000	Total Equity $'000
Total equity at 30 June 2021	396	207,380	207,776
Total comprehensive income for the year	-	(5,372)	(5,372)
Total equity at 30 June 2022	**396**	**202,008**	**202,404**
Total comprehensive income for the year	-	(4,777)	(4,777)
Total equity at 30 June 2023	**396**	**197,231**	**197,627**

The Consolidated Statement of Comprehensive Income and Consolidated Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements.

ENDEAVOUR FOUNDATION

Consolidated Cash Flow Statement
For the Year Ended 30 June 2023

	Note	2023 $'000 Inflows (Outflows)	2022 $'000 Inflows (Outflows)
Cash flows from operating activities			
Cash receipts in the course of operations		341,975	316,417
Cash payments to suppliers & employees		(341,607)	(322,884)
Dividends received		102	83
Interest received		1,913	210
Legacies & bequests received		1,030	1,946
Net cash provided/(utilised) by operating activities	25	**3,414**	**(4,228)**
Cash flows from investing activities			
Acquisition of property, plant & equipment		(24,642)	(20,531)
Acquisition of investments		(862)	(1,029)
Proceeds from disposal of property, plant & equipment		3,833	1,345
Proceeds from sale of investments		778	1,024
Proceeds from non-operational capital grants and donations		143	372
Net cash utilised by investing activities		**(20,750)**	**(18,819)**
Cash flows from financing activities			
Lease payments		(1,687)	(1,806)
Net cash utilised by financing activities		**(1,687)**	**(1,806)**
Net decrease in cash held		**(19,023)**	**(24,853)**
Cash at the beginning of the financial year		69,337	94,190
Cash at the end of the financial year	25	**50,314**	**69,337**
Comprising:			
Untied cash		46,313	65,887
Quarantined cash		4,001	3,450
		50,314	**69,337**

The Consolidated Cash Flow Statement is to be read in conjunction with the Notes to the Financial Statements.

ENDEAVOUR FOUNDATION
Notes to the Financial Statements
For the Year Ended 30 June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Endeavour Foundation ("the Company") is a not-for-profit organisation, incorporated as a public company limited by guarantee and is domiciled in Australia. The Company is a Registered Charity with the Australian Charities and Not-for-profits Commission. The address of the Company's registered office is 33 Corporate Drive, Cannon Hill, QLD 4170.

The consolidated financial statements of the Company for the financial year ended 30 June 2023 comprise the Company and its controlled entities (together referred to as "the Group").

The principal activities of the Group are to provide support to people with disabilities and their families, and individuals and communities who have significant personal, social, economic and cultural disadvantage in accessing services and resources. Support is provided through a range of flexible services, including residential accommodation, in-home support, adult education, life style support, drug prevention and public safety programs, services for disengaged young people and people experiencing mental illness, supported employment services and apprenticeship and traineeship qualifications.

Joint Reporting Group

With effect from 30 June 2017 the Endeavour Foundation Group has been approved as a Joint Reporting Group under *section 60-95* of the Australian Charities and Not-for-profits Commission Act (ACNC Act) and consequently the preparation and lodgment of separate audited annual financial reports for each of the individual controlled entities is not a requirement under the ACNC Act.

The consolidated annual financial report of Endeavour Foundation for the year ended 30 June 2023 has been prepared in accordance with Australian Accounting Standards Board (AASB) 10 *Consolidated Financial Statements* and includes the financial statements of the controlled entities listed in note 27 *Group Entities*, all of which are entities registered with the Australian Charities and Not-for-profits Commission. The basis for consolidation is set out in Accounting Policy note 1(a) below.

Statement of compliance

The consolidated financial report is a general purpose financial report which has been prepared in accordance with *Australian Accounting Standards* (AASBs) (including Australian Interpretations), adopted by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. These consolidated financial statements comply with *Australian Accounting Standards*.

The financial report was authorised for issue by the Directors on 5 October 2023.

Basis for preparation of financial report

The financial report has been prepared on an accruals basis and is based on historical costs, except for:

- Investments measured at fair value through other comprehensive income; and
- The defined benefit plan asset/(liability) is measured as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation; and
- Revenue is recognised on an accruals basis with the exception of donations, bequests and legacies which are accounted for on a cash basis.

Except as noted above, the financial report does not take into account changing money values or fair values of non-current assets.

In the opinion of the Directors, having regard to the not-for-profit nature of the Group's business, the terms "Profit" or "Loss" are not appropriate. Accordingly, where appropriate, the words "Surplus/(Deficit)" have been substituted for the terms "Profit/(Loss)".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis for preparation of financial report (continued)

The financial statements are presented in Australian Dollars rounded to the nearest thousand unless otherwise stated ASIC Corporations *(Rounding in Financial/Directors' Reports) Instrument 2016/191*.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

New accounting standards early adopted

The Group has not elected to early adopt any accounting standards and amendments, issued by the Australian Accounting Standards Board (AASB).

New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of those that may be relevant was assessed as having no impact on the Group.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 9 – Non-current Assets – Investments;
- Note 10 – Non-current Assets – Defined Benefit Plan; and
- Note 12 – Non-current Assets – Property, Plant & Equipment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern basis

The financial statements have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group is in a sound financial position with the Group's current assets exceeding its current liabilities by $43,841,000 as at 30 June 2023 (2022: $62,040,000).

The Group is economically dependent on the Queensland State Government and the Commonwealth Government of Australia for funding. These funding levels are revised periodically in recognition of the increased cost of providing services. In addition a Net Surplus has been budgeted for the 2024 financial year.

At 30 June 2023 the Group had untied cash reserves of $46,313,000 (2022: $65,887,000) to support the continuation of services under the current operating conditions.

Accordingly, the Directors believe that the preparation of the financial report on a going concern basis is appropriate.

Significant accounting policies

The following is a summary of the significant accounting policies adopted by the Group in the preparation of the consolidated financial statements. The accounting policies have been applied consistently to all periods presented in the financial report, except where otherwise indicated.

(a) Basis of consolidation

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

Transactions eliminated on consolidation
Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions are eliminated.

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

(b) Revenue recognition

Revenue is recognised on an accruals basis with the exception of non-specific donations, bequests and legacies which are accounted for on a cash basis.

Sale of goods or services
Revenue from the sale of goods or services is measured based on the consideration specified in a contract with a customer and is recognised when control over goods are transferred to a customer or upon the discharge of performance obligations in the contract with customers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue recognition (continued)

Government subsidies and grants
Revenue from government subsidies and grants is recognised when the Group obtains control of the grant or subsidies and discharges performance obligations associated with the subsidies or grants.

Subsidies and grants which are received on the condition that specific performance obligations are fulfilled, failing which the funds are to be refunded, are initially recognised as deferred revenue/(liability) with revenue recognised as the services are performed or the specific performance obligations are fulfilled.

Lottery Tickets Sold
Revenue from the sale of lottery tickets is measured at the fair value of the consideration received. Monies received for tickets in undrawn lotteries is deferred and recorded as advance lottery receipts in revenue received in advance.

Specific Donations/Bequests/Fundraising Activities
Revenue received by way of donations, bequests or fundraising activities that have a specific objects clause and performance obligations attached, are measured at the fair value of the asset received and recognised as revenue when the Group expends the funds received for the specific purposes for which the contribution was made. Any such amounts that remain unexpended for the purposes for which they were received are repayable either to the original donor or if this is not practicable, to the Public Trustee for distribution to another organisation with similar objects clauses to Endeavour Foundation, to be expended for the same purposes as stipulated in the original specific donation, bequest or fundraising activity.

Other Donations/Bequests/Fundraising Activities
Revenue received via non-specific donations, bequests or fundraising activities are measured at the fair value of the asset received and are recognised when the Group receives the donation or bequest or conducts the fundraising activity.

Sale of non-current assets
The sale of non-current assets are recognised at the date the significant risks and rewards of ownership of the asset passes to the buyer, usually upon settlement of the contract of sale.

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.

Interest revenue
Interest revenue is recognised as it accrues, using the effective interest rate method.

Dividends
Dividend revenue is recognised net of any franking credits. Revenue from dividends is recognised when dividends are received.

(c) Finance costs

Interest payments in respect of financial instruments classified as liabilities are included in finance costs. Finance costs are expensed as incurred, using the effective interest rate method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Goods and Services Tax

Revenues, expenses and fixed assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as an expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Receivables and payables are stated with the amount of GST included.

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

(e) Taxation

Endeavour Foundation and its controlled entities are registered charitable institutions, exempt from income tax under section 50-5 of the *Income Tax Assessment Act 1997*.

(f) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, an estimate is made of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In common with many not-for-profit entities, in assessing value in use, where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset. In instances when this treatment is inappropriate, value in use is determined by discounting the estimated future cash flows to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amounts (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amounts, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment – note 12

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives. Assets are depreciated from the date of acquisition on a straight-line or a diminishing value basis. The useful lives used for each class of asset are as follows:

	2023	**2022**
Buildings	34 years	34 years
Right-of-use lease assets	1-3 years	1-3 years
Plant and equipment	3-10 years	3-10 years

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

Depreciation rates and methods are reviewed annually for appropriateness.

(h) Non-current assets held for sale – note 8

Non-current assets are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying value will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet and are not depreciated or amortised while they are classified as held for sale.

(i) Intangible assets – note 11

Intangible assets acquired are measured at cost less accumulated amortisation and impairment losses.

Computer software has a finite useful life and is carried at cost less accumulated amortisation. Amortisation commences once the software is commissioned and is calculated using the straight line method to allocate the cost of computer software over its estimated useful life, being 3-10 years.

(j) Repairs and maintenance

Repairs and maintenance costs are expensed as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Cash and cash equivalents – note 4

Cash and cash equivalents are measured at the face value of the amounts deposited.

(l) Inventories – note 6

Inventories are measured at the lower of cost and net realisable value.

Cost is allocated on an average cost basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

(m) Investments – note 9

Investments not held for trading purposes are classified as financial assets at fair value through other comprehensive income.

These investments are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in other comprehensive income and presented within retained earnings. When an investment is derecognised, the cumulative gain or loss is recognised in other comprehensive income as a transfer directly to retained earnings and is not recognised in the income statement.

Dividends or other distributions received from these investments are still recognised in the income statement as part of other income.

(n) Employee entitlements – note 24

(i) ***Salaries, wages and annual leave***
Liabilities for employee benefits for salaries, wages and annual leave expected to be settled within 12 months of the year end are recognised, and are measured, as the amount unpaid at the reporting date in respect of employees' services up to that date calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay, including related on-costs.

(ii) ***Long service leave***
A liability for long service leave is recognised, and is measured, as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels and related on-costs, experience of employee departures, periods of service and employment policies. Expected future payments are discounted using interest rates attaching, as at the reporting date, to corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. The unwinding of the discount is treated as long service leave expense.

(iii) ***Superannuation***
Defined benefit plans
The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) ***Superannuation (continued)***

Defined benefit plans (continued)

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Further information on the defined benefit plan is set out in note 10 and note 24(b).

Defined contribution plans

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

(o) Leased assets

The Group as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16 *Leases*.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Leased assets (continued)

The Group as a lessee (continued)

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

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

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities as "lease liabilities" in the balance sheet.

For purposes of income statement disclosures, interest on lease liabilities is disclosed separately from the depreciation charge on right-of-use assets. The interest expense on lease liabilities is a component of Other Expenses in the Consolidated Income Statement and is further disclosed in note 2(b).

For purposes of cash flow disclosures, lease payments shown under financing activities include the principal and interest portions of the lease liability payments.

<u>Short-term leases and leases of low value assets and peppercorn leases</u>
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets, short term leases (with a term of 12 month or less) and peppercorn leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as a lessor
The Group does not act as a lessor under any leases that are classified as finance leases.

Where the Group acts as a lessor under leases classified as operating leases, the Group recognises lease payments received as income on a straight-line basis over the lease term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Trade and other receivables – note 5

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. All trade and other receivables are recognised initially at fair value and subsequently measured as amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established based on an expected credit loss model. The amount of the provision is the difference between the assets' carrying amount and the expected value of the amounts to be received.

(q) Trade and other payables – note 13

Liabilities are measured at amortised cost using the effective interest rate method and are recognised for goods or services received, whether or not billed to the Group.

(r) Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

(s) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in income over the period of the borrowing using the effective interest rate method.

(t) Financial instruments – non-derivative financial instruments

Financial instruments where the Group becomes party to a contractual provision of that instrument comprise only the following non-derivative financial instruments: Investments (refer note 1(m)), Trade and other receivables (refer note 1(p)) and Trade and other payables (refer note 1(q)).

The Group does not have any derivative financial instruments.

(u) Presentation of financial statements

The Group applies revised AASB 101 *Presentation of Financial Statements (2007)*, which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of comprehensive income and the consolidated statement of changes in equity all transactions that directly effect reserves or retained earnings, with all other non-owner changes in equity shown in the consolidated income statement.

ENDEAVOUR FOUNDATION
Notes to the Financial Statements
For the Year Ended 30 June 2023

2 (a) OPERATING REVENUE AND OTHER INCOME

	2023 $'000	2022 $'000
Sale of goods and services - other	54,651	46,673
Sale of goods and services – NDIS revenues	182,854	168,895
Sale of goods and services – NDIA once-off provider payment	-	5,448
	237,505	221,016
Fundraising activities		
- Commercial fundraising activities	39,106	38,960
- Donations & appeals	1,329	1,640
- Special functions	387	329
- Bequests & legacies	1,030	500
- Community grants	134	659
	41,986	42,088
Service user contributions		
- Accommodation and Fee for Service	5,309	4,935
- Learning & Lifestyle	143	134
- Transport	932	895
	6,384	5,964
State Government subsidies	12,854	12,988
Federal Government subsidies - other	21,666	26,066
Rent received	6,741	6,084
Dividend income	102	83
Interest income	1,964	237
Other revenue	1,577	853
Total operating revenue	**330,779**	**315,379**
Non-operating items		
Significant bequest	-	1,446
Government capital grants and other capital donations	156	577
Gain on disposal of property	1,232	287
	1,388	**2,310**
Total revenue and other income for the period	**332,167**	**317,689**

2 (b) OPERATING DEFICIT

The operating deficit for the year has been arrived at after charging/(crediting) the following items:

	2023 $'000	2022 $'000
Net expense/(write-back) from movements in provision for:		
- employee entitlements and other provisions	(3,098)	5,034
- trade receivable impairments	14	249
- inventory obsolescence	661	39
Operating lease expense – property rentals	1,907	1,460
Operating lease expense – equipment rentals	1,001	791
Bad debts expense	19	73
Net gain on disposal of non-current assets:		
- Plant, equipment and intangibles	(536)	(671)
Interest expense on lease liability	78	45

3. AUDITOR'S REMUNERATION

	2023 $	2022 $
Auditor's remuneration		
Audit Services		
Auditor of Endeavour Foundation – *KPMG Australia*		
Audit of financial reports	194,400	182,540
Other regulatory audit services	2,600	2,430
	197,000	184,970
Other Services		
Auditor of Endeavour Foundation – *KPMG Australia*		
Other advisory services	-	-
	-	-

	2023 $'000	2022 $'000
4. CASH AND CASH EQUIVALENTS		
Untied cash	46,313	65,887
Quarantined cash	4,001	3,450
	50,314	69,337

For cash management purposes, the Group operates a treasury function that notionally distinguishes between Untied cash and Quarantined cash.

Quarantined cash represents revenue received in advance and other cash reserves that have been designated for a specific purpose which are available for draw down only once the services they are meant to fund have actually been delivered.

	2023 $'000	2022 $'000
CREDIT STANDBY ARRANGEMENTS WITH BANKS		
The Group has the following lines of credit at reporting date:		
Credit card facilities	1,710	1,710
Indemnity guarantee facilities	2,000	2,000
	3,710	3,710
Facilities utilised at reporting date:		
Credit card facility	708	290
Indemnity guarantee facility	1,083	696
	1,791	986
Facilities not utilised at reporting date:		
Credit card facilities	1,002	1,420
Indemnity guarantee facilities	917	1,304
	1,919	2,724

The banking facilities are secured by registered first mortgages over nine properties with a carrying amount of $27,638,000 (2022: nine properties with a carrying amount of $27,831,000) and a registered mortgage debenture over all of the assets and undertakings of the Company.

	2023 $'000	2022 $'000
5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES		
Trade debtors	8,383	7,530
Less: impairment provision	(404)	(390)
Other debtors	6,455	12,561
	14,434	19,701

The exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 18 – Financial Instruments

6. CURRENT ASSETS – INVENTORIES

	2023 $'000	2022 $'000
Raw materials	1,595	1,264
Work in progress	126	151
Finished goods	790	789
Total trading stock	2,511	2,204
Lottery prize home stock	20,527	16,568
Less: impairment provision	(700)	(39)
	22,338	18,733

7. CURRENT ASSETS – OTHER CURRENT ASSETS

	2023 $'000	2022 $'000
Prepayments	4,939	3,136

8. NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE

	2023 $'000	2022 $'000
Land and buildings – at carrying value	1,414	1,813

Land and buildings that are classified as held-for-sale comprise properties that are either surplus to current operational requirements or that no longer meet the current functional requirements of the Group's activities and which are expected to be disposed of within 12 months of reporting date. The sale proceeds of non-functional properties are expected to be applied in the purchase of replacement properties where appropriate, with any surplus cash being used to retire any borrowings or held as cash.

9. NON-CURRENT ASSETS – INVESTMENTS

	2023 $'000	2022 $'000
Investments in other corporations		
Quoted on Stock Exchanges		
- Shares – at market value	1,990	1,712

Investments are categorised as Level 1 assets in the fair value hierarchy, being that they are listed on an active market.

The investments are under the control of the Endeavour Foundation Disability Research Fund and as such are quarantined to support the Research Fund's objectives and are not accessible by Endeavour Foundation to fund normal service delivery.

Reconciliation of the carrying amounts are set out below:

	2023 $'000	2022 $'000
Carrying value at beginning of year	1,712	1,983
Additions during the year at cost	862	1,029
Disposals during the year at cost	(796)	(933)
Revaluation adjustments recognised directly through other comprehensive income	212	(367)
Carrying value at end of year	1,990	1,712

The exposure to credit, currency and interest rate risks related to investments is disclosed in note 18 – Financial Instruments

10. NON-CURRENT ASSETS – DEFINED BENEFIT PLAN

	2023 $'000	2022 $'000
Present value of plan assets	6,611	6,103
Present value of funded obligations	(3,953)	(3,700)
Net defined benefit plan asset	2,658	2,403

Details of the defined benefit plan and a reconciliation of the movements for the year are provided under note 24 - Employee Entitlements

11. NON-CURRENT ASSETS – OTHER INTANGIBLE ASSETS

	2023 $'000	2022 $'000
Computer software – at cost	-	4,401
Less: accumulated amortisation	-	(4,315)
	-	86

Reconciliation of the carrying amounts are set out below:

	2023 $'000	2022 $'000
Carrying amount at beginning of year	86	521
Disposals	-	(113)
Amortisation expense	(86)	(322)
Carrying amount at end of year	-	86

12. NON-CURRENT ASSETS – PROPERTY, PLANT & EQUIPMENT

	2023 $'000	2022 $'000
Land and buildings – at cost	196,201	185,713
Less: accumulated depreciation	(64,362)	(61,155)
	131,839	124,558
Less: Assets classified as held-for-sale (refer note 8)	(1,414)	(1,813)
	130,425	122,745
Right-of-use assets – at cost	6,588	4,776
Less: accumulated depreciation	(2,707)	(2,162)
	3,881	2,614
Plant and equipment – at cost	60,222	51,927
Less: accumulated depreciation	(39,635)	(36,402)
	20,587	15,525
Total Property, plant and equipment	154,893	140,884

Refer to note 4 for details of security over property, plant and equipment.

Included in the total carrying amount of land and buildings is an amount of $19,080,000 (2022: $17,513,000) in respect of buildings located on non-freehold land, comprised of reserve and deed of grant in trust land that the Group holds as trustee and certain term leasehold land, leased from State Governments and Councils under long term renewable leases, expiring between the balance date and 20/01/2045.

12. NON-CURRENT ASSETS – PROPERTY, PLANT & EQUIPMENT (continued)

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	2023 $'000	2022 $'000
Land and buildings		
Carrying amount at beginning of year	124,558	116,500
Additions	14,831	12,974
Disposals	(2,009)	(98)
Transfers to plant and equipment	-	(17)
Depreciation expense	(5,541)	(4,801)
	131,839	124,558
Assets classified as held-for-sale (refer note 8)	(1,414)	(1,813)
Carrying amount at end of year	130,425	122,745
Right-of-use asset		
Carrying amount at beginning of year	2,614	1,684
Additions	2,874	2,679
Depreciation expense	(1,607)	(1,749)
Carrying amount at end of year	3,881	2,614
Plant and equipment		
Carrying amount at beginning of year	15,525	12,220
Additions	9,811	7,557
Transfers from land and buildings	-	17
Disposals	(56)	(176)
Depreciation expense	(4,693)	(4,093)
Carrying amount at end of year	20,587	15,525

	2023 $'000	2022 $'000

13. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2023 $'000	2022 $'000
Trade creditors and accruals	10,190	10,409
Other creditors	7,681	6,289
	17,871	16,698

The exposure to currency and liquidity risk related to trade and other payables is disclosed in note 18 – Financial Instruments

14. CURRENT and NON-CURRENT LIABILITIES – LEASE LIABILITIES

	2023 $'000	2022 $'000
Current: realisable within 1 year	1,438	1,050
Non-current: realisable after 1 year	2,483	1,606
	3,921	2,656

The lease liabilities represent 18 property leases with lease terms of between one year and five years, carrying a weighted average interest rate of 3.03% (2022: 12 property leases with lease terms of between one year and six years, carrying a weighted average interest rate of 1.33%).

The face value of the lease liability is payable as follows:

	2023 $'000	2022 $'000
- Due within 1 year	1,531	1,076
- Due between 1 year and 2 years	997	477
- Due between 3 years and 5 years	1,587	1,103
- Due in more than 5 years	-	58
	4,115	2,714

15. CURRENT LIABILITIES - REVENUE RECEIVED IN ADVANCE

	2023 $'000	2022 $'000
Realisable within 1 year	4,001	3,389
	4,001	3,389

	2023 $'000	2022 $'000
16. CURRENT LIABILITIES – PROVISION FOR EMPLOYEE ENTITLEMENTS AND OTHER PROVISIONS		
Employee entitlements – staff	22,262	21,362
Employee entitlements – supported employees	3,626	3,181
Provision for staff wage remediation	100	5,000
Provision for legal claims	300	-
	26,288	29,543

Provision for Staff Wage Remediation

Following a claim, received late in the financial year, through the Fair Work Ombudsman in relation to an interpretation of the wage rates being paid to certain employees, a wage remediation provision of $5,000,000 was raised at 30 June 2022. The provision was management's best estimate, if the claim was correct, of the amount required to discharge the Company's obligations based on the available information at that time.

During the current period, and following full investigation of the relevant award rates, and subsequent confirmation received from the Fair Work Ombudsman, it was determined that an underpayment had not occurred as originally estimated. The estimate of the remaining amount that may be required to discharge the Company's obligations at 30 June 2023 has been revised to $100,000. It is possible that the final outcome could be below or above the provision, if the actual outcome differs from the assumptions used in estimating the provision. The initial recognition of the estimated wage remediation costs and the subsequent movement in the wage remediation provision has been recognised in Employee Expenses in the Income Statement in the relevant accounting periods to which it relates.

Provision for Legal Claims

From time to time legal matters are raised against the Company. These matters are still under investigation and determination and as a result a provision of $300,000 has been raised for these claims. Recognition of the estimated legal claims cost has been recognised in Other Expenses in the Income Statement.

	2023 $'000	2022 $'000
17. NON-CURRENT LIABILITIES – PROVISION FOR EMPLOYEE ENTITLEMENTS		
Employee entitlements - staff	3,059	2,894
Employee entitlements - supported employees	213	221
	3,272	3,115

18. FINANCIAL INSTRUMENTS

The Group's business activities are exposed to a variety of financial risks, including those related to credit, liquidity and interest rate risks. The centralised Finance Department manages the financial risks related to the individual operating divisions.

(a) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis, with credit evaluations performed for all customers requiring credit over a certain amount.

It is the policy to invest surplus cash balances only in term deposits directly with major Australian banks.

(a) (i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at balance date was:

		Carrying Amount	
	Note	**2023**	**2022**
		$'000	**$'000**
Trade and other receivables	5	14,838	20,091
Cash and cash equivalents	4	50,314	69,337
		65,152	89,428

The maximum exposure to credit risk for trade receivables at balance date by type of customer was:

	Carrying Amount	
	2023	**2022**
	$'000	**$'000**
Employment Services customers	4,746	4,487
Disability Services clients	3,637	3,043
	8,383	7,530

All trade receivables are located within the geographic region of Australia. The maximum credit risk exposure for trade receivables to any single debtor or group of debtors is $393,000 (2022: $325,000).

18. FINANCIAL INSTRUMENTS (continued)

(a) (ii) Impairment losses

The ageing of trade receivables at balance date was:

	2023		2022	
	Gross $'000	Provision for Impairment $'000	Gross $'000	Provision for Impairment $'000
Not past due	5,894	13	4,737	51
Past due 0-30 days	1,305	36	1,737	76
Past due 31-60 days	341	22	536	12
More than 61 days	843	333	520	251
	8,383	404	7,530	390

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2023	2022
Balance at 1 July	390	141
Movement in impairment provision	14	249
Balance at 30 June	404	390

(b) Liquidity risk

The Group limits its exposure to liquidity risk by preparing 12 month rolling cash flow forecasts to identify potential future liquidity gaps and by maintaining adequate committed banking lines of credit which have a primary purpose of providing committed standby liquidity support when needed.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

30 June 2023	Carrying amount $'000	Contractual cash flows: Total $'000	Within 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Trade and other payables	17,871	(17,871)	(17,871)	-	-	-
Lease liabilities	3,921	(4,115)	(1,531)	(997)	(1,587)	-
	21,792	(21,986)	(19,402)	(997)	(1,587)	-

30 June 2022	Carrying amount $'000	Contractual cash flows: Total $'000	Within 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Trade and other payables	16,698	(16,698)	(16,698)	-	-	-
Lease liabilities	2,656	(2,714)	(1,076)	(477)	(1,103)	(58)
	19,354	(19,412)	(17,774)	(477)	(1,103)	(58)

18. FINANCIAL INSTRUMENTS (continued)

(c) Currency risk

There is no exposure to foreign currency risk at balance date as all financial instruments are denominated in Australian Dollars.

(d) Interest rate risk

The Group does not currently have any interest bearing debt apart from lease liabilities, and consequently interest rate risk is not a risk that currently requires a robust risk mitigation policy. When required, interest rate risk is managed by investing surplus cash in short tailed (less than one year) financial instruments that can be regularly re-priced and by only using long term variable rate interest bearing debt that has the flexibility to be paid-out prior to maturity, to fund long term capital infrastructure acquisitions.

Exposure to interest rate risk and the effective weighted average interest rates on classes of financial assets and financial liabilities at balance date, is as follows:

	Weighted Average Interest Rate	Variable Rate Instruments $'000
2023		
Financial assets		
Cash and cash equivalents	4.53%	50,306
Financial liabilities		
Lease liabilities	3.03%	(3,921)
Net financial assets		46,385

	Weighted Average Interest Rate	Variable Rate Instruments $'000
2022		
Financial assets		
Cash and cash equivalents	0.84%	69,122
Financial liabilities		
Lease liabilities	1.33%	(2,656)
Net financial assets		66,466

18. FINANCIAL INSTRUMENTS (continued)

(d) Interest rate risk (continued)

Sensitivity analysis for variable rate instruments

There are no fixed rate financial assets and liabilities accounted for at fair value through the income statement.

For variable rate financial assets and liabilities, a change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and the surplus or deficit for the year by the amounts shown below:

	Effect on Equity and Net Result			
	30 June 2023		30 June 2022	
	100bp increase $'000	100bp decrease $'000	100bp increase $'000	100bp decrease $'000
Financial assets	439	(439)	292	(237)
Financial liabilities	(24)	24	(33)	33
Net sensitivity effect	415	(415)	259	(204)

(e) Fair values

Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date:

	30 June 2023		30 June 2022	
	Carrying Amount $'000	Fair value $'000	Carrying Amount $'000	Fair value $'000
Financial assets				
Cash and cash equivalents	50,314	50,314	69,337	69,337
Trade and other receivables	14,434	14,434	19,701	19,701
Investments	1,990	1,990	1,712	1,712
	66,738	66,738	90,750	90,750
Financial liabilities				
Trade and other payables	17,871	17,871	16,698	16,698
Lease liabilities	3,921	3,921	2,656	2,656
	21,792	21,792	19,354	19,354

The fair values of listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred.

19. CONTINGENT LIABILITIES

In accordance with various funding agreements, the State and Commonwealth Governments may continue to have interests in particular land and buildings held by Group entities for which they have made grants to assist in their acquisition. The Directors understand that the Governments may have the right to a refund of their interest in the event of a sale. Should this occur, it is the Directors' intention to negotiate with the Governments that the Group entities be entitled to use these funds for another approved purpose.

Contingent liabilities exist for actions commenced against the Group for workers compensation claims. Whilst the Group has denied liability it is expected that any judgement issued against the Group would be recoverable from its insurers.

Contingent liabilities may exist to restore presently leased land and/or premises to their original condition. The Directors are of the opinion that no provision is currently required.

20. COMMITMENTS FOR EXPENDITURE

	2023 $'000	2022 $'000
(a) Capital expenditure contracted but not provided for and payable:		
Due within 1 year	5,381	5,596
(b) Commitments for prize home purchases contracted but not provided for and payable:		
Due within 1 year	1,135	3,898
(c) Operating lease commitments The Group has various operating lease commitments in respect of non-cancellable property leases and equipment rental agreements, the lease payments of which are charged to expenses. The operating lease commitments are payable as follows:		
Due within 1 year	616	266
Due within 2 - 5 years	6	6
Due after 5 years	12	12
	634	284

The Group leases certain property under short term non-cancellable operating leases of less than 12 months duration, which are not accounted for as leases under AASB 16 Leases, as well a non-cancellable "peppercorn" leases expiring from 1 to 22 years (2022: 1 to 23 years), which are accounted for at cost and which generally provide the Group entities with a right of renewal at which time all terms are renegotiated.

21. LIMITATION OF MEMBERS' LIABILITY

Endeavour Foundation is a company limited by guarantee and in accordance with the Constitution, in the event of Endeavour Foundation being wound up, the liability of members would not exceed $2.00 per member. At 30 June 2023 the number of members was 842 (2022: 857).

22. RELATED PARTY TRANSACTIONS

The names of persons who were Directors of Endeavour Foundation at any time during the financial year are as follows: S R E Ellis, M A Gibson, R G A Haire, E M Jameson, Y D Keane, B N Knowles, R L McGuiggan, P Mendiolea, and M C Voigt.

No Directors' remuneration is payable.

No Director or related party has entered into a material contract with Endeavour Foundation since the end of the previous financial year and there were no material contracts involving Directors' interests subsisting at year end. Directors may have family members or relatives who utilise the services that Endeavour Foundation provides. Such transactions are conducted at arms length.

Endeavour Foundation provides administration services to the Endeavour Foundation Disability Research Fund for which it is not reimbursed.

	2023	**2022**
Balances due from/(to) controlled entities	$'000	$'000
The aggregate amounts receivable from/(payable to) controlled entities by the Company at balance date are:		
- Amount due to Community Solutions Group Limited	(9,551)	(9,109)
- Amount due to BRACE Education Training & Employment Limited	-	(12)
Transactions with controlled entities		
The aggregate amount of transactions between the Company and controlled entities for the period are:		
- Corporate charges	1,571	1,692
- Rent	327	384
- Interest	462	177
- Sales	533	170

23. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Endeavour Foundation.

Endeavour Foundation's key management personnel comprise the directors listed on page 2 of the Directors' Report and a team of nine executive managers, comprising the Chief Executive Officer, and eight Executive General Managers. (2022: nine executive managers, comprising the Chief Executive Officer, and eight Executive General Managers).

All directors perform their duties in a voluntary capacity, and as such, no remuneration was payable nor was any paid to them.

Other key management personnel compensation comprises:

	2023	**2022**
	$	**$**
Short-term employee benefits	2,560,917	2,777,696
Termination benefits	10,384	334,477
Number of key management personnel	9	9

24. EMPLOYEE ENTITLEMENTS

(a) Employee entitlements

	2023 $'000	2022 $'000
Aggregate employee entitlement liability	32,683	30,585

The aggregate employee entitlement liability includes amounts for salaries and wages, annual and long service leave.

As explained in note 1(n)(ii) the amount for long service leave is measured as the present value of expected future payments of long service leave entitlements accrued by employees up to the reporting date. The entitlements have been calculated using the projected rates of increase in remuneration and the period of service to the entitlement date. These values have been discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations.

(b) Superannuation commitments

The Group contributes to the Endeavour Foundation Staff Retirement Plan, which is a defined benefit and a defined contribution superannuation plan, as well as a number of other registered defined contribution superannuation plans chosen by employees.

In respect of the defined contribution plans, there is a legally enforceable obligation to contribute to the plans.

In respect of the defined benefit plan, employer contributions are based on the advice of the plan's actuary. The defined benefit plan is closed to new members and is a salary related defined benefit superannuation plan. Benefits are payable on retirement, resignation, death, or total and permanent disablement as a lump sum. Income protection benefits (fully insured) are also payable from the Plan to members.

24. EMPLOYEE ENTITLEMENTS (continued)

(b) Superannuation commitments (continued)

DEFINED BENEFIT PLAN

The Group's net benefit/(obligation) in respect of the defined benefit superannuation plan is calculated by utilising the services of an independent actuary to estimate the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The net defined benefit plan asset/(liability) so determined is recorded on the face of the balance sheet and under note 10 to these financial statements.

	2023 $'000	2022 $'000
Net defined benefit plan asset		
Present value of plan assets	6,611	6,103
Present value of funded obligations	(3,953)	(3,700)
Net defined benefit plan asset (note 10)	2,658	2,403

Reconciliations

	2023 $'000	2022 $'000
Changes in the present value of the net defined benefit plan asset are as follows:		
Opening net defined benefit plan asset	2,403	2,595
Expense during the year	12	(60)
Net actuarial adjustment for the year recognised directly in other comprehensive income	243	(132)
Closing net defined benefit plan asset	2,658	2,403
The defined benefit expenses recognised through the income statement as part of employee expenses are as follows:		
Current service cost	67	71
Interest expense on defined benefit obligations	175	83
Interest (income) on plan assets	(295)	(138)
Tax allowance and administration expenses	41	44
Total defined benefit expenses recognised in the income statement	(12)	60
Cumulative (gains)/losses recognised in other comprehensive income:		
Amount accumulated in retained earnings at beginning of year	(1,810)	(1,942)
Recognised during the year	(243)	132
Amount accumulated in retained earnings at end of year	(2,053)	(1,810)
Principal actuarial assumptions at reporting date (expressed as weighted averages) are as follows:		
Discount rate	5.50%	5.00%
Expected long term rate of return on plan assets	5.50%	5.00%
Future salary increases	4.25%	4.00%

24. EMPLOYEE ENTITLEMENTS (continued)

(b) Superannuation commitments (continued)

DEFINED BENEFIT PLAN (continued)

Number of members and maturity profile of the Defined Benefit Obligation
The number of members of the defined benefit plan at 30 June 2023 was 8 (2022: 9 members)

At 30 June 2023, the weighted-average duration of the defined benefit obligation was 4.60 years. (2022: 4.60 years)

DEFINED CONTRIBUTION PLANS
Details of contributions to the defined contribution superannuation plans during the year and contributions payable at 30 June are as follows:

	2023 $'000	**2022 $'000**
Employer contributions to the defined contribution plans	19,278	17,313
Employer contributions payable to the defined contribution plans at reporting date	2,347	2,071

The Group has no further outstanding liability in respect of the defined contribution superannuation plans as at the date of this report.

25. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash and cash equivalents

For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents include cash on hand and "at call" and term deposits with other financial institutions with an original term of three months or less. Cash and cash equivalents at the end of the financial year as shown in the Consolidated Cash Flow Statement is reconciled to the related items in the Consolidated Balance Sheet as follows:

	2023 $'000	2022 $'000
Cash at bank	20,324	25,127
Call & short term deposits	29,990	44,210
	50,314	69,337

(b) Reconciliation of Net Cash Provided by Operating Activities to Net Deficit

	2023 $'000	2022 $'000
Net deficit for the year	(5,214)	(4,964)
Depreciation and amortisation	11,927	10,965
Interest expense on lease liability	78	45
Non-cash flow effects of movements in defined benefit plan	(12)	60
(Decrease)/increase in provision for employee entitlements and other provisions	(3,098)	5,034
Increase in provision for doubtful debts	14	249
Decrease/(increase) in trade and other receivables	5,253	(4,463)
Increase in inventories	(3,605)	(8,635)
Increase in other current assets	(1,803)	(10)
Increase in trade and other payables	1,173	356
Increase/(decrease) in revenue received in advance	612	(1,535)
Proceeds from capital grants and donations used to fund investing activities	(143)	(372)
Gain on disposal of non-current assets	(1,768)	(958)
Net Cash Provided/(Utilised) by Operating Activities	3,414	(4,228)

26. ECONOMIC DEPENDENCY

The Group receives a significant portion of its operating revenue in the form of grants from the Queensland State Government and the Commonwealth Government of Australia.

27. GROUP ENTITIES

	2023 %	2022 %
Particulars in relation to controlled entities, all of which are incorporated in Australia and are registered charities with the Australian Charities and Not-for-profits Commission		
Endeavour Foundation Disability Research Fund Limited	100	100
Endeavour Foundation Disability Research Fund Trust	100	100
Community Solutions Group Limited *	100	100
BRACE Education Training & Employment Limited *#	100	100

* These entities are endorsed as Deductible Gift Recipients (DGR) by the Australian Charities and Not-for-profits Commission.

\# An ASIC-approved Deed of Cross Guarantee has been entered into by Endeavour Foundation and this entity (see Note 28).

Endeavour Foundation Disability Research Fund. Endeavour Foundation is the founding and sole member of Endeavour Foundation Disability Research Fund Limited (previously known as Endeavour Foundation Endowment Challenge Fund Limited), a company limited by guarantee and the corporate trustee for the Endeavour Foundation Disability Research Fund Trust (previously known as the Endeavour Foundation Endowment Challenge Fund Trust), both of which were established on 3 December 2009.

The Endeavour Foundation Disability Research Fund is a health-promoting charity and seeks to benefit the wider Australian disability sector as a whole, with an emphasis on people with an intellectual disability, through the provision of grants to fund research, scholarships and other education opportunities in the academic and research arenas relevant to the Australian disability sector.

Community Solutions Group Limited, a company limited by guarantee, provides a diverse range of services including employment and assistance for people with barriers to employment, family support, drug prevention and public safety programs, as well as services for disengaged young people and people experiencing mental illness. The entity was acquired through a business combination on 30 September 2014.

BRACE Education Training & Employment Limited, a company limited by guarantee, provides a range of employment and training services, targeting the long term unemployed, youth and disadvantaged people. The entity was acquired through a business combination on 1 July 2015.

28. DEED OF CROSS GUARANTEE

Pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* the wholly controlled subsidiary listed below is relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports and Directors' reports.

It is a condition of the instrument that the Company and the subsidiary enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debts in the event of winding up of the subsidiary under certain provisions of the *Corporations Act 2001*. If a winding up occurs under the provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiary has also given similar guarantees in the event that the Company is wound up.

The subsidiary subject to the Deed is:

BRACE Education Training & Employment Limited
(Deed executed on 28 February 2022)

28. DEED OF CROSS GUARANTEE (continued)

A summarised consolidated statement of financial position and summarised consolidated statement of comprehensive income, comprising the Company and the wholly controlled entity which is a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 June 2023 is set out as follows:

Statement of financial position

	2023 $'000	2022 $'000
Current Assets		
Cash and cash equivalents	27,543	47,621
Trade and other receivables	12,705	18,333
Inventories	22,338	18,733
Other current assets	4,929	3,104
Assets classified as held-for-sale	1,414	1,813
Total current assets	**68,929**	**89,604**
Non-current assets		
Net defined benefit plan asset	2,658	2,403
Other intangible assets	-	86
Property, plant & equipment	151,386	139,177
Total non-current assets	**154,044**	**141,666**
Total assets	**222,973**	**231,270**
Current liabilities		
Trade and other payables	16,090	14,830
Lease liability	898	834
Employee entitlements and other provisions	24,204	27,611
Revenue received in advance	3,220	3,284
Total current liabilities	**44,412**	**46,559**
Non-current liabilities		
Lease liability	2,321	1,590
Loan from group entity	9,758	9,758
Employee entitlements	3,131	2,972
Total non-current liabilities	**15,210**	**14,320**
Total liabilities	**59,622**	**60,879**
Net Assets	**163,351**	**170,391**
Equity		
Reserves	396	396
Retained earnings	162,955	169,995
Total equity	**163,351**	**170,391**

28. DEED OF CROSS GUARANTEE (continued)

Statement of profit or loss and other comprehensive income and retained earnings

	2023 $'000	2022 $'000
Operating revenue	283,067	268,712
Operating expenses	(291,738)	(282,100)
Operating deficit	**(8,671)**	**(13,388)**
Significant bequest	-	1,446
Government capital expenditure grants and other capital grants	156	577
Gain on disposal of properties	1,232	218
Net deficit for the year	**(7,283)**	**(11,147)**
Other comprehensive income for the year		
Items that will not be classified to profit or loss		
Actuarial adjustment to defined benefit superannuation plan	243	(132)
Total comprehensive income for the year	**(7,040)**	**(11,279)**
Retained earnings at beginning of year	169,995	187,085
Transfer of subsidiary retained earnings on corporate restructure	-	(5,811)
Retained earnings at end of year	**162,955**	**169,995**

29. PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ending 30 June 2023, the parent company of the Group was Endeavour Foundation.

	2023 $'000	2022 $'000
Results of the parent entity		
Net deficit for the year	(7,148)	(12,352)
Other comprehensive income	243	(132)
Transfer of subsidiary retained earnings on corporate restructure	-	1,178
Total comprehensive income for the year	(6,905)	(11,306)
Financial position of the parent entity at year end		
Current assets	65,920	86,295
Total assets	219,964	227,956
Current liabilities	44,167	46,147
Total liabilities	59,372	60,459
Total equity of the parent entity comprising		
Subsidies reserve	396	396
Retained earnings	160,196	167,101
Total equity	160,592	167,497

29. PARENT ENTITY DISCLOSURES (continued)

Parent entity contingencies
The contingent liabilities disclosed as note 19 Contingent Liabilities are the same for the parent entity.

Parent entity commitments for capital expenditure
The parent entity commitments for capital expenditure, that forms part of the Group disclosures under note 20 Commitments for Expenditure, are as follows:

		2023 $'000	2022 $'000
(a)	Capital expenditure contracted but not provided for and payable:		
	Due within 1 year	5,381	5,596
(b)	Commitments for prize home purchases contracted but not provided for and payable:		
	Due within 1 year	1,135	3,898
(c)	Operating lease commitments The Company has various operating lease commitments in respect of non-cancellable property leases, the lease payments of which are charged to expenses. The operating lease commitments are payable as follows:		
	Due within 1 year	162	127
	Due within 2 - 5 years	6	6
	Due after 5 years	12	12
		180	145

30. EVENTS SUBSEQUENT TO REPORTING DATE

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

Directors' Declaration

In the opinion of the Directors of Endeavour Foundation ("the Company"):

(a) the Company is classified as not publicly accountable under *AASB 1053 Application of Tiers of Australian Accounting Standards* for purposes of preparing this financial report;

(b) the consolidated financial statements and notes that are set out on pages 11 to 48 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance, for the financial year ended on that date; and

(ii) complying with Accounting Standards in Australia and the *Australian Charities and Not-for-profits Commission Regulation 2013*;

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

(d) there are reasonable grounds to believe that the Company and the group entities identified in Note 28 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785.*

Signed in accordance with a resolution of the Directors

E M Jameson - Chair
Brisbane
5th October 2023

Independent Auditor's Report

To the members of Endeavour Foundation

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report***, of the Endeavour Foundation (the Company).

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

i. giving a true and fair view of the Group's financial position as at 30 June 2023, and of its financial performance and its cash flows for the year ended on that date; and

ii. complying with Australian Accounting Standards and Division 60 of the Australian Charities and *Not-for-profits Commission Regulation 2013 (ACNCR).*

The ***Financial Report*** comprises:

i. Consolidated Balance Sheet as at 30 June 2023;

ii. Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended;

iii. Notes including a summary of significant accounting policies; and

iv. Directors' Declaration.

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

Basis for opinion

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

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

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

Other Information

Other Information is financial and non-financial information in Endeavour Foundation's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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

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

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

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

Responsibilities of the Directors for the Financial Report

i. The Directors are responsible for:

ii. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC and ACNCR.

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

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

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

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

We also:

i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.

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

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

v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG

KPMG

Ben Flaherty
Partner

Brisbane

5 October 2023