Endeavour Foundation

Annual Financial Report

For the year ended 30 June 2024

Annual Financial Report

For the year ended 30 June 2024

Chair
Elizabeth Jameson
BA (Japanese), LLB (Hon I), LSDA, FAICD, MQLS

Chief Executive Officer
David Swain
RN, DipBus, BHlthSc, MEd(AWE), GAICD, Wharton AMP

Company Secretary
Darryn Hammond
BSci (Hons), LLB, G.Dip Corp Gov, MQLS, FGIA, FCIS, GAICD

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Auditors
KPMG
Level 11, 80 Ann Street
Heritage Lanes
Brisbane, 4000

Directors' Report

For the year ended 30 June 2024

The Directors present their report together with the consolidated financial report of Endeavour Foundation Limited ("the Company"), being the Company and its controlled entities ("the Group"), for the year ended 30 June 2024 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	Years
Current at 30 June 2024		
Elizabeth Marie Jameson AM (Appointed Director) (13 October 2020)	BA (Japanese), LLB (Hon I), LSDA, FAICD, MQLS Chair	4
Scott Robinson Elton Ellis (Elected Director) (22 November 2013)	BBus, ASA, MAICD Deputy Chair Chair of Audit, Finance, Risk & Compliance Committee Member of People & Culture Committee	11
Mark Andrew Gibson (Elected Director) (28 November 2022)	Assoc BSc, Communication Engineering, GAICD Chair of Client Care Committee Member of Audit, Finance, Risk & Compliance Committee (appointed 24/10/2023) Member People & Culture Committee (ceased 26/10/2023)	2
Gregory Livingstone (Appointed Director) (1 January 2024)	B.Comm, M.Comm Member of People & Culture Committee (appointed 23/02/2024) Member of Audit, Finance, Risk & Compliance Committee (appointed 24/10/2023)	1
Michelle Sue Hughes (Appointed Director) (1 January 2024)	GradCertBA, MBA, GAICD Member of People & Culture Committee (appointed 01/01/2024)	1
Wendy Sophia Zernike (Appointed Director) (5 April 2024)	RN, BN, GradCert Leadership & Management, MBA, GAICD, AICGG, MACN Member of Client Care Committee (appointed 24/10/2023)	1
Beverley Narelle Knowles (Elected Director) (20 November 2017)	BA, DipEd, MMktg, FAICD, MAMI Member of Client Care Committee Member of Audit, Finance, Risk & Compliance Committee (ceased 23/02/2024) Member of People & Culture Committee (appointed 23/02/2024)	7
Robyn Lyn McGuiggan (Elected Director) (22 November 2021)	PhD (Marketing), MCom, BSC (Hons), FAICD Chair of People & Culture Committee Member of Client Care Committee (ceased 23/02/2024) Member of Audit, Finance, Risk & Compliance Committee (appointed 23/02/2024)	3
Pedro Mendiolea (Elected Director) (22 November 2013)	BE (Hons), GDMgt, MIEAust, RPEQ, CPEng Member of Client Care Committee Member of Audit, Finance, Risk & Compliance Committee	11
Past Directors who served during the year		
Richard George Andrew Haire (Appointed Director) (4 October 2018)	BEcon, Grad Dip Corp Mgt, FAICD Member of People & Culture Committee Member of Audit, Finance, Risk & Compliance Committee Resigned 27 November 2023	6
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

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		Audit, Finance, Risk & Compliance Committee Meetings	
	A	B	A	B	A	B	A	B
S R E Ellis	8	8	4	4	-	-	5	4
M A Gibson	8	8	2	2	4	3	3	4
R G A Haire	4	4	2	1	-	-	3	3
M S Hughes	4	4	2	2	-	-	-	-
E M Jameson	8	8	-	2	-	3	-	4
B N Knowles	8	8	1	1	4	4	4	4
R L McGuiggan	8	8	4	3	3	2	1	2
G Livingstone	4	4	1	1	-	-	3	3
P Mendiolea	8	8	-	-	4	2	5	5
W S Zernike	3	3	-	-	2	2	-	-

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 being a People & Culture Committee, a Client Care Committee and an Audit, Finance, Risk & Compliance Committee.

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

Details of each Board committee are noted below. Whilst the Board Chair is not a formal member of any of the Board committees, the expectation is that the Board Chair attends as many committee meetings as possible.

People & Culture Committee

The People & Culture Committee 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:

- R L McGuiggan (Chair)
- S R E Ellis
- M S Huges (appointed 01/01/2024)
- B N Knowles (appointed 23/02/2024)
- G Livingstone (appointed 23/02/2024)
- M A Gibson (ceased 26/10/2023)
- R G A Haire (ceased 27/11/2023)

Client Care Committee

The Client Care 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:

- M A Gibson (Chair)
- B N Knowles
- P Mendiolea
- W S Zernike (appointed 24/10/2023)
- R L McGuiggan (ceased 23/02/2024)

Audit, Finance, Risk & Compliance Committee

The Audit, Finance, Risk & Compliance 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:

- S R E Ellis (Chair)
- M A Gibson (appointed 24/10/2023)
- G Livingstone (appointed 24/10/2023)
- P Mendiolea
- R L McGuiggan (appointed 23/02/2024)
- B N Knowles (ceased 23/02/2024)
- R G A Haire (ceased 27/11/2023)

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.

Preparation of Consolidated Financial Statements

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

Results

The Group has recorded an operating deficit for the year of ($9,978,000) compared to an operating deficit of ($6,602,000) in the previous year.

The Group's net deficit for the current financial year, after recognising income from non-operating items of $3,953,000, was ($6,025,000). The income from non-operating items in the current period included gains on the disposal of properties of $3,402,000 and non-recurrent government capital grants of $551,000. In the previous year the Group recorded a comparative net deficit for the year of ($5,214,000) after recognising non-operating items of $1,388,000, comprising gains on the disposal of properties of $1,232,000 and non-recurrent government capital grants of $156,000.

Whilst management interventions have occurred and continue to occur to improve the operating results, a range of external and internal factors contributed to the operating deficit, including:

- Gross margin pressure impacted by shortfall in service pricing and increased wage costs;
- Increased operating costs impacted by higher inflation.

Dividends

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

Directors' Report (continued)

For the year ended 30 June 2024

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this reports 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 and CEO 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 20).

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 20).

Indemnification and Insurance of Officers

Indemnification

The Endeavour Foundation Limited Constitution requires the Company to indemnify any person who is an officer of the Company, 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 the Company 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.

Consistent with the Constitution, Endeavour Foundation Limited has entered into Deeds of Indemnity, Insurance and Access with each of the directors and officers of the company. These Deeds provide an indemnity to the full extent permitted by law; for insurance against certain liabilities incurred; and for access to certain company documents which relate to the director or officer's period in office.

Insurance

Endeavour Foundation Limited has paid a premium in respect of a contract insuring Directors and Officers of the Company, 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 Ltd are not included in this policy.

Directors' Report (continued)

For the year ended 30 June 2024

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 Limited 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 8 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
14 October 2024

Auditor's Independence Declaration

For the year ended 30 June 2024

KPMG

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 Limited

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

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

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

KPMG

KPMG

Ben Flaherty
Partner

Brisbane
14 October 2024

Consolidated Balance Sheet

As at 30 June 2024

	Note	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	4	39,601	50,314
Trade and other receivables	5	18,249	14,434
Inventories	6	25,877	22,338
Other current assets	7	5,298	4,939
Assets classified as held-for-sale	8	2,452	1,414
Total current assets		**91,477**	**93,439**
Non-current assets			
Investments	9	2,085	1,990
Net defined benefit plan asset	10	2,776	2,658
Property, plant & equipment	11	159,656	154,893
Total non-current assets		**164,517**	**159,541**
Total assets		**255,994**	**252,980**
Current liabilities			
Trade and other payables	12	26,659	17,871
Lease liability	13	1,381	1,438
Revenue received in advance		4,538	4,001
Provision for employee entitlements and other provisions	14	26,197	26,288
Total current liabilities		**58,775**	**49,598**
Non-current liabilities			
Lease liability	13	2,168	2,483
Provision for employee entitlements	15	3,130	3,272
Total non-current liabilities		**5,298**	**5,755**
Total liabilities		**64,073**	**55,353**
Net assets		**191,921**	**197,627**
Equity			
Reserves		396	396
Retained earnings		191,525	197,231
Total equity		**191,921**	**197,627**

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

Consolidated Income Statement

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Revenue			
Sale of goods and services		265,529	237,505
Fundraising activities		40,290	41,986
Service user contributions		7,091	6,384
Government subsidies		30,578	34,520
Rent received		7,396	6,741
Interest income		2,117	1,964
Other revenue		926	1,679
	2(a)	353,927	330,779
Expenses			
Cost of goods sold & commercial fundraising activities		(49,468)	(48,722)
Employee expenses		(229,103)	(209,283)
Supported employee expenses		(17,411)	(15,379)
Utilities & leased property expenses		(9,975)	(9,469)
Transport expenses		(9,179)	(6,958)
Maintenance expenses		(16,944)	(17,681)
Household consumables		(2,344)	(2,174)
Depreciation & amortisation expenses		(14,139)	(11,927)
Other expenses		(15,342)	(15,788)
		(363,905)	(337,381)
Operating deficit		(9,978)	(6,602)
Government capital grants and other capital donations	2(a)	551	156
Gain on disposal of properties	2(a)	3,402	1,232
Net deficit for the year		**(6,025)**	**(5,214)**

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

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Net deficit for the year		**(6,025)**	**(5,214)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net increase in fair value of investments	9	207	212
Realised gain/(loss) on disposal of investments		13	(18)
Actuarial adjustment to defined benefit superannuation plan	22(b)	99	243
Other comprehensive income for the year		**319**	437
Total comprehensive income for the year		**(5,706)**	**(4,777)**

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Subsidies reserve $'000	Retained earnings $'000	Total Equity $'000
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**
Total comprehensive income for the year	-	(5,706)	(5,706)
Total equity at 30 June 2024	**396**	**191,525**	**191,921**

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.

Consolidated Cash Flow Statement

For the year ended 30 June 2024

	Note	2024 $'000 Inflows (Outflows)	2023 $'000 Inflows (Outflows)
Cash flows from operating activities			
Cash receipts in the course of operations		356,521	341,975
Cash payments to suppliers & employees		(354,501)	(341,607)
Dividends received		101	102
Interest received		2,145	1,914
Interest paid		(6)	-
Legacies & bequests received		930	1,030
Net cash provided by operating activities	23	**5,190**	**3,414**
Cash flows from investing activities			
Acquisition of property, plant & equipment		(19,761)	(24,642)
Acquisition of investments		(460)	(862)
Proceeds from disposal of property, plant & equipment		5,358	3,833
Proceeds from sale of investments		585	778
Proceeds from non-operational capital grants and donations		582	143
Net cash utilised by investing activities		**(13,696)**	**(20,750)**
Cash flows from financing activities			
Lease payments		(2,207)	(1,687)
Net cash utilised by financing activities		**(2,207)**	**(1,687)**
Net decrease in cash held		**(10,713)**	**(19,023)**
Cash at the beginning of the financial year		50,314	69,337
Cash at the end of the financial year	23	**39,601**	**50,314**
Comprising:			
Untied cash		34,952	46,313
Quarantined cash		4,649	4,001
		39,601	**50,314**

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

Notes to the Financial Statements

For the year ended 30 June 2024

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

1. Summary of Material Accounting Policies

Reporting entity

Endeavour Foundation Limited ("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 2024 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, lifestyle 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 Limited for the year ended 30 June 2024 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 25 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 14 October 2024.

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)".

The financial statements are presented in Australian Dollars rounded to the nearest thousand unless otherwise stated as per 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.

1. Summary of Material Accounting Policies (continued)

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 2024 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.

Changes in material accounting policies

The Group adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

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

A review by Management of the accounting policies applying the new standard did not result in any material updates to the information disclosed.

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 11 – Non-current Assets – Property, Plant & Equipment depreciation.

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 $32,702,000 as at 30 June 2024 (2023: $43,841,000).

The Group is economically dependent on the Commonwealth Government of Australia to fund the National Disability Insurance Scheme. The funding levels under the scheme are revised periodically in recognition of the increased cost of providing services.

At 30 June 2024 the Group had untied cash reserves of $34,952,000 (2023: $46,313,000) 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.

1. Summary of Material Accounting Policies (continued)

Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

As noted above, the Group adopted *Disclosure of Accounting Policies (amendments to IAS 1 and IFRS Practice Statement 2)* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments did not result in any material updates to the accounting policy information disclosed.

(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.

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.

1. Summary of Material Accounting Policies (continued)

(b) Revenue recognition (continued)

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 and franking credits 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.

(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.

1. Summary of Material Accounting Policies (continued)

(f) Impairment of assets (continued)

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.

(g) Property, plant and equipment – note 11

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:

	2024	2023
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) Repairs and maintenance

Repairs and maintenance costs are expensed as incurred.

(j) Cash and cash equivalents – note 4

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

(k) 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.

1. Summary of Material Accounting Policies (continued)

(l) 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.

(m) Employee entitlements – note 22

(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.

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 22(b).

1. Summary of Material Accounting Policies (continued)

(m) Employee entitlements – note 22 (continued)

(iii) Superannuation (continued)

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.

(n) 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.

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.

1. Summary of Material Accounting Policies (continued)

(n) Leased assets (continued)

The Group as a lessee (continued)

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.

Short-term leases and leases of low value assets and peppercorn leases
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.

(o) 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.

(p) Trade and other payables – note 12

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.

(q) Provisions

A provision is recognised when there is a legal 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.

(r) 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.

(s) 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(l)), Trade and other receivables (refer note 1(o)) and Trade and other payables (refer note 1(p)).

The Group does not have any derivative financial instruments.

(t) 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.

2. (a) Operating Revenue and Other Income

	2024 $'000	2023 $'000
Sale of goods and services – other	65,275	54,651
Sale of goods and services – NDIS revenues	200,254	182,854
	265,529	237,505
Fundraising activities		
- Commercial fundraising activities	37,441	39,106
- Donations & appeals	1,442	1,329
- Special functions	409	387
- Bequests & legacies	930	1,030
- Community grants	69	134
	40,291	41,986
Service user contributions		
- Accommodation and Fee for Service	6,070	5,309
- Learning & Lifestyle	101	143
- Transport	920	932
	7,091	6,384
State Government subsidies	12,520	12,854
Federal Government subsidies - other	18,057	21,666
Rent received	7,396	6,741
Dividend income	101	102
Interest income	2,117	1,964
Other revenue	825	1,577
Total operating revenue	**353,927**	**330,779**
Non-operating items		
Government capital grants and other capital donations	551	156
Gain on disposal of property	3,402	1,232
	3,953	**1,388**
Total revenue and other income for the period	**357,880**	**332,167**

2. (b) Operating Deficit

	2024 $'000	2023 $'000
The operating deficit for the year has been arrived at after charging/(crediting) the following items:		
Net expense/(write-back) from movements in provision for:		
- employee entitlements and other provisions	(233)	(3,098)
- trade receivable impairments	(106)	14
- inventory obsolescence	(600)	661
Operating lease expense – property rentals	1,926	1,907
Operating lease expense – equipment rentals	866	1,001
Bad debts expense	238	19
Net gain on disposal of non-current assets:		
- Plant, equipment and intangibles	(446)	(536)
Interest expense on lease liability	146	78
Interest expense on creditor financing arrangements	6	-

3. Auditor's Remuneration

	2024 $	2023 $
Auditor's remuneration		
Audit Services		
Auditor of Endeavour Foundation – *KPMG Australia*		
Audit of financial reports	201,400	194,400
Other regulatory audit services	-	2,600
	201,400	197,000

4. Cash and Cash Equivalents

	2024 $'000	2023 $'000
Untied cash	34,952	46,313
Quarantined cash	4,649	4,001
	39,601	50,314

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.

Credit standby arrangements with banks

	2024 $'000	2023 $'000
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 facilities	688	708
Indemnity guarantee facilities	1,192	1,083
	1,880	1,791
Facilities not utilised at reporting date:		
Credit card facilities	1,022	1,002
Indemnity guarantee facilities	808	917
	1,830	1,919

The banking facilities are secured by registered first mortgages over nine properties with a carrying amount of $27,937,000 (2023: nine properties with a carrying amount of $27,638,000) and a registered mortgage debenture over all of the assets and undertakings of the Company.

	2024 $'000	2023 $'000
5. Current Assets – Trade and Other Receivables		
Trade debtors	9,756	8,383
Less: impairment provision	(298)	(404)
Other debtors	8,791	6,455
	18,249	14,434

The exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 16 – Financial Instruments

	2024 $'000	2023 $'000
6. Current Assets – Inventories		
Raw materials	1,656	1,595
Work in progress	75	126
Finished goods	658	790
Total trading stock	2,389	2,511
Lottery prize home stock	23,588	20,527
Less: impairment provision	(100)	(700)
	25,877	22,338
7. Current Assets – Other Current Assets		
Prepayments	5,298	4,939
8. Non-Current Assets Classified as Held-For-Sale		
Land and buildings – at carrying value	2,452	1,414

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.

	2024 $'000	2023 $'000
9. Non-Current Assets – Investments		
Investments in other corporations		
Quoted on Stock Exchanges		
- Shares – at market value	2,085	1,990

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:

	2024 $'000	2023 $'000
Carrying value at beginning of year	1,990	1,712
Additions during the year at cost	460	862
Disposals during the year at cost	(572)	(796)
Revaluation adjustments recognised directly through other comprehensive income	207	212
Carrying value at end of year	2,085	1,990

The exposure to credit, currency and interest rate risks related to investments is disclosed in note 16 – Financial Instruments

10. Non-Current Assets – Defined Benefit Plan

	2024 $'000	2023 $'000
Present value of plan assets	5,677	6,611
Present value of funded obligations	(2,901)	(3,953)
Net defined benefit plan asset	2,776	2,658

Details of the defined benefit plan and a reconciliation of the movements for the year are provided under note 22 – Employee Entitlements

11. Non-Current Assets – Property, Plant & Equipment

	2024 $'000	2023 $'000
Land and buildings – at cost	206,797	196,201
Less: accumulated depreciation	(68,885)	(64,362)
	137,912	131,839
Less: Assets classified as held-for-sale (refer note 8)	(2,452)	(1,414)
	135,460	130,425
Right-of-use assets – at cost	6,231	6,588
Less: accumulated depreciation	(2,745)	(2,707)
	3,486	3,881
Plant and equipment – at cost	64,108	60,222
Less: accumulated depreciation	(43,398)	(39,635)
	20,710	20,587
Total Property, plant and equipment	159,656	154,893

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 $18,971,000 (2023: $19,080,000) 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.

Reconciliations

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

Land and buildings

	2024 $'000	2023 $'000
Carrying amount at beginning of year	131,839	124,558
Additions	13,970	14,831
Disposals	(1,438)	(2,009)
Depreciation expense	(6,459)	(5,541)
	137,912	131,839
Assets classified as held-for-sale (refer note 8)	(2,452)	(1,414)
Carrying amount at end of year	135,460	130,425

	2024 $'000	2023 $'000
11. Non-Current Assets – Property, Plant & Equipment (continued)		
Right-of-use asset		
Carrying amount at beginning of year	3,881	2,614
Additions	1,689	2,874
Depreciation expense	(2,084)	(1,607)
Carrying amount at end of year	3,486	3,881
Plant and equipment		
Carrying amount at beginning of year	20,587	15,525
Additions	5,791	9,811
Disposals	(72)	(56)
Depreciation expense	(5,596)	(4,693)
Carrying amount at end of year	20,710	20,587
12. Current Liabilities – Trade and Other Payables		
Trade creditors and accruals	17,666	10,190
Other creditors	8,993	7,681
	26,659	17,871

The exposure to currency and liquidity risk related to trade and other payables is disclosed in note 16 – Financial Instruments

	2024 $'000	2023 $'000
13. Current and Non-Current Liabilities – Lease Liabilities		
Current: realisable within 1 year	1,381	1,438
Non-current: realisable after 1 year	2,168	2,483
	3,549	3,921

The lease liabilities represent 20 property leases with lease terms of between one year and four years, carrying a weighted average interest rate of 3.49% (2023: 18 property leases with lease terms of between one year and five years, carrying a weighted average interest rate of 3.03%).

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

	2024 $'000	2023 $'000
- Due within 1 year	1,477	1,531
- Due between 1 year and 2 years	1,140	997
- Due between 3 years and 5 years	1,102	1,587
- Due in more than 5 years	-	-
	3,719	4,115

	2024 $'000	2023 $'000
14. Current Liabilities – Provision for Employee Entitlements and Other Provisions		
Employee entitlements – staff	21,968	22,262
Employee entitlements – supported employees	4,166	3,626
Provision for staff wage remediation	63	100
Provision for legal claims	-	300
	26,197	26,288

Provision for Legal Claims

From time to time legal matters are raised against the Group. A provision for legal claims is raised for matters that are still under investigation, the quantum of which can be reliably measured and for which it is probable that a future sacrifice of economic benefits will occur. The provision is released once claims are settled or if upon further investigation of the claims it is determined that it is unlikely that the claim will result in a future sacrifice of economic benefits. Movement in the amount of the legal claims provision is recognised in Other Expenses in the Income Statement.

	2024 $'000	2023 $'000
15. Non-Current Liabilities – Provision for Employee Entitlements		
Employee entitlements – staff	2,916	3,059
Employee entitlements – supported employees	214	213
	3,130	3,272

16. 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.

(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:

	Note	Carrying Amount 2024 $'000	Carrying Amount 2023 $'000
Trade and other receivables	5	18,547	14,838
Cash and cash equivalents	4	39,601	50,314
		58,148	65,152
The maximum exposure to credit risk for trade receivables at balance date by type of customer was:			
Employment Services customers		5,651	4,746
Disability Services customers		4,105	3,637
		9,756	8,383

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 $472,000 (2023: $393,000).

(ii) Impairment losses

The ageing of trade receivables at balance date was:

	2024 Gross $'000	2024 Provision for Impairment $'000	2023 Gross $'000	2023 Provision for Impairment $'000
Not past due	7,199	27	5,894	13
Past due 0-30 days	1,675	10	1,305	36
Past due 31-60 days	309	4	341	22
More than 61 days	573	257	843	333
	9,756	298	8,383	404
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:				
Balance at 1 July		404		390
Movement in impairment provision		(106)		14
Balance at 30 June		298		404

16. Financial Instruments (continued)

(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 2024		Contractual cash flows				
	Carrying amount $'000	Total $'000	Within 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Trade and other payables	26,659	(26,659)	(26,659)	-	-	-
Lease liabilities	3,549	(3,719)	(1,477)	(1,140)	(1,102)	-
	30,208	(30,378)	(28,136)	(1,140)	(1,102)	-

30 June 2023		Contractual cash flows				
	Carrying amount $'000	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)	-

(c) Currency risk

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

16. Financial Instruments (continued)

(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
2024		
Financial assets		
Cash and cash equivalents	4.79%	39,593
Financial liabilities		
Trade creditors	10.25%	(2,283)
Lease liabilities	3.49%	(3,549)
Net financial assets		33,761
2023		
Financial assets		
Cash and cash equivalents	4.53%	50,306
Financial liabilities		
Lease liabilities	3.03%	(3,921)
Net financial assets		46,385

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 2024		30 June 2023	
	100bp increase $'000	100bp decrease $'000	100bp increase $'000	100bp decrease $'000
Financial assets	442	(442)	439	(439)
Financial liabilities	(26)	26	(24)	24
Net sensitivity effect	416	(416)	415	(415)

16. Financial Instruments (continued)

(e) Fair values

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

	30 June 2024		30 June 2023	
	Carrying Amount $'000	Fair value $'000	Carrying Amount $'000	Fair value $'000
Financial assets				
Cash and cash equivalents	39,601	39,601	50,314	50,314
Trade and other receivables	18,249	18,249	14,434	14,434
Investments	2,085	2,085	1,990	1,990
	59,935	59,935	66,738	66,738
Financial liabilities				
Trade and other payables	26,659	26,659	17,871	17,871
Lease liabilities	3,549	3,549	3,921	3,921
	30,208	30,208	21,792	21,792

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.

17. 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.

18. Commitments for Expenditure

	2024 $'000	2023 $'000
(a) Capital expenditure contracted but not provided for and payable:		
Due within 1 year	2,789	5,381
(b) Commitments for prize home purchases contracted but not provided for and payable:		
Due within 1 year	1,803	1,135
(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	509	616
Due within 2 - 5 years	8	6
Due after 5 years	8	12
	525	634

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 21 years (2023: 1 to 22 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.

19. Limitation of Members' Liability

Endeavour Foundation Limited is a company limited by guarantee and in accordance with the Constitution, in the event of the Company being wound up, the liability of members would not exceed $2.00 per member. At 30 June 2024 the number of members was 722 (2023: 842).

20. Related Party Transactions

The names of persons who were Directors of the Company at any time during the financial year are as follows: S R E Ellis, M A Gibson, R G A Haire, M S Hughes, E M Jameson, B N Knowles, G Livingstone, R L McGuiggan, P Mendiolea and W S Zernike.

No Directors' remuneration is payable.

No Director or related party has entered into a material contract with the Company or it's controlled entities 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 the Company and it's controlled entities provide. Such transactions are conducted at arms length.

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

	2024 $'000	2023 $'000
Balances due from/(to) controlled entities		
The aggregate amounts receivable from/(payable to) controlled entities by the Company at balance date are:		
- Amount due to Community Solutions Group Limited	(14,401)	(9,551)
- Amount due to BRACE Education Training & Employment Limited	(5)	-
Transactions with controlled entities		
The aggregate amount of transactions between the Company and controlled entities for the period are:		
- Corporate charges	1,927	1,571
- Rent	476	327
- Interest	576	462
- Sales	1,699	533

21. Key Management Personnel

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

The Group's key management personnel comprise the directors listed on page 2 of the Directors' Report and a team of eight executive managers, comprising the Chief Executive Officer, and seven Executive General Managers. (2023: 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:

	2024 $	2023 $
Short-term employee benefits	2,480,036	2,571,301
Termination benefits	219,900	-
Number of key management personnel	8	9

22. Employee Entitlements

(a) Employee entitlements

	2024 $'000	2023 $'000
Aggregate employee entitlement liability	34,594	32,683

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

As explained in note 1(m)(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.

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.

	2024 $'000	2023 $'000
Net defined benefit plan asset		
Present value of plan assets	5,677	6,611
Present value of funded obligations	(2,901)	(3,953)
Net defined benefit plan asset (note 10)	2,776	2,658

22. Employee Entitlements (continued)

(b) Superannuation commitments (continued)

Defined Benefit Plan (continued)

Reconciliations

	2024 $'000	2023 $'000
Changes in the present value of the net defined benefit plan asset are as follows:		
Opening net defined benefit plan asset	2,658	2,403
Expense during the year	19	12
Net actuarial adjustment for the year recognised directly in other comprehensive income	99	243
Closing net defined benefit plan asset	2,776	2,658
The defined benefit expenses recognised through the income statement as part of employee expenses are as follows:		
Current service cost	60	67
Interest expense on defined benefit obligations	184	175
Interest (income) on plan assets	(329)	(295)
Tax allowance and administration expenses	66	41
Total defined benefit expenses recognised in the income statement	(19)	(12)
Cumulative (gains)/losses recognised in other comprehensive income:		
Amount accumulated in retained earnings at beginning of year	(2,053)	(1,810)
Recognised during the year	(99)	(243)
Amount accumulated in retained earnings at end of year	(2,152)	(2,053)
Principal actuarial assumptions at reporting date (expressed as weighted averages) are as follows:		
Discount rate	5.40%	5.50%
Expected long term rate of return on plan assets	5.40%	5.50%
Future salary increases	3.75%	4.25%

Number of members and maturity profile of the Defined Benefit Obligation

The number of members of the defined benefit plan at 30 June 2024 was 5 (2023: 8 members)

At 30 June 2024, the weighted-average duration of the defined benefit obligation was 5.0 years. (2023: 4.6 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:

	2024 $'000	2023 $'000
Employer contributions to the defined contribution plans	22,760	19,278
Employer contributions payable to the defined contribution plans at reporting date	1,854	2,347

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

23. 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:

	2024 $'000	2023 $'000
Cash at bank	16,308	20,324
Call & short term deposits	23,293	29,990
	39,601	50,314

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

	2024 $'000	2023 $'000
Net deficit for the year	(6,025)	(5,214)
Depreciation and amortisation	14,139	11,927
Interest expense on lease liability	146	78
Non-cash flow effects of movements in defined benefit plan	(19)	(12)
Decrease in provision for employee entitlements and other provisions	(233)	(3,098)
(Decrease)/increase in provision for doubtful debts	(106)	14
(Increase)/decrease in trade and other receivables	(3,709)	5,253
Increase in inventories	(3,539)	(3,605)
Increase in other current assets	(359)	(1,803)
Increase in trade and other payables	8,788	1,173
Increase in revenue received in advance	537	612
Proceeds from capital grants and donations used to fund investing activities	(582)	(143)
Gain on disposal of non-current assets	(3,848)	(1,768)
Net Cash Provided by Operating Activities	5,190	3,414

24. Economic Dependency

The Group receives a significant portion of its operating revenue from the National Disability Insurance Scheme administered by the Commonwealth Government of Australia.

25. Group Entities

	2024 %	2023 %
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 26).

Endeavour Foundation Disability Research Fund. Endeavour Foundation Limited 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 Trust 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.

For reasons associated with administrative and business rationalisation and to continue the research activities previously undertaken by the Trust, effective 1 July 2024, the Trust has been wound up and has transferred it's net assets to Endeavour Foundation Limited's newly established Intellectual Disability Centre for Excellence.

The Corporate Trustee is also in the process of being voluntarily deregistered under subsection 601AA(2) of the Corporations Act 2001. Both the winding up of the Trust and the deregistration of the Corporate Trustee are expected to be completed within 12 months of balance date.

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, Apprenticeships and Traineeships, Behaviour Support, Support Coordination and Vocational Psychology Services. 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 education and training services for people wishing to work in the Human Services sector. The entity was acquired through a business combination on 1 July 2015.

26. 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)

A summarised consolidated statement of comprehensive income and summarised consolidated statement of financial position 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 2024 is set out as follows:

	2024 $'000	2023 $'000
Statement of profit or loss and other comprehensive income and retained earnings		
Operating revenue	304,746	283,067
Operating expenses	(317,441)	(291,738)
Operating deficit	**(12,695)**	**(8,671)**
Government capital expenditure grants and other capital grants	551	156
Gain on disposal of properties	3,402	1,232
Net deficit for the year	**(8,742)**	**(7,283)**
Other comprehensive income for the year		
Items that will not be classified to profit or loss		
Actuarial adjustment to defined benefit superannuation plan	99	243
Total comprehensive income for the year	**(8,643)**	**(7,040)**
Retained earnings at beginning of year	162,955	169,995
Retained earnings at end of year	**154,312**	**162,955**

26. Deed of Cross Guarantee (continued)

	2024 $'000	2023 $'000
Statement of financial position		
Current Assets		
Cash and cash equivalents	20,154	27,543
Trade and other receivables	15,471	12,705
Inventories	25,877	22,338
Other current assets	5,266	4,929
Assets classified as held-for-sale	2,452	1,414
Total current assets	**69,220**	**68,929**
Non-current assets		
Net defined benefit plan asset	2,776	2,658
Property, plant & equipment	156,421	151,386
Total non-current assets	**159,197**	**154,044**
Total assets	**228,417**	**222,973**
Current liabilities		
Trade and other payables	24,990	16,090
Lease liability	930	898
Employee entitlements and other provisions	24,101	24,204
Revenue received in advance	4,189	3,220
Total current liabilities	**54,210**	**44,412**
Non-current liabilities		
Lease liability	1,737	2,321
Loan from group entity	14,758	9,758
Employee entitlements	3,004	3,131
Total non-current liabilities	**19,499**	**15,210**
Total liabilities	**73,709**	**59,622**
Net Assets	**154,708**	**163,351**
Equity		
Reserves	396	396
Retained earnings	154,312	162,955
Total equity	**154,708**	**163,351**

27. Parent Entity Disclosures

As at, and throughout the financial year ending 30 June 2024, the parent company of the Group was Endeavour Foundation Limited.

	2024 $'000	2023 $'000
Results of the parent entity		
Net deficit for the year	(8,696)	(7,148)
Other comprehensive income	99	243
Total comprehensive income for the year	(8,597)	(6,905)
Financial position of the parent entity at year end		
Current assets	66,393	65,920
Total assets	225,590	219,964
Current liabilities	54,096	44,167
Total liabilities	73,595	59,372
Total equity of the parent entity comprising		
Subsidies reserve	396	396
Retained earnings	151,599	160,196
Total equity	151,995	160,592

Parent entity contingencies

The contingent liabilities disclosed as note 17 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 18 Commitments for Expenditure, are as follows:

	2024 $'000	2023 $'000
(a) Capital expenditure contracted but not provided for and payable:		
Due within 1 year	2,789	5,381
(b) Commitments for prize home purchases contracted but not provided for and payable:		
Due within 1 year	1,803	1,135
(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	191	162
Due within 2 - 5 years	8	6
Due after 5 years	8	12
	207	180

28. 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

For the year ended 30 June 2024

In the opinion of the Directors of Endeavour Foundation Limited ("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 9 to 42 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 2024 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 2022*;

(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 26 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
14 October 2024

Independent Auditor's Report

For the year ended 30 June 2024

To the members of Endeavour Foundation Limited

Opinion

We have audited the ***Financial Report*** of Endeavour Foundation Limited (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 2024, 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 Regulations 2022 (ACNCR)*.

The ***Financial Report*** comprises:

i. Consolidated Balance Sheet as at 30 June 2024;

ii. Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement 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 of 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.

KPMG

Other information

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

The Other Information obtained prior to the date of the 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 an audit opinion or any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

ii. 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.

iii. 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.

KPMG

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	Ben Flaherty
KPMG	Partner
	Brisbane
	14 October 2024