NDVR Endeavour Foundation | 75 YEARS

Annual Financial Report 2025 - 2026

Annual Financial Report 2025 - 2026

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

Chief Executive Officer
Andrew Chesterman
BAppSc, PGradDipEd, GAICD, IECL CertOrgCoach

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

Registered Office
33 Corporate Drive
Cannon Hill
Queensland 4170
T: 07 3908 7100
F: 07 3908 7101
E: information@endeavour.com.au
W: endeavour.com.au
ABN 80 009 670 704

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

Directors' Report 2

Auditor's Independence Declaration 8

Consolidated Balance Sheet 9

Consolidated Income Statement 10

Consolidated Statement of Comprehensive Income 11

Consolidated Statement of Changes in Equity 11

Consolidated Cash Flow Statement 12

Notes to the Financial Statements 13

Directors' Declaration 34

Independent Auditor's Report 35

Directors' Report

For the year ended 30 June 2026

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 2026 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
Current at 30 June 2026	
Elizabeth Marie Jameson AM (Appointed Director) (13 October 2020)	BA (Japanese), LLB (Hon 1) LSDA, FAICD, MQLS Chair
Ariadne Braz Magalhaes (Elected Director) (7 November 2025)	BEc, MIM, GAICD, FGIA Member of Audit, Finance, Risk & Compliance Committee
Scott Robinson Elton Ellis (Elected Director) (22 November 2013 – 7 November 2025)	BBus, ASA, MAICD Deputy Chair Chair of Audit, Finance, Risk & Compliance Committee Member of People & Culture Committee
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
Michelle Sue Hughes (Appointed Director) (1 January 2024)	MBA, GradDip, GAICD Member of People & Culture Committee
Beverley Narelle Knowles (Elected Director) (20 November 2017)	BA, DipEd, MMktg, FAICD, MAMI Member of Client Care Committee Member of People & Culture Committee
Gregory Livingstone (Appointed Director) (1 January 2024)	BCom, MCom Member of People & Culture Committee Chair of Audit, Finance, Risk & Compliance Committee
Robyn Lyn McGuiggan (Elected Director) (22 November 2021)	PhD (Marketing), MCom, BSC (Hons), FAICD Chair of People & Culture Committee Member of Audit, Finance, Risk & Compliance Committee
Pedro Mendiolea (Elected Director) (22 November 2013 – 7 November 2025)	BE (Hons), GDMgt, MIEAust, RPEQ, CPEng Member of Client Care Committee Member of Audit, Finance, Risk & Compliance Committee
Benjamin John Perrin (Elected Director) (7 November 2025)	DipMktg, BSc, GradDipOrgChem Member of People & Culture Committee
Wendy Sophia Zernike (Appointed Director) (5 April 2024)	RN, BN, GradCert Leadership & Management, MBA, GAICD, AICGG, MACN Member of Client Care Committee
Matthew Bruce Ames (Appointed Director) (28 August 2026)	BE, MBA, FAICD Member of Client Care Committee

Directors' Report (continued)

For the year ended 30 June 2026

Company Secretary

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

Darryn Lee Hammond	BSci (Hons), LLB, G.Dip Corp Gov, MQLS, FGIA, FCIS, GAICD	Appointed 10/01/2023

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		Nominations Committee	
	A	B	A	B	A	B	A	B	A	B
S R E Ellis	7	7	2	2	-	-	2	2	-	-
M A Gibson	12	12	-	-	4	4	5	5	-	-
M S Hughes	12	12	4	3	-	-	-	1	-	-
E M Jameson	12	10	-	4	-	1	-	2	3	3
B N Knowles	12	11	4	4	4	4	-	1	-	-
R L McGuiggan	12	12	4	4	-	-	5	5	4	4
G Livingstone	12	12	3	3	-	-	5	5	-	-
P Mendiolea	7	7	-	-	2	2	2	2	-	-
W S Zernike	12	10	-	-	4	4	-	-	-	-
A Braz Magalhaes	5	5	-	-	-	-	2	2	1	1
B Perrin	5	5	1	1	-	-	-	-	-	-

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. These committees are the People & Culture Committee, the Client Care Committee, the Audit, Finance, Risk & Compliance Committee, and the Nominations Committee.

Details of each Board committee are as follows:

People & Culture Committee

The People & Culture Committee assists the Board in fulfilling its responsibilities by monitoring, reviewing and making recommendations related to 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 also makes recommendations on the selection, appointment, performance, and succession planning for the Chief Executive Officer (CEO), including conducting an annual review of the CEO and Executive Leadership Team's remuneration. The Committee monitors the organisation's remuneration framework, people policies, culture, employee engagement, workforce risks, and 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 (ceased 7 November 2025)
- M S Hughes
- B N Knowles
- G Livingstone (ceased 26 February 2026)
- B Perrin (appointed 26 February 2026)

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 oversees continuous quality improvement by reviewing incident, complaint, client satisfaction and engagement 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 (ceased 7 November 2025)
- W S Zernike
- M Ames (appointed to the Committee on 26 February 2026 prior to his appointment as a Director on 28 August 2026)

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 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, ceased 7 November 2025)
- M A Gibson
- G Livingstone (Chair from 19 November 2025)
- P Mendiolea (ceased 7 November 2025)
- R L McGuiggan
- A Braz Magalhaes (appointed 26 February 2026)

Nominations Committee

The Nominations Committee assists the Board in fulfilling its responsibilities in relation to the nomination and selection of candidates for election and appointment to the Board. The Committee makes recommendations in relation to director eligibility, in accordance with the desirable attributes identified by the Board including skills, experience and lived experience.

The Nominations Committee's membership changes based on the role and the attributes sought. During or since the end of the last financial year the following have been members of the Nominations Committee:

- R L McGuiggan
- E Jameson
- A Braz Magalhaes
- Independent Expert

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 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").

Directors' Report (continued)

For the year ended 30 June 2026

Results

The Group has recorded an operating deficit for the year of ($21,953,000) compared to an operating deficit of ($11,067,000) in the previous year.

The Group's net deficit for the current financial year, after recognising income from non-operating items of $14,590,000, was ($7,363,000). The net income from non-operating items in the current period comprised gains on the disposal of properties of $14,590,000 (2025: $5,374,000). In the previous year, the Group recorded a comparative net deficit for the year of ($5,693,000) after recognising non-operating items of $5,374,000, comprising gains on the disposal of properties.

In response to the current financial deficit, management has implemented a comprehensive operational review. Action plans focus on discretionary cost controls, workflow optimisation, and margin improvement to realign expenditures with projected revenues. Operational processes continue to be streamlined to improve resource allocation and reduce deficits. Enhancement initiatives are supported by strict cash flow monitoring to restore financial stability and operational sustainability.

The directors remain confident in the Company's ability to execute these interventions and continue operations.

Dividends

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

Events Subsequent to Balance Date

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

Environmental Regulations

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

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

Review of Operations

Operations of the Group during the year are reviewed in the Chair and CEO report in the separately issued Annual Social Impact Statement.

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 19).

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 19).

Indemnification and Insurance of Officers

Indemnification

Endeavour Foundation Limited's Constitution requires the Company, to the extent permitted by law, to indemnify any person who is an Officer of the Company, including the Directors, the Secretary and other Executive Officers, against a liability incurred by a person in his or her capacity as an Officer, including liabilities for costs and expenses. Where the Board considers it appropriate to do so, this indemnity under the Constitution may be extended to a person who is or has been an Officer of a related body corporate.

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; 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.

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 2026/183* dated 27 March 2026. 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
30 September 2026

Auditor's Independence Declaration

For the year ended 30 June 2026

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 2026 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

Tracey Barker
Partner

Brisbane
30 September 2026

©2026 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Balance Sheet

As at 30 June 2026

	Note	2026 $'000	2025 $'000
Current assets			
Cash and cash equivalents	4	78,829	49,146
Trade and other receivables	5	20,808	18,585
Inventories	6	13,804	19,434
Prepayments		5,102	5,072
Assets classified as held-for-sale	7	3,346	14,189
Total current assets		**121,889**	**106,426**
Non-current assets			
Other assets	8	7,465	7,034
Property, plant & equipment	9	135,982	141,658
Total non-current assets		**143,447**	**148,692**
Total assets		**265,336**	**255,118**
Current liabilities			
Trade and other payables	10	22,306	20,089
Lease liability	11	1,760	1,823
Revenue received in advance	12	7,239	5,873
Provision for employee entitlements and other provisions	13	36,025	33,802
Total current liabilities		**67,330**	**61,587**
Non-current liabilities			
Lease liability	11	1,877	1,938
Revenue received in advance	12	11,277	-
Provision for employee entitlements	14	5,832	5,037
Total non-current liabilities		**18,986**	**6,975**
Total liabilities		**86,316**	**68,562**
Net assets		**179,020**	**186,556**
Equity			
Reserves		396	396
Retained earnings		178,624	186,160
Total equity		**179,020**	**186,556**

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 2026

	Note	2026 $'000	2025 $'000
Revenue			
Sale of goods and services		295,250	286,717
Fundraising activities		42,650	41,768
Service user contributions		7,857	7,695
Government subsidies		25,800	28,282
Interest income		2,864	2,125
Other revenue		12,833	11,648
	2	387,254	378,235
Expenses			
Cost of goods sold & commercial fundraising activities		(45,397)	(47,129)
Employment expenses		(287,624)	(268,980)
Property expenses		(9,823)	(8,655)
Transport, maintenance and household expenses		(27,265)	(26,264)
Depreciation & amortisation expenses	9	(14,507)	(14,680)
Other expenses		(24,591)	(20,786)
Restructuring expense	13	-	(2,808)
		(409,207)	(389,302)
Operating deficit		(21,953)	(11,067)
Gain on disposal of properties	2	14,590	5,374
Net deficit for the year		**(7,363)**	**(5,693)**

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 2026

	Note	2026 $'000	2025 $'000
Net deficit for the year		**(7,363)**	**(5,693)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net increase/(decrease) in fair value of investments	8	(220)	328
Actuarial adjustment to defined benefit superannuation plan		47	-
Other comprehensive income for the year		**(173)**	**328**
Total comprehensive income for the year		**(7,536)**	**(5,365)**

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Subsidies reserve $'000	Retained earnings $'000	Total Equity $'000
Total equity at 30 June 2024	396	191,525	191,921
Total comprehensive income for the year	-	(5,365)	(5,365)
Total equity at 30 June 2025	**396**	**186,160**	**186,556**
Total comprehensive income for the year	-	(7,536)	(7,536)
Total equity at 30 June 2026	**396**	**178,624**	**179,020**

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 2026

	Note	2026 $'000 Inflows (Outflows)	2025 $'000 Inflows (Outflows)
Cash flows from operating activities			
Cash receipts in the course of operations		394,430	374,367
Cash payments to suppliers & employees		(384,367)	(364,311)
Interest received		2,864	2,125
Interest paid		(86)	(183)
Legacies & bequests received		119	375
Net cash provided by operating activities		**12,960**	**12,373**
Cash flows from investing activities			
Acquisition of property, plant & equipment		(11,695)	(9,359)
Acquisition of investments		-	(328)
Dividends received		85	122
Proceeds from disposal of property, plant & equipment		30,289	8,951
Proceeds from sale of investments		112	47
Net cash provided /(utilised) by investing activities		**18,791**	**(567)**
Cash flows from financing activities			
Lease payments		(2,068)	(2,261)
Net cash utilised by financing activities		**(2,068)**	**(2,261)**
Net increase/(decrease) in cash held		**29,683**	**9,545**
Cash at the beginning of the financial year		49,146	39,601
Cash at the end of the financial year	4	**78,829**	**49,146**

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 2026

Note	Contents	Page
1	Summary of Material Accounting Policies	14
2	Operating Revenue and Other Income	22
3	Auditor's Remuneration	23
4	Cash and Cash Equivalents	23
5	Current Assets – Trade and Other Receivables	24
6	Current Assets – Inventories	24
7	Current Assets – Non-current Assets Classified as Held-For-Sale	24
8	Non-current Assets – Other Assets	25
9	Non-current Assets – Property, Plant & Equipment	25
10	Current Liabilities – Trade and Other Payables	26
11	Current and Non-Current Liabilities – Lease Liabilities	26
12	Current Liabilities – Revenue Received in Advance	26
13	Current Liabilities – Provision for Employee Entitlements and Other Provisions	27
14	Non-current Liabilities – Provision for Employee Entitlements	28
15	Financial Instruments	28
16	Contingent Assets and Contingent Liabilities	28
17	Commitments for Expenditure	28
18	Limitation of Members' Liability	29
19	Related Party Transactions	29
20	Key Management Personnel	29
21	Employee Entitlements	30
22	Group Entities	30
23	Deed of Cross Guarantee	31
24	Parent Entity Disclosures	33
25	Events Subsequent to Reporting Date	33

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 2026 comprise the Company and its controlled entities (together referred to as "the Group"). A list of controlled entities is included in Note 22.

The principal activities of the Group are 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.

Statement of compliance

The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) – Simplified Disclosures, made by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report was authorised for issue by the Directors on 30 September 2026.

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, which is the Group's functional currency, rounded to the nearest thousand unless otherwise stated as per ASIC Corporations *(Rounding in Financial/Directors' Reports) Instrument 2026/183*.

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

New accounting standards early adopted

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

New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2026 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, other than AASB 18 *Presentation and Disclosure in Financial Statements* which will replace AASB 101 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard will change the presentation and disclosure of information in financial statements, particularly the statement of profit or loss.

1. Summary of Material Accounting Policies (continued)

Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate related commitments where appropriate. 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 note:

- Note 9 – Non-current assets – Property, Plant & Equipment.
- Note 1(b) – Revenue recognition under the Inclusive Employment Australia contract.
- Note 13 – Current liabilities – Provision for employee entitlements and other provisions.

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 $54,559,000 as at 30 June 2026 (2025: $44,839,000).

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 2026 the Group had untied cash reserves of $60,164,000 (2025: $44,830,000) 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.

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.

(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.

Common control accounting policy

Business combinations involving entities or businesses under common control are outside the scope of AASB 3 *Business Combinations*. Accordingly, the Group has elected to apply the predecessor values method of accounting. Under this method, the assets and liabilities of the acquired entity are recognised at their existing carrying amounts in the consolidated financial statements. No goodwill is recognised on acquisition. Any difference between the fair value of the consideration paid and the carrying amounts of the assets and liabilities of the acquired entity is recognised directly in equity as part of Retained Earnings.

1. Summary of Material Accounting Policies (continued)

(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.

NDIS Revenue

The Group provides disability support services to participants under the National Disability Insurance Scheme (NDIS), including supported independent living, community participation and other individualised support services.

Each service, shift or other unit of support provided to a participant is treated as a separate performance obligation, or as part of a series of similar services transferred to the participant in the same pattern.

Revenue is recognised as the services are delivered, based on the units of service delivered.

Revenue is measured at the amount the Group expects to be entitled under the participant's services agreement and the applicable NDIS pricing agreement. Revenue is recognised only to the extent that it is highly probable that a significant reversal of cumulative revenue recognised will not occur.

Inclusive Employment Australia revenue

The Group provides employment-support services under the Australian Government's Inclusive Employment Australia (IEA) program. Consideration under the arrangements include service, program, outcome and ongoing support fees as follows:

- **Service Fees**
  Service fees relate to the delivery of employment services, where participants simultaneously receive and consume the benefits of these services as the Group performs them. This revenue is recognised over time as the relevant participant services are provided. Service fees are initially recognised as revenue received in advance on a monthly basis and recognised as revenue as the services are performed.
- **Progress Fees**
  Progress Fees are payable when specified participant milestones are achieved, including eligible employment and training-related activities. Revenue is recognised at the point in time when the milestone requirements are achieved and entitlement to claim the fee exists. No revenue is recognised before the milestone has occurred.
- **Outcome Fees**
  Outcome Fees are contingent on participants achieving and maintaining qualifying employment outcomes over prescribed outcome periods. Outcome Fee revenue is recognised at the point when all outcome conditions are satisfied and the Group obtains an enforceable right to consideration. Prior to achievement of the outcome requirements, any expected future Outcome Fees remain constrained variable consideration.
- **Ongoing Support Fees**
  Ongoing Support Fees compensate the Group for continuing support services following participant placement. Revenue is recognised when the service is provided.

1. Summary of Material Accounting Policies (continued)

(b) Revenue recognition (continued)

Progress, Outcome and Ongoing Support Fees are treated as variable consideration, whereby it earns revenues if certain contractually defined outcomes occur in the future. Where the Group has satisfied the relevant performance obligation but payment remains dependent on future participation outcome, revenue is recognised only to the extent that it is highly probable that a significant reversal will not occur. When determining if variable consideration should be constrained, management considers whether there are factors outside the Group's control that could result in a significant reversal of revenue. In making these assessments, the Group considers the likelihood and magnitude of a potential reversal of revenue. These amounts are recognised when the relevant contractual conditions have been satisfied, the required documentary evidence is held and it is highly probable that recognition will not result in a significant revenue reversal.

Government subsidies and grants

Revenue from government subsidies and grants is recognised when the Group obtains control of the grant or subsidy 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 consideration received and recognised as revenue when the Group expends the funds received for the specific purposes for which the contribution was made. Any such amounts that remain unexpended for the purposes for which they were received are repayable either to the original donor or if this is not practicable, to the Public Trustee for distribution to another organisation with similar objects clauses to Endeavour Foundation, to be expended for the same purposes as stipulated in the original specific donation, bequest or fundraising activity.

Other Donations/Bequests/Fundraising Activities

Revenue received via non-specific donations, bequests or fundraising activities are measured at the fair value of the consideration 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.

1. Summary of Material Accounting Policies (continued)

(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.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

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

For purposes of income statement disclosures, finance costs, excluding interest on lease liabilities, of $86,000 (2025: $183,000) is a component of Other Expenses in the Consolidated Income Statement.

(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. 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.

(g) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line basis over their estimated useful lives. The useful lives used for each class of asset are as follows:

	2026	2025
Buildings	34 years	34 years
Right-of-use lease assets	1-5 years	1-5 years
Plant and equipment	3-10 years	3-10 years

1. Summary of Material Accounting Policies (continued)

(h) Non-current assets held for sale

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) Inventories

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.

(j) Investments

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.

(k) Employee entitlements

(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.

1. Summary of Material Accounting Policies (continued)

(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 8 and Note 20(b).

Defined contribution plans

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

(l) 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.

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.

1. Summary of Material Accounting Policies (continued)

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

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

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

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

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

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

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

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.

(m) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days. All trade and other receivables are recognised initially at fair value and subsequently measured as amortised cost, 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.

For purposes of income statement disclosures, the impairment loss on trade receivables of $504,000 (2025: $113,000) is a component of Other Expenses in the Consolidated Income Statement.

(n) Trade and other payables

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.

1. Summary of Material Accounting Policies (continued)

(o) 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.

(p) 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(j)), Trade and other receivables (refer Note 1(m)) and Trade and other payables (refer Note 1(n)).

The Group does not have any derivative financial instruments.

2. Operating Revenue and Other Income

	2026 $'000	2025 $'000
Sale of goods and services – other	71,629	73,890
Sale of goods and services – NDIS revenues	222,247	212,827
Services revenue – IEA revenue	1,374	-
	295,250	286,717
Fundraising activities		
- Commercial fundraising activities	38,654	38,983
- Donations & appeals	1,488	1,637
- Other	2,508	1,148
	42,650	41,768
Service user contributions	7,857	7,695
State Government subsidies	12,865	12,117
Federal Government subsidies - other	12,935	16,165
	25,800	28,282
Interest income	2,864	2,125
Rent received	9,463	9,281
Dividend income	85	122
Other	3,285	2,245
	12,833	11,648
Total operating revenue	**387,254**	**378,235**
Non-operating items		
Gain on disposal of property	14,590	5,374
	14,590	**5,374**
Total revenue and other income for the year	**401,844**	**383,609**
Timing of revenue recognition		
Products transferred at a point in time	**400,470**	**383,609**
Products and services transferred over time	**1,374**	**-**
Revenue from contracts with customers	**401,844**	**383,609**

3. Auditor's Remuneration

	2026 $	2025 $
Audit Services		
Auditor of Endeavour Foundation – *KPMG Australia*		
Audit of financial reports	204,100	201,400
Other regulatory audits	-	2,800
	204,100	204,200
Other Services		
Compilation services	-	18,500
Business advisory services	87,086	360,000
	87,086	378,500
	291,186	582,700

4. Cash and Cash Equivalents

	2026 $'000	2025 $'000
Untied cash	60,164	44,830
Quarantined cash	18,665	4,316
	78,829	49,146

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

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	932	788
Indemnity guarantee facilities	1,338	1,273
	2,270	2,061
Facilities not utilised at reporting date:		
Credit card facilities	778	922
Indemnity guarantee facilities	662	727
	1,440	1,649

The banking facilities are secured by registered first mortgages over nine properties with a carrying amount of $26,681,000 (2025: nine properties with a carrying amount of $27,332,000) and a registered mortgage debenture over all of the assets and undertakings of the Company.

Notes to the Financial Statements (continued)

For the year ended 30 June 2026

	2026 $'000	2025 $'000
5. Current Assets – Trade and Other Receivables		
Trade debtors	10,206	10,450
Less: impairment provision	(490)	(108)
Other debtors	11,092	8,243
	20,808	18,585
Impairment losses related to trade and other receivables is as follow:		
Balance at 1 July	108	298
Movement in impairment provision	382	(190)
	490	108
6. Current Assets – Inventories		
Raw materials	1,451	1,392
Work in progress	218	177
Finished goods	559	612
Total trading stock	2,228	2,181
Lottery prize home stock work in progress	-	6,166
Lottery prize home stock finished goods	11,576	11,187
Less: impairment provision	-	(100)
	13,804	19,434
7. Non-Current Assets Classified As Held-For-Sale		
Land and buildings – at carrying value	3,346	14,189

In 2026, inventories of $24,190,000 (2025: $25,546,000) were recognised as an expense during the year and included in the cost of goods sold.

In 2026, $nil inventories were written down to their net realisable value (2025: nil). Write-downs and reversals are included in the cost of goods sold.

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.

8. Non-Current Assets – Other assets

	2026 $'000	2025 $'000
Investments in other corporations		
Quoted on Stock Exchanges		
- Shares – at market value	2,193	2,413
The investments are quarantined to support specific objectives and are not accessible by Endeavour Foundation to fund normal service delivery.		
Reimbursement asset for Portable Long Service Leave scheme	2,446	1,903
Present value of plan assets	4,499	5,503
Present value of funded obligations	(1,673)	(2,785)
Net defined benefit plan asset	2,826	2,718
	7,465	7,034

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

	Land and buildings $'000	Plant and equipment $'000	Right-of-use assets $'000	Total $'000
Balance at 1 July 2025				
Gross carrying amount	206,723	66,589	7,380	280,692
Accumulated depreciation	(73,137)	(47,955)	(3,753)	(124,845)
Assets classified as held for sale	(14,189)	-	-	(14,189)
Net carrying amount at 1 July 2025	**119,397**	**18,634**	**3,627**	**141,658**
Additions	7,252	4,443	1,816	13,511
Disposals - cost	(15,900)	(15,560)	(683)	(32,143)
Disposals – accumulated depreciation	621	15,315	683	16,619
Depreciation	(6,637)	(5,955)	(1,915)	(14,507)
Reclassified as held for sale	10,844	-	-	10,844
Net carrying amount at 30 June 2026	**115,577**	**16,877**	**3,528**	**135,982**
Balance at 30 June 2026				
Gross carrying amount	198,076	55,472	8,512	262,060
Accumulated depreciation	(79,153)	(38,595)	(4,984)	(122,732)
Assets classified as held for sale	(3,346)	-	-	(3,346)
Net carrying amount at 30 June 2026	**115,577**	**16,877**	**3,528**	**135,982**

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

The Group had a net gain on the disposal of property, plant and equipment of $14,765,000 (2025: $5,374,000).

Included in the total carrying amount of land and buildings is an amount of $17,499,000 (2025: $18,196,000) 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.

	2026 $'000	2025 $'000
10. Current Liabilities – Trade and Other Payables		
Trade creditors and accruals	11,647	10,069
Other creditors	10,659	10,020
	22,306	20,089
11. Current and Non-Current Liabilities – Lease Liabilities		
Current: realisable within 1 year	1,760	1,823
Non-current: realisable after 1 year	1,877	1,938
	3,637	3,761

The lease liabilities represent 21 property leases with lease terms of between one year and five years, carrying a weighted average interest rate of 4.67% (2025: 25 property leases with lease terms of between one year and five years, carrying a weighted average interest rate of 3.59%).

Future lease payments		
The face value of the lease liability is payable as follows:		
- Due within 1 year	2,134	1,940
- Due between 1 year and 5 years	2,296	1,404
- Due in more than 5 years	-	597
	4,430	3,941
Amounts recognised in profit or loss		
Depreciation expense on right-of-use assets	1,915	2,133
Expenses including short-term leases and lease of low-value assets	2,157	1,722
Interest expense on lease liabilities	131	199
12. Current and Non-Current Liabilities – Revenue Received in Advance		
Current Liability – Revenue received in advance	7,239	5,873
Non-Current Liability – Revenue received in advance	11,277	-
	18,516	5,873

The Group has been awarded a government contract with the Department of Social Services. The contract liabilities relate to the advance consideration received from the Department of Social Services for services to be delivered in future financial years.

13. Current Liabilities – Provision for Employee Entitlements and Other Provisions

	2026 $'000	2025 $'000
Employee entitlements – staff	26,300	23,171
Employee entitlements – supported employees	5,648	4,799
Provision for staff wage remediation[1]	2,623	3,024
Provision for restructuring[2]	1,454	2,808
	36,025	33,802

[1]The Group is aware of a potential underpayment of wages of certain employees. While the Group continues to perform a detailed investigation into this matter, it is probable the remediation will be required. The provision is based on financial modelling that has reconstructed the Group's payroll obligations based on management's best estimate of the facts and circumstances existing at reporting date. It is reasonably possible that the final outcomes may differ to those reported, the impact of which will be reflected in future periods. A provision of $2,623,000 remains at 30 June 2026 (2025: $3,024,000) in respect of the estimated wage remediation costs after deduction of remediation paid within the year.

[2] During 2026, a restructuring provision of $1,454,000 has continued to be recognised in relation to the approved organisational reset program. The provision reflects direct expenses including relevant costs associated with selected site closures. No additional amount has been added to the provision during the year.

During 2025, the Group committed to an organisational reset plan to close selected sites. Following the approval of the plan, the Group recognised a provision of $2,808,000. Estimated costs included contract termination costs, consulting fees and employee termination benefits.

A reconciliation for each class of other provisions is provided below:

	Restructuring	Wage Remediation
Balance as at 1 July 2025	2,808	3,024
Provisions utilised during the year	(1,354)	(401)
Balance as at 30 June 2026	1,454	2,623

	2026 $'000	2025 $'000
14. Non-Current Liabilities – Provision for Employee Entitlements		
Employee entitlements - staff	5,592	4,811
Employee entitlements - supported employees	240	226
	5,832	5,037
15. Financial Instruments - Accounting Classifications		
The following table shows the carrying amounts of financial assets and financial liabilities.		
Financial assets measured at amortised cost		
Cash and cash equivalents	78,829	49,146
Trade and other receivables	20,808	18,585
	99,637	67,731
Financial assets measured at fair value through other comprehensive income		
Investments	2,193	2,413
	2,193	2,413
Financial liabilities measured at amortised cost		
Trade and other payables	22,306	20,089
Lease liabilities	3,638	3,761
	25,944	23,850

16. Contingent Assets and Contingent Liabilities

There are no contingent assets or liabilities at reporting date which would have a material effect on the financial statement as at 30 June 2026 (2025: nil).

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.

	2026 $'000	2025 $'000
17. Commitments for Expenditure		
(a) Capital expenditure contracted but not provided for and payable:		
Due within 1 year	887	938
(b) Commitments for prize home purchases contracted but not provided for and payable:		
Due within 1 year	3,441	2,565

18. 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 2026 the number of members was 819 (2025: 812).

19. Related Party Transactions

The names of persons who were Directors of the Company at any time during the financial year are as follows: SRE Ellis, MA Gibson, MS Hughes, EM Jameson, BN Knowles, G Livingstone, RL McGuiggan, P Mendiolea, AB Magalhaes, BJ Perrin and WS Zernike.

No Directors' remuneration is payable.

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

20. 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 seven executive managers, comprising the Chief Executive Officer, and six Executive General Managers (2025: 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:

	2026 $	2025 $
Short-term employee benefits	2,819,105	2,967,280
Termination benefits	85,638	108,780
Number of key management personnel	7	9

	2026 $'000	2025 $'000
21. Employee Entitlements		
(a) Employee entitlements		
Aggregate employee entitlement liability	44,376	36,733

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

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.

(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.

Contributions to defined contribution plans recognised as an expense in profit or loss during the year were $27,841,000 (2025: $24,922,000).

	2026 %	2025 %
22. Group Entities		
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:		
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 23).

23. 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 2026 is set out as follows:

	2026 $'000	2025 $'000
Statement of profit or loss and other comprehensive income and retained earnings		
Operating revenue	314,724	323,408
Operating expenses	(336,747)	(337,228)
Operating surplus	**(22,023)**	**(13,820)**
Government capital expenditure grants and other capital grants	-	-
Gain on disposal of properties	14,590	5,374
Net surplus/(deficit) for the year	**(7,433)**	**(8,446)**
Other comprehensive income for the year		
Items that will not be classified to profit or loss		
Actuarial adjustment to defined benefit superannuation plan	47	-
Equity transfer from divestment	-	2,232
Net increase/(decrease) in fair value of investments	(220)	328
Total comprehensive income for the year	**(7,606)**	**(5,886)**
Retained earnings at beginning of year	148,426	154,312
Transactions with owners reserve	25,229	-
Retained earnings at end of year	**166,049**	**148,426**

23. Deed of Cross Guarantee (continued)

	2026 $'000	2025 $'000
Statement of financial position		
Current Assets		
Cash and cash equivalents	65,696	23,849
Trade and other receivables	18,153	15,915
Inventories	13,804	19,434
Other current assets	4,924	4,588
Assets classified as held-for-sale	3,346	-
Total current assets	**105,923**	**63,786**
Non-current assets		
Net defined benefit plan asset	2,826	2,717
Property, plant & equipment	136,374	155,354
Other receivables	2,308	-
Total non-current assets	**141,508**	**158,071**
Total assets	**247,431**	**221,857**
Current liabilities		
Trade and other payables	20,186	20,844
Lease liability	1,343	1,217
Employee entitlements and other provisions	33,961	28,719
Revenue received in advance	6,962	5,559
Total current liabilities	**62,452**	**56,339**
Non-current liabilities		
Lease liability	1,736	1,595
Loan from group entity	-	12,076
Employee entitlements	5,521	3,025
Revenue received in advance	11,277	-
Total non-current liabilities	**18,534**	**16,696**
Total liabilities	**80,986**	**73,035**
Net Assets	**166,445**	**148,822**
Equity		
Reserves	396	396
Retained earnings	166,049	148,426
Total equity	**166,445**	**148,822**

24. Parent Entity Disclosures

As at, and throughout the financial year ending 30 June 2026, the parent company of the Group was Endeavour Foundation Limited.

	2026 $'000	2025 $'000
Results of the parent entity		
Net surplus for the year	(6,968)	(8,293)
Other comprehensive income	(173)	5,701
Total comprehensive income for the year	(7,141)	(2,592)
Financial position of the parent entity at year end		
Current assets	105,913	63,967
Total assets	247,422	218,874
Current liabilities	62,452	53,126
Total liabilities	80,986	72,610
Total equity of the parent entity comprising		
Reserve	396	396
Retained earnings	166,040	145,868
Total equity	166,436	146,264

Parent entity contingencies

The parent entity had no contingent assets or liabilities at reporting date (2025: nil).

Parent entity commitments for capital expenditure

The parent entity commitments for capital expenditure, that forms part of the Group disclosures under note 17 Commitments for Expenditure, are as follows:

(a) Capital expenditure contracted but not provided for and payable:		
Due within 1 year	887	938
(b) Commitments for prize home purchases contracted but not provided for and payable:		
Due within 1 year	3,441	2,565

25. 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 2026

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 33 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 2026 and of its performance, for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 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 entity identified in Note 23 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
30 September 2026

Independent Auditor's Report

For the year ended 30 June 2026

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 2026, and of its financial performance and its cash flows for the year ended on that date; and

ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR).*

The ***Financial Report*** comprises:

i. Consolidated Balance Sheet as at 30 June 2026;

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

iii. Notes, including material accounting policies; and

iv. Directors' declaration.

The ***Group*** consists of Endeavour Foundation Limited (the Company) and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

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

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

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Endeavour Foundation 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.

©2026 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

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

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express 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.

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 Director's 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.

vi. Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

KPMG

KPMG

Tracey Barker
Partner

Brisbane
30 September 2026

Celebrating 75 Years of Inclusion

NDVR Endeavour Foundation | 75 YEARS