Jewish Care (Victoria) Inc. and its controlled entities

ABN 78 345 431 247

General Purpose Financial Report

For the year ended 30 June 2025

Contents

Committee's Report

The Committee of Management (the Committee) members of Jewish Care (Victoria) Inc. present their report together with the consolidated financial statements of Jewish Care (Victoria) Inc. and it's Controlled Entities (collectively, the "Organisation") for the financial year ended 30 June 2025 and the auditor's report thereon.

1. Committee

The members of the Committee at any time during or since the end of the financial year are:

	Appointed	Retired
Ms Sharon Gdanski	14-Nov-19	-
Professor Sharon Goldfeld AM	27-Sep-16	-
Ms Lisa Kennett OAM	19-Nov-14	-
Mr Steven Klein	18-Nov-20	-
Ms Susie Ivany OAM	13-Nov-12	28-Nov-24
Mr Adam Joel	22-Nov-17	-
Mr Michael Schoenfeld	30-Nov-04	-
Mr Andrew Schwartz	29-Nov-05	-
Mr David Slade	24-Nov-22	-
Ms Simone Szalmuk-Singer	22-Nov-16	-
Adjunct Professor John Zelcer	10-Nov-21	28-Nov-24
Mr Justin Greenstein	29-Nov-24	-
Mr Reuben Zelwer	16-Nov-18	02-Oct-24

2. Principal activities

The principal activities of the Organisation during the financial year ended 30 June 2025 were to promote and provide for the wellbeing of Jewish people in need of care in the State of Victoria and attend to their physical, mental, emotional and spiritual needs across the areas of residential aged care, home care, disability and social and family services.

3. Environmental regulation

The Organisation's operations are not subject to significant environmental regulations under both Commonwealth and State legislation.

4. Review of operations

The financial year ended 30 June 2025 was marked by significant operational activities and financial challenges, yet the Organisation continued to deliver essential services to the community.

For the financial year ended 30 June 2025, Jewish Care reported total revenues of $115,421,383, an increase from $110,354,126 in the previous year. Fees and charges increased to $41,430,321, and government subsidies increased to $60,615,867. Other revenues, including donations and grants, contributed significantly. This increase was primarily fueled by enhanced government funding aimed at supporting higher award wages and offsetting the rising costs associated with delivering quality care. Additionally, there was a notable increase in residential aged care occupancy, further contributing to our financial performance.

Despite the increase in revenue, the Organisation faced substantial expenses, leading to an operating loss of $1,187,816, which was an increase from the previous year's operating loss of $125,111. Key expenses included employee benefits ($72,976,282), depreciation and amortisation ($7,189,332), and external services ($17,482,973).

As of 30 June 2025, Jewish Care's total assets stood at $288,486,694, slightly down from $292,979,542 in the previous year. The Organisation's current liabilities exceeded current assets by $70,982,702, primarily due to the classification of Refundable Accommodation Deposits (RADs) as current liabilities. The net assets were $172,377,929, reflecting a modest decrease from $181,846,024 in the previous year.

Key Developments:

- Revenue Growth: The Organisation saw a significant increase in revenue from fees, charges, and government subsidies.

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- Expense Management: continues to be an area of focus as efficiencies are being achieved although in the short term this is resulting in additional costs being incurred, thus the small increase over last year.
- Asset Revaluation: A revaluation of land and buildings resulted in a revaluation increment of $1,184,978, enhancing the Organisation's asset base. This is offset by the prior year audit adjustments of revaluation decrease of $2,923,520.

Looking ahead, Jewish Care aims to strengthen its financial position by focusing on sustainable revenue growth and effective expense management, including a strategic change agenda to drive commercial strategies and operational efficiencies.

The Organisation plans to continue its vital services while exploring new opportunities for community support and funding.

Despite financial challenges, Jewish Care (Victoria) Inc. has demonstrated resilience and commitment to its mission. The Organisation's ability to adapt and manage its resources effectively will be crucial in ensuring continued support for the Jewish community in Victoria.

Net assets - Movement in net assets is made up of:	2025 $	2024 $
Opening balance	181,846,024	184,799,417
Add / (Deduct): Profit/(Loss) after tax	(7,729,552)	(5,378,608)
Add / (Deduct): Revaluation increment/(reduction) in land and buildings	(1,738,543)	2,425,215
CLOSING BALANCE	**172,377,929**	**181,846,024**

5. Significant changes in the state of affairs

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

6. Future developments

Disclosure of information regarding likely developments in the operations of the Organisation in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Organisation. Accordingly, this information has not been disclosed in this report.

7. Indemnification and insurance of Committee members and officers

The Organisation has not, during or since the financial year, in respect of any person who is or has been a Committee member or officer of the Organisation:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as a Committee member or officer, including costs or expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as a Committee member or officer for the costs or expenses to defend legal proceedings, with the exception of the following:

A policy has been contracted with the Victorian Managed Insurance Authority to indemnify Committee members and officers against loss for which they may not be legally indemnified by the Organisation arising out of any claim, by reason of any wrongful act committed by them, in their capacity as a Committee Member or officer, first made against them jointly or severally during the period of insurance and notified to the insurer during the indemnity period.

Further details of the policy, the level of cover and the premium paid cannot be disclosed under the terms and conditions of the arrangement with the Victorian Managed Insurance Authority.

8. Indemnification of auditors

Since the end of the previous financial year, the Organisation has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an auditor of the Organisation.

Committee's Report

9. Committee meetings

The following table sets out the number of Committee meetings held during the financial year and the number of meetings attended by each Committee Member (while they were a Committee member). During the financial year 11 Committee meetings were held.

		Committee Meetings	
Committee Members		**Eligible to attend**	**Attended**
Ms Lisa Kennett OAM	Co - President	11	10
Mr Adam Joel	Co - President	11	11
Ms Simone Szalmuk-Singer	Vice President	11	9
Ms Sharon Gdanski	Treasurer	11	8
Mr Steven Klein	Secretary	11	10
Professor Sharon Goldfeld AM		11	9
Mr Michael Schoenfeld		11	9
Mr Andrew Schwartz		11	8
Mr David Slade		11	8
Mr Justin Greenstein		7	6
Ms Susie Ivany OAM		4	4
Adjunct Professor John Zelcer		4	3
Mr Reuben Zelwer		3	3

10. Proceedings on behalf of the Organisation

No person has applied for leave of Court to bring proceedings on behalf of the Organisation or intervene in any proceedings to which the Organisation is party for the purpose of taking responsibility on behalf of the Organisation for all or any part of those proceedings. The Organisation was not a party to any such proceedings during the year.

11. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 6 and form part of the committee's report for the financial year ended 30 June 2025.

Signed in accordance with a resolution of the Committee.

On behalf of the Committee

Sharon Gdanski
Treasurer
Melbourne
29 October 2025

Lisa Kennett OAM
Co-President
Melbourne
29 October 2025

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012 and Regulation 2022

To the Committee members of Jewish Care (Victoria) Inc.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2025 there have been:

(a) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 and Regulations 2022 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Antoni Cinanni

Partner

Melbourne

29 October 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025 $	2024 $
Fees and charges	3(e)	41,430,321	41,108,782
Government subsidies	3(f)	60,615,867	56,620,418
Other revenues	4	13,375,195	12,624,926
TOTAL REVENUE		**115,421,383**	**110,354,126**
Employee benefits expenses	5	(72,976,282)	(67,321,366)
Depreciation and amortisation expenses	6	(7,189,332)	(7,492,892)
Community development expenses		(483,052)	(511,407)
External services expenses		(17,482,973)	(18,153,186)
Food expenses		(2,711,915)	(2,533,932)
Repairs, maintenance and cleaning expenses		(4,125,580)	(4,266,787)
Medical and other supplies		(1,225,358)	(1,125,875)
Consulting expenses		(1,153,996)	(1,182,780)
Energy expenses		(1,139,715)	(1,067,140)
Administration expenses		(5,602,381)	(4,532,870)
Laundry expenses		(671,863)	(573,091)
Other expenses	7	(1,846,752)	(1,717,911)
LOSS FROM OPERATIONS		**(1,187,816)**	**(125,111)**
Finance income	8	422,737	657,025
Finance costs	8	(6,964,473)	(5,910,522)
NET FINANCE COST		**(6,541,736)**	**(5,253,497)**
LOSS BEFORE INCOME TAX		**(7,729,552)**	**(5,378,608)**
Income tax expense	9	-	-
LOSS FOR THE YEAR		**(7,729,552)**	**(5,378,608)**
OTHER COMPREHENSIVE INCOME			
ITEM THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:			
Revaluation of land and buildings		(1,738,543)	2,425,215
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(1,738,543)**	**2,425,215**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(9,468,095)**	**(2,953,393)**

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 $	2024 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	12,545,798	4,832,678
Trade and other receivables	11	7,046,330	6,346,656
Financial assets	12	592,053	5,649,534
Other assets	13	596,572	862,570
TOTAL CURRENT ASSETS		**20,780,753**	**17,691,438**
NON-CURRENT ASSETS			
Trade and other receivables	11	1,153,845	989,653
Other assets	13	14,764	588,930
Property, plant and equipment	14	266,221,888	273,379,105
Intangibles	15	315,444	330,416
TOTAL NON-CURRENT ASSETS		**267,705,941**	**275,288,104**
TOTAL ASSETS		**288,486,694**	**292,979,542**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	6,857,095	4,462,649
Contract liabilities (deferred income)	17	2,310,733	5,511,969
Provisions	18	7,347,656	6,760,733
Interest-bearing loans and borrowings	19	37,061	2,034,898
Refundable accommodation deposits	20	75,210,910	63,112,911
TOTAL CURRENT LIABILITIES		**91,763,455**	**81,883,160**
NON-CURRENT LIABILITIES			
Trade and other payables	16	445,012	890,023
Provisions	18	1,958,272	1,813,766
Interest-bearing loans and borrowings	19	21,942,026	26,546,569
TOTAL NON-CURRENT LIABILITIES		**24,345,310**	**29,250,358**
TOTAL LIABILITIES		**116,108,765**	**111,133,518**
NET ASSETS		**172,377,929**	**181,846,024**
EQUITY			
Reserves	21	103,528,651	105,267,194
Accumulated funds		68,849,278	76,578,830
TOTAL EQUITY		**172,377,929**	**181,846,024**

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Asset revaluation reserve $	General reserves $	Other reserves $	Accumulated funds $	Total equity $
BALANCE AT 1 JULY 2023	98,694,519	1,369,550	3,074,792	81,660,556	184,799,417
COMPREHENSIVE INCOME					
Deficit for the year	-	-	-	(5,378,608)	(5,378,608)
Transfer to accumulated funds on disposal of previously revalued asset	2,128,333	-	-	296,882	2,425,215
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**2,128,333**	**-**	**-**	**(5,081,726)**	**(2,953,393)**
BALANCE AT 30 JUNE 2024	**100,822,852**	**1,369,550**	**3,074,792**	**76,578,830**	**181,846,024**
BALANCE AT 1 JULY 2024	100,822,852	1,369,550	3,074,792	76,578,830	181,846,024
COMPREHENSIVE INCOME					
Deficit for the year	-	-	-	(7,729,552)	(7,729,552)
Transfer to accumulated funds on disposal of previously revalued asset	(1,738,543)	-	-	-	(1,738,543)
TOTAL COMPREHENSIVE INCOME	**(1,738,543)**	**-**	**-**	**(7,729,552)**	**(9,468,095)**
BALANCE AT 30 JUNE 2025	**99,084,309**	**1,369,550**	**3,074,792**	**68,849,278**	**172,377,929**

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from fees and charges and government subsidies		116,600,625	114,089,619
Payments to suppliers and employees		(116,866,361)	(113,254,645)
Cash generated from operating activities		**(265,736)**	**834,974**
Interest received	8(a)	367,951	426,981
Interest on lease liabilities	8(b)	(32,152)	(9,851)
Net cash from operating activities before proceeds and repayments of refundable accommodation deposits		**70,063**	**1,252,104**
Proceeds from refundable accommodation deposits		27,940,437	20,219,828
Repayments of refundable accommodation deposits		(15,842,438)	(16,653,560)
Net cash flows from operating activities		**12,168,062**	**4,818,372**
Cash flows from investing activities			
Proceeds from disposal of financial assets		5,112,267	2,036,008
Proceeds from disposal of property, plant and equipment		(48,304)	615,383
Payments for property, plant and equipment	14	(1,178,537)	(868,884)
Purchase of intangible assets	15	(158,859)	(85,228)
Net cash flows from investing activities		**3,726,567**	**1,697,279**
Cash flows used in financing activities			
Repayment of interest bearing loans		(28,646,555)	(8,062,571)
Proceeds from loans and borrowings		22,000,000	-
Payment for principal on lease liabilities		36,583	(154,716)
Payment for interest expense on interest bearing loans and borrowings	8(b)	(1,571,537)	(1,906,613)
Net cash flows used in financing activities		**(8,181,509)**	**(10,123,900)**
Net (decrease)/increase in cash and cash equivalents		**7,713,120**	**(3,608,249)**
Cash and cash equivalents at the beginning of the year		**4,832,678**	**8,440,927**
Cash and cash equivalents at the end of the year	10	**12,545,798**	**4,832,678**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 1 Corporate information

Jewish Care (Victoria) Inc. and its controlled entities (collectively, the "Organisation") is domiciled in Australia. The Company's registered office is at 619 St Kilda Road Melbourne Victoria Australia 3004.

These consolidated financial statements comprise the Company and its subsidiaries Jewish Care (Victoria) Inc. and its controlled entities (collectively, the "Organisation").

Jewish Care (Victoria) Inc. (the Parent) is a "not-for-profit" entity, incorporated in Australia under the Australian Charities and Not-for-profits Commission Regulations 2022 (and its associated regulations).

These consolidated financial statements were authorised for issue by the Board of Directors on 29 October 2025.

Note 2 Basis of preparation

a) Statement of compliance

These consolidated financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the *Australian Charities and Not-for-profits Commission Regulations 2022* and its associated regulations). They have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Regulations 2022 (and its associated regulations).*

The financial report has also been prepared on a historical cost basis, except for investment financial asses which have been measured at fair value and land and buildings measured at revalued amounts.

The financial report is presented in Australian dollars and all values are rounded to the nearest $, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

b) Going concern

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

Financial Performance

For the 30 June 2025 financial year, the Organisation incurred an Operating loss of $1,187,816 (2024: Operating loss $125,111). Operating loss for the year includes amortisation and depreciation expenses of $7,189,332 (2024: $7,492,892).

Financial Position

At 30 June 2025, the Organisation's current liabilities exceeded current assets by $70,982,702 (2024: $64,191,722) and the Organisation had net assets as of 30 June 2025 of $ 172,377,929 (2024: $181,846,024). The Financial statements have been prepared on the going concern basis as the current asset deficiency of $70,982,702 (2024: $64,191,722) arises due to reasons outlined below.

The net current liability position includes resident liabilities, amounting to $75,210,910 at 30 June 2025, (2024: $63,112,911), interest bearing loans and borrowings of $nil (2024: $2,000,000) and contract liabilities amounting to $ 2,310,733 (2024: $5,511,969).

Resident liabilities are classified as current liabilities on the basis they are repayable to residents when they leave the residential aged care facility, which can be at any time. Based on prior years' experience, the organisation does not expect the resident liabilities balance to reduce significantly on an annual basis as the liabilities are related to residents who depart the aged care facility and are generally replaced by resident accommodation deposits/liabilities received from new residents. The resident liabilities are therefore considered to form a part of the long-term funding of the aged care facility (refer to Note 20 for further details).

Note 2 Basis of preparation (continued)

b) Going concern (continued)

Contract Liabilities are classified as current liabilities however the Organisation is not expecting to be required to make any cash repayment of the amounts over the next twelve months.

Financing facilities

As at 30 June 2025, the Organisation had financing facilities with the Commonwealth Bank, consisting of three facilities, which included a requirement to comply with financial covenants from 30 September 2025.

The loans are secured by a registered mortgage over the consolidated land and buildings of the Organisation. The financing facilities commenced on 17 June 2025 and have a 3 year term.

- Facility 1 – a revolving credit facility with a limit of $25,000,000, drawn to $10,000,000 at 30 June 2025. This facility provides flexibility to the Organisation, allowing additional funds to be drawn down or repaid as required. The facility matures on 17 June 2028 and there are no required principal repayments under the terms of the facility until maturity date.
- Facility 2 – a $13,000,000 loan which is repaid when net RADs are received in relation to the Windsor Residential Aged Care facility. Principal repayments are based on 75% of the net RADs inflows on a monthly basis. The loan balance at 30 June 2025 was $12,000,000. The facility matures on 17 June 2028
- Facility 3 – an overdraft facility of $2,000,000. This facility was not in use at 30 June 2025 thus had a nil balance.

The loan facilities are subject to financial covenants, reported at the end of each quarter. These covenants consist of an Interest Cover Ratio, a Loan to Value Ratio, Occupancy Ratio and Liquidity Ratio. Subsequent to year end, at 30 September 2025 the Organisation complied with all financial covenants.

The Organisation has completed a detailed profitability and cash flow forecast for the period of at least 12 months following the approval of this financial report. Forecast cash flows indicates that the Organisation has sufficient cash, short-term liquid financial assets, and access to unused banking facilities available to meet its liabilities as and when they fall due and is expected to comply with financial covenants for a period of 12 months from the date of the approval of this financial report.

c) Use of judgements and estimates

The preparation of the Organisation's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of the Organisations' accounting policies and the reported amounts of revenues, expenses, assets and liabilities and the Organisation's disclosure of contingent liabilities.

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

Information about critical judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ended 30 June 2025 are included in the following notes:

- Note 2(b) – Going concern
- Note 12 – Financial assets
- Note 14 – Property, plant and equipment (including fair value measurement)

Note 3 Material accounting policies

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

a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Group has adopted amendments to AASB 1060 relating to Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants from 1 July 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. This resulted in a change in the accounting policy for the classification of liabilities that can be settled in a Group entity's own shares (e.g. convertible notes issued by a Group entity). Previously, the Group ignored all counterparty conversion options when classifying the related liabilities as current or non-current. Under the new policy, when a liability includes a counterparty conversion option whereby the liability may be settled by a transfer of a Group entity's own shares, the Group takes into account the conversion option in classifying the host liability as current or non-current unless the option is classified as equity under AASB 132. The Group's other liabilities were not impacted by the amendments.

Despite the change in policy, there is no retrospective impact on the comparative statement of financial position, as the Group had no outstanding convertible notes as at 30 June 2024. However, the Group issued new convertible notes during the year ended 30 June 2025, some of which have conversion options that are classified as liabilities. As such, these convertible notes are impacted by the revised policy. The related liabilities are classified as current at 30 June 2025 because the conversion option can be exercised by the note holders within 12 months after the reporting period (in this case at any time) – i.e. the Group does not have the right to defer settlement for at least 12 months after the reporting date.

The Group has applied the following standards for the first time for the annual reporting period commencing 1 April 2024:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current;
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-Current Liabilities with Covenants; and
- AASB 2023-3 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants.

b) Basis of consolidation

A controlled entity is any entity controlled by Jewish Care (Victoria) Inc. The consolidated financial statements comprise the financial statements of the Organisation and its subsidiary as at 30 June 2025. Control is achieved when the Organisation is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Organisation controls an investee only if the Organisation has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Details of the controlled entities are contained in Note 23.

All inter-organisation balances and transactions between entities in the Organisation, including any unrealised profits or losses, have been eliminated on consolidation. Where a controlled entity has entered or left the Organisation during the year its operating results have been included from the date control was obtained or until the date control ceased.

Note 3 Material accounting policies (continued)

c) Current versus non-current classification

The Organisation presents assets and liabilities in the consolidated statement of financial position based on a current or non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

d) Fair value measurement

The Organisation measures financial instruments and certain non-financial assets at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Organisation. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Organisation uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 3 Material accounting policies (continued)

d) Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within fair value, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Organisation has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of fair value, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Notes 10, 12, 21(b)
- Property, plant and equipment under revaluation model Notes 3(j), 14, 21(b)
- Financial instruments (including those carried at amortised cost) Notes 3(n), 3(o), 3(p)

e) Revenue recognition

AASB 15 Revenue from Contracts with Customers applies to all revenue arising from contracts with customers unless those contracts are in the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue recognised at an amount that reflects consideration to which an entity expects to be entitled in exchange for transferring good or services to a customer.

The Standard requires the Organisation to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contacts with their customers.

The transaction price is allocated to performance obligations based on the relative standalone selling process and recognised as revenue accordingly as those performance obligations are satisfied over time each day as the customer (or resident) simultaneously receives and consumes the benefits provided by the Organisation.

The provision of care to a resident is a single performance obligation. All performance obligations are considered to be met on a daily basis and therefore the organisation does not have any outstanding performance obligations that have not been met at reporting date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Organisation has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Note 3 Material accounting policies (continued)

e) Revenue recognition (continued)

Rendering of services

Revenue from the rendering of services is recognised upon the delivery of the service to the residents and clients.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as Available-for-sale (AFS), interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Dividends

Revenue is recognised when the Organisation's right to receive the payment is established, which is generally when shareholders approve the dividends as declared.

Government subsidies

AASB 1058 applies when an NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. Government subsidies is recognised in the consolidated statement of profit or loss and other comprehensive income when the Organisation satisfies the performance obligation stated in the funding agreements. If conditions are attached to the subsidies which must be satisfied before the Group is eligible to retain the contribution, the subsidies will be recognised in the consolidated statement of financial position as a contract liability until those conditions are satisfied.

Other revenue

Total revenue also includes the provision of accommodation bonds that is accounted for under AASB 16 Leases. Following the adoption of AASB 16 on 1 July 2019, other revenue includes an imputed non-cash charge for accommodation in respect of residents who have chosen to pay a refundable accommodation deposit or bond. The Maximum Permissible Interest Rate (MPIR) is the interest rate used in the calculation in respect of the imputed non-cash accommodation charge. Refer to Note 22(B) for further details.

Donations

Donation income is recognised as other income at the point in time where donations has been received.

f) Other grants

The Organisation initially recognises other grants related to assets as a contract liability if there is reasonable assurance that they will be received and the Organisation will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Organisation for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses has been recognised. In this case, the grant is recognised when it becomes receivable. Until the conditions are met, the grants are recognised as contract liabilities (deferred income) at the balance date on the Consolidated Statement of Financial Position.

g) Income taxes

Jewish Care (Victoria) Inc. is a recognised Public Benevolent Institution and its controlled entities are exempt charitable trusts under the provisions of the *Income Tax Assessment Act 1997* (as amended) and are therefore not subject to income taxes at this time. Accordingly, no income tax has been provided for the Organisation in these financial statements.

Note 3 Material accounting policies (continued)

h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense; or for receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority, is classified within operating cash flows.

i) Foreign currencies

The Organisation's consolidated financial statements are presented in Australian dollars, which is also the parent entity's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Organisation at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

j) Property, plant and equipment

Construction in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Organisation depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of property, plant and equipment shall be measured initially at cost. Where an asset is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition.

For items of property, plant and equipment subsequently measured under the Revaluation model; if the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase shall be recognised in other comprehensive income and accumulated in equity under the heading of Asset Revaluation Reserve. On the other hand, if the carrying amount of a class of assets decreased as a result of a revaluation, the net revaluation decrease shall be recognised in profit or loss. However, the net revaluation decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in any revaluation surplus in respect of that same class of assets. Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment shall be offset against one another within that class but shall not be offset in respect of assets in different classes.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 3 Material accounting policies (continued)

j) Property, plant and equipment (continued)

Land and buildings

Lands and buildings are measured on the fair value basis, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the policy of the Organisation to have an independent valuation performed every three years, with annual appraisals reviewed and endorsed by the Committee, unless there is an identifiable significant change in market conditions.

The Organisation views the carrying amounts of land and buildings as one asset class as per AASB 116. In the situation if the market value is above its carrying amount, any net revaluation increment arising is credited to the asset revaluation reserve.

Any net revaluation increment or decrement (impairment) arising is recognised as income or expense for the period, except where a credit balance exists in the asset revaluation reserve for that particular class of assets, in which case the net revaluation decrement is debited to the reserve, but only to the extent of the previous revaluation increment.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Works in progress represent the accumulated cost of materials and any other costs incurred relating to the works. These costs, amongst others, include labour, import duties, installation, assembly and professional fees incurred to bring the asset to the location and condition needed for it to operate in the manner intended by management. When the works are completed and the assets are ready for its intended use, these costs are then transferred to the relevant accounts and subject to the fair value revaluations policy. Depreciation of these assets commence when they are available for use and is computed using the straight-line method.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount is reviewed by the Committee to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected cash flows which will be received from the assets employed and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight-line basis over the useful lives of the assets to the Organisation commencing from the time the asset was held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets for the year ended 30 June 2025 and 2024 are:

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings	4%	Straight Line
Furniture fixtures and fittings	10%	Straight Line
Computer equipment	33%	Straight Line

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated funds.

Note 3 Material accounting policies (continued)

k) Leases

At inception of a contract, the Organisation 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.

Organisation as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Organisation is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Organisation will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Lease payments for operating leases, where substantially all risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Organisation as a lessee

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Organisation by the end of the lease term or the cost of the right-of-use asset reflects that the Organisation 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 Organisation's incremental borrowing rate. Generally, the Organisation uses its incremental borrowing rate as the discount rate.

Note 3 Material accounting policies (continued)

k) Leases (continued)

The Organisation determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Organisation's estimate of the amount expected to be payable under a residual value guarantee, if the Organisation 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 Organisation presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the consolidated statement of financial position.

Organisation as a lessor

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

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

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

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

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

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

Where residents have chosen a Residential Accommodation Deposit (RAD) or Bond arrangement, the Organisation has determined AASB 16 defines these arrangements to be a lease for accounting purposes with the Organisation acting as a lessor. For residents that have adopted to pay Daily Accommodation Payments (DAP), the Organisation has determined AASB 16 will not have a material change to the existing accounting treatment.

Note 3 Material accounting policies (continued)

k) Leases (continued)

Under a RAD or Bond arrangement, the Organisation has recognised a non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement. The accounting treatment required a non-cash increase on revenue for accommodation and a non-cash increase in financial cost on the outstanding RAD liability, with no net impact on the result for the year.

The imputed non-cash charge for the year ended 30 June 2025 for the provision of accommodation that is accounted in accordance with AASB 16 (refer note 4) was calculated based on applying the Maximum Permissible Interest Rate as at the date the resident was admitted for the period from when the RAD or Bond was received up to the date the balance was refunded. If the balance remained outstanding as at 30 June 2025 then the calculation was completed up to this date.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Where an asset is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Software

The cost of computer software is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software is amortised on a straight-line basis over 3 years after it is commissioned.

n) Financial assets

Initial recognition and measurement

AASB 9 categorises financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). These supersede AASB 139's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL.

Note 3 Material accounting policies (continued)

n) Financial assets (continued)

The Organisation measures at fair value or amortised cost, all financial assets previously held at fair value or amortised cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Organisation commits to purchase or sell the asset.

The Organisation has designated it's investment portfolio at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance income for positive or finance costs for negative net changes in fair value in the statement of profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 11.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Organisation's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- The Organisation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the
- Organisation has transferred substantially all the risks and rewards of the asset, or (b) the Organisation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Organisation has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Organisation continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Organisation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Organisation has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Organisation could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions (Note 3)
- Financial assets (Note 12, 24)
- Trade receivables (Note 11)

Note 3 Material accounting policies (continued)

n) Financial assets (continued)

The Organisation assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Organisation first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Organisation determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Organisation. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

o) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Organisation's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Organisation has not designated any financial liability as at fair value through profit or loss.

Note 3 Material accounting policies (continued)

o) Financial liabilities (continued)

Loans and borrowings

This is the category most relevant to the Organisation. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest bearing loans and borrowings. For more information refer to Note 19.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions (Note 3)
- Property, plant and equipment (Note 14)
- Intangible assets (Note 15)

The Organisation assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Organisation estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU) fair value less costs of disposal and its value in use. The recoverable amount 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Organisation bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Organisation's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

Note 3 Material accounting policies (continued)

p) Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Organisation estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor 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 the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually as at 30 June at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

q) Cash and cash equivalents

Cash comprises cash on hand and cash equivalents comprises cash at bank.

r) Provisions

General

Provisions are recognised when the Organisation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Organisation expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Salaries and wages

Liabilities for salaries and wages, including non-monetary benefits are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. The Organisation has re-evaluated employees' length of service and experience in accordance with the Enterprise Agreements and has recognised a liability for salaries and wages for pay point progression to be settled wholly within the next 12 months, for those employees qualifying under this provision.

Long service leave and annual leave

The Organisation does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The liability for long service leave and annual leave is recognised and 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, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality Australian corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

s) Refundable accommodation deposits

Refundable Accommodation Deposits ("RADs") are accommodation bonds or deposits received from incoming residents which are held in trust for each individual resident and recognised as a current liability at the amount that would be payable upon discharge of the resident. This is the amount received on entry of the resident less deductions for fees/retentions from each RAD account according to the statutory requirements. These liabilities are considered to be current as the Organisation does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

Note 3 Material accounting policies (continued)

t) Operating cash flow

Daily inflows and outflows of refundable accommodation deposits are considered by the Organisation to be a normal part of the operations of the business and are utilised at the discretion of the Organisation within the guidelines set out by the Prudential Compliance Standards and are therefore classified as an operating activity.

u) Comparatives

Where necessary, comparative figures have been reclassified and repositioned for consistency with current year disclosures.

v) Assets held for sale

The Organisation classifies non-current assets as held for sale if their carrying amount will be recovered principally through sale rather than through continuing use and a sale is considered highly probable in accordance with criteria specified in *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*. Such non-current assets are held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Note 4 Other revenue

	2025 $	2024 $
Annual Appeal donations	4,089,331	3,887,103
Bequests	1,692,302	1,938,614
Capital Appeal donations	777,000	996,200
General donations	282,684	1,002,241
Other grants	1,154,270	780,119
Imputed revenue on RAD and Bond balances	5,360,784	3,994,058
Other	18,824	26,591
TOTAL OTHER REVENUES	**13,375,195**	**12,624,926**

Note 5 Employee benefit expenses

	2025 $	2024 $
Salaries, wages and related costs	64,491,056	59,318,107
Superannuation	7,028,486	6,176,704
Workcover expenses	1,456,740	1,826,555
TOTAL EMPLOYEE BENEFITS EXPENSE	**72,976,282**	**67,321,366**

Note 6 Depreciation and amortisation expenses

	2025 $	2024 $
Computer equipment	317,509	479,409
Buildings	5,530,034	5,617,864
Right-of-use assets	39,873	140,457
Software	173,831	118,389
Furniture, fixtures, fittings	1,102,764	1,111,451
Motor vehicles	25,321	25,322
TOTAL DEPRECIATION AND AMORTISATION EXPENSES	**7,189,332**	**7,492,892**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 7 Other expenses

	2025 $	2024 $
Travel and motor vehicle expense	937,634	806,615
Rates and insurances	849,421	800,134
Rental expenses	-	17,118
Other expenses	59,697	94,044
TOTAL OTHER EXPENSES	**1,846,752**	**1,717,911**

Note 8 Net finance costs

	2025 $	2024 $
8(a) FINANCE INCOME		
Interest income	367,951	426,981
Changes in fair value on investments	54,786	230,044
TOTAL FINANCE INCOME	**422,737**	**657,025**
8(b) FINANCE COSTS		
Interest expense on interest bearing loans	(1,571,537)	(1,906,613)
Interest expense on lease liabilities	(32,152)	(9,851)
Imputed finance cost on RAD and Bond balances	(5,360,784)	(3,994,058)
TOTAL FINANCE COSTS	**(6,964,473)**	**(5,910,522)**
NET FINANCE COSTS	**(6,541,736)**	**(5,253,497)**

Note 9 Income tax

Jewish Care (Victoria) Inc. is a recognised Public Benevolent Institution and the controlled entities are exempt charitable trusts under the provisions of the Income Tax Assessment Act 1997 (as amended) and are therefore not subject to income taxes at this time. Accordingly, no income tax has been provided for the Organisation in these financial statements.

Note 10 Cash and cash equivalents

	2025 $	2024 $
Cash on hand	2,160	2,559
Cash at bank	12,543,638	4,830,119
TOTAL CASH AND CASH EQUIVALENTS	**12,545,798**	**4,832,678**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 11 Trade and other receivables

	2025 $	2024 $
CURRENT		
Trade debtors	3,637,620	3,494,305
Allowance for expected credit losses	(541,298)	(403,863)
	3,096,322	**3,090,442**
Net goods and services tax recoverable	354,275	215,468
Other debtors	1,399,725	1,605,921
Empower loan debtors	1,302,416	1,134,723
Accrued income	151,612	300,102
Claims conference funding receivable	741,980	-
	3,950,008	**3,256,214**
TOTAL CURRENT RECEIVABLES	**7,046,330**	**6,346,656**
NON-CURRENT		
Loan debtors	1,223,712	1,061,284
Allowance for expected credit losses	(69,867)	(71,631)
TOTAL NON-CURRENT RECEIVABLES	**1,153,845**	**989,653**

Impairment losses

Impairment losses on financial assets recognised in profit or loss were as follows.

	2025 $	2024 $
Impairment loss on trade receivables	89,954	165,424

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The expected credit loss (ECL) rates applied as at 30 June 2025 are based on an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes also taking into account current conditions and forecasts of future economic outcomes. The ECL provision amount has considered a forward-looking adjustment taking into account any likelihood of a client's probability of default.

Note 12 Financial assets

	2025 $	2024 $
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		
Equity securities - refer to Note 24(c)	591,396	3,046,997
Corporate debt securities - refer to Note 24(c)	657	631
	592,053	**3,047,628**
FINANCIAL ASSETS MEASURED AT AMORTISED COST		
Held to maturity investments - refer to Note 24(c)	-	2,601,906
	-	**2,601,906**
TOTAL FINANCIAL ASSETS	**592,053**	**5,649,534**

Note 13 Other assets

	2025 $	2024 $
CURRENT		
Prepayments and deposits	596,572	862,570
TOTAL OTHER ASSETS	**596,572**	**862,570**
NON-CURRENT		
Prepayments and deposits	14,764	588,930
TOTAL OTHER ASSETS	**14,764**	**588,930**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 14 Property, plant and equipment

	Land and buildings, at revalued amount	Work in progress	Motor vehicles	Lease Right-of-use assets	Furniture and fittings	Computer equipment	Total
	$	$	$	$	$	$	$
BALANCE AT 1 JULY 2024							
Gross carrying amount	303,226,192	150,715	126,609	553,035	19,287,985	6,238,073	329,582,609
Accumulated depreciation	(36,471,664)	-	(61,726)	(456,965)	(13,402,378)	(5,810,771)	(56,203,504)
NET CARRYING AMOUNT AT 1 JULY 2024	**266,754,528**	**150,715**	**64,883**	**96,070**	**5,885,607**	**427,302**	**273,379,105**
Additions	381,249	-	-	77,434	560,995	158,859	1,178,537
Write off	-	(150,715)	-	-	-	-	(150,715)
Net movement of revaluation reserve	(1,738,543)	-	-	-	-	-	(1,738,543)
Reclassifications	-	-	-	569,005	-	-	569,005
Depreciation expense	(5,530,034)	-	(25,321)	(39,873)	(1,102,764)	(317,509)	(7,015,501)
NET CARRYING AMOUNT AT 30 JUNE 2025	**259,867,200**	**-**	**39,562**	**702,636**	**5,343,838**	**268,652**	**266,221,888**
BALANCE AT 30 JUNE 2025							
Gross carrying amount	301,868,898	-	126,609	1,199,474	19,848,980	6,396,932	329,440,893
Accumulated depreciation	(42,001,698)	-	(87,047)	(496,838)	(14,505,142)	(6,128,280)	(63,219,005)
NET CARRYING AMOUNT AT 30 JUNE 2025	**259,867,200**	**-**	**39,562**	**702,636**	**5,343,838**	**268,652**	**266,221,888**

Note 14 Property, plant and equipment (continued)

Revaluation of land and buildings

As per the requirements of AASB 116 Property, Plant & Equipment, land and building are grouped as a separate asset class. Fair value is the amount that would be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction.

The Organisation obtains independent valuations for properties periodically. The Organisation obtains independent valuations for properties periodically. As at 30 June 2025, fair value is based on a combination of certain external valuations performed by Knight Frank (accredited independent valuer) who have experience valuing land and buildings (including residential aged care facilities), in addition to appraisals performed by the Organisation that have been reviewed and assessed by the Committee.

External valuations use assumptions and judgements in relation to future matters and current assumptions (and in effect market movements in property values). Significant valuation uncertainty clauses included within the external valuations are consistent with the guidelines issued by the Australian property Institute and highlighting that while valuations can be relied upon at 30 June 2025, there is market uncertainty and limited comparable transactions to provide a guide.

Fair value measurement disclosures for the revalued land and buildings are provided in Note 26 and refer to Note 19 for assets pledged as security by the Organisation.

Note 15 Intangible assets

	Software $	Total $
BALANCE AT 1 JULY 2024		
Gross carrying amount	3,405,177	3,405,177
Accumulated depreciation	(3,074,761)	(3,074,761)
NET CARRYING AMOUNT AT 1 JULY 2024	**330,416**	**330,416**
Additions	158,859	158,859
Amortisation	(173,831)	(173,831)
NET CARRYING AMOUNT 30 JUNE 2025	**315,444**	**315,444**
BALANCE AT 30 JUNE 2025		
Gross carrying amount	3,564,036	3,564,036
Accumulated depreciation	(3,248,592)	(3,248,592)
NET CARRYING AMOUNT AT 30 JUNE 2025	**315,444**	**315,444**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 16 Trade and other payables

	2025 $	2024 $
CURRENT		
Trade payables	1,618,262	72,597
CHSP Payable amounts	445,011	-
Other payables and accruals	4,793,822	4,390,052
TOTAL TRADE AND OTHER PAYABLES	**6,857,095**	**4,462,649**
NON-CURRENT		
CHSP payable amounts	445,012	890,023
TOTAL TRADE AND OTHER PAYABLES	**445,012**	**890,023**

The average credit period on purchases of goods and services is 30 days. Specific suppliers may choose to charge interest if the payable is not paid within their credit timeframe. The continuous monitoring of cashflow ensures that payables are paid within the required credit timeframes.

Note 17 Contract liabilities

	2025 $	2024 $
Commonwealth funded home care package payables	377,916	710,720
Deferred income - Government and other funding	1,932,817	4,486,424
Deferred income - claims conference	-	314,825
TOTAL CONTRACT LIABILITIES (DEFERRED INCOME)	**2,310,733**	**5,511,969**

Commonwealth funded home care packages are funds received from the Commonwealth Government that have not yet been recognised as income under the Consumer Directed Care (CDC) model of home care. When services to a home care client cease any funds not recognised as income are repayable to the Commonwealth Government and client and as a result are recognised as contract liabilities at 30 June 2025.

Note 18 Provisions

	2025 $	2024 $
CURRENT		
Employee benefits	7,347,656	6,760,733
TOTAL PROVISIONS	**7,347,656**	**6,760,733**
NON-CURRENT		
Employee benefits	1,958,272	1,813,766
TOTAL PROVISIONS	**1,958,272**	**1,813,766**

Provision is made for the Organisation’s liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits includes annual leave and long service entitlements. Benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Note 19 Interest bearing loans and borrowings

	2025 $	2024 $
CURRENT		
SECURED LIABILITIES		
Lease liabilities	37,061	34,898
Bank loans	-	2,000,000
TOTAL CURRENT INTEREST BEARING LOANS AND BORROWINGS	**37,061**	**2,034,898**
NON-CURRENT		
SECURED LIABILITIES		
Lease liabilities	102,798	66,717
Bank loans	21,839,228	26,479,852
TOTAL NON-CURRENT INTEREST BEARING LOANS AND BORROWINGS	**21,942,026**	**26,546,569**

As at 30 June 2025, the Organisation had financing facilities with the Commonwealth Bank, consisting of three facilities, which included a requirement to comply with financial covenants from 30 September 2025.

The loans are secured by a registered mortgage over the consolidated land and buildings of the Organisation. The financing facilities commenced on 17 June 2025 and have a 3 year term.

- Facility 1 – a revolving credit facility with a limit of $25,000,000, drawn to $10,000,000 at 30 June 2025. This facility provides flexibility to the Organisation, allowing additional funds to be drawn down or repaid as required. The facility matures on 17 June 2028 and there are no required principal repayments under the terms of the facility until maturity date.
- Facility 2 – a $13,000,000 loan which is repaid when net RADs are received in relation to the Windsor Residential Aged Care facility. Principal repayments are based on 75% of the net RADs inflows on a monthly basis. The loan balance at 30 June 2025 was $12,000,000. The facility matures on 17 June 2028
- Facility 3 – an overdraft facility of $2,000,000. This facility was not in use at 30 June 2025 thus had a nil balance.

Note 20 Refundable accommodation deposits

	2025 $	2024 $
Refundable accommodation deposits	75,210,910	63,112,911
TOTAL REFUNDABLE ACCOMMODATION DEPOSITS	**75,210,910**	**63,112,911**

Refundable accommodation deposits (RADs) are paid by residents upon their admission to facilities and are settled after a resident vacates the premises in accordance with the *Aged Care Act 1997*. Providers must pay a base interest rate on all refunds on RADs within legislated timeframes and must pay a penalty on refunds made outside legislated timeframes. RAD balances held prior to 1 July 2014 are reduced by annual retention fees charged in accordance with the *Aged Care Act 1997.*

RAD refunds are guaranteed by the Commonwealth Government under the prudential standards legislation. Providers are required to have sufficient liquidity to ensure that they can refund RAD balances as they fall due in the following twelve months. Providers are also required to implement and maintain a liquidity management strategy. This is updated by the Organisation on an annual basis.

While refundable accommodation deposits are classified as a current liability given the possible timeframe for repayment of an individual RAD, it is unlikely that the RAD liability will be significantly reduced over the next twelve months. However, as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, it is classified as a current liability in accordance with the accounting standard *AASB 101 Presentation of Financial Statements.*

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 21 Reserves

	2025 $	2024 $
General reserves	1,369,550	1,369,550
Asset revaluation reserve	99,084,309	100,822,852
Other reserves	3,074,792	3,074,792
	103,528,651	**105,267,194**

a) General reserve

	2025 $	2024 $
Balance at the beginning and end of the year	**1,369,550**	**1,369,550**

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

b) Asset revaluation reserve

	2025 $	2024 $
Balance at the beginning of the year	100,822,852	98,694,519
Revaluation of land & buildings	(1,738,543)	2,425,215
Transfer to accumulated funds on sale of a property	-	(296,882)
BALANCE AT THE END OF THE YEAR	**99,084,309**	**100,822,852**

The asset revaluation reserve arises on the revaluation of land and buildings. Where revalued land or buildings are sold, that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to accumulated funds.

c) Other reserves

	2025 $	2024 $
Balance at the beginning and end of the year	**3,074,792**	**3,074,792**

Other reserves represent donations received from Montefiore Home for the Aged Foundation Inc. (The Foundation) for the Organisation with the following conditions attached.

Commitments - Montefiore Home for the Aged Foundation Inc. (The Foundation)

The merger of the former Montefiore Homes for the Aged Incorporated and Jewish Community Services Incorporated to create Jewish Care (Victoria) Inc. (JCV) led to the winding up of the former Foundation. It was recognised prior to the winding up that some donations were made to the Foundation for certain specific purposes and although it was not a requirement of the winding up of the Foundation that the monies be used for the specific purpose, the Foundation and JCV agreed that it would be appropriate to fulfil in spirit the conditions attached to the specific purpose donations by obliging JCV to dedicate funds to the specific purposes on an ongoing basis.

Note 22 Leases

a) Leases as lessee

The Organisation has lease contracts for motor vehicles and other equipment with lease terms ranging between 2 to 5 years. Set out below are the carrying amounts of the right-of-use assets recognised and the movements during the period.

i) Right-of-use assets	Motor Vehicles $	Total $
BALANCE AT 1 JULY 2024	**96,070**	**96,070**
Additions	77,434	77,434
Reclassifications	569,005	569,005
Depreciation expense	(39,873)	(39,873)
BALANCE AT 30 JUNE 2025	**702,636**	**702,636**

ii) Amounts recognised in profit or loss	2025 $	2024 $
Expenses relating to short-term leases and leases of low-value assets that are not recognised as right-of-use assets	-	17,118

iii) Future lease payments	2025 $	2024 $
Less than one year	37,061	34,898
One to five years	102,798	66,717
More than five years	-	-
	139,859	**101,615**

iv) Extension options

The Organisation has included the impact of all extension options in the calculation of the lease liability and right of use assets recognised at 30 June 2025.

Note 22 Leases (continued)

b) Leases as lessor

For residents that have chosen a Residential Accommodation Deposit (RAD) or Bond arrangement, the organisation has determined that the adoption of AASB 16 will define these arrangements to be a lease for accounting purposes with the Organisation acting as a lessor. This includes operating lease revenue which is recognised on a straight-line basis over the length of stay. In additional revenue includes imputed revenue in relation to residents who have chosen to pay a RAD or Bond. This is a non-cash amount.

The imputed non-cash charge for the year ended 30 June 2025 was calculated based on applying the Maximum Permissible Interest Rate as at the date the RAD or Bond balance was received up to the date the balance was refunded. If the balance remained outstanding as at 30 June 2025, then the calculation was completed up to this date.

	2025 $	2024 $
Imputed revenue on RAD and Bond balances	5,360,784	3,994,058
Imputed finance cost on RAD and Bond balances	(5,360,784)	(3,994,058)

Note 23 Controlled entities

Name of entity	Country of Incorporation	Ownership interest %	 %
PARENT ENTITY			
Jewish Care (Victoria) Inc.	Australia	-	-
SUBSIDIARY			
The Melbourne Jewish Aid Society Incorporated	Australia	100	100

Principal activities of The Melbourne Jewish Aid Society Incorporated include overseeing the provision of assistance to distressed, unemployed or Jewish persons in financial need in the State of Victoria with the grant of interest free loans by the parent entity.

Note 24 Financial assets and financial liabilities

a) Financial assets – measured at amortised cost

	2025 $	2024 $
Cash and cash equivalents	12,545,798	4,832,678
Trade and other receivable	8,200,175	7,336,309
Held to maturity investments	-	2,601,906
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST	**20,745,973**	**14,770,893**

b) Financial assets – measured at fair value through profit or loss

	2025 $	2024 $
Equity securities	591,396	3,046,997
Corporate debt securities	657	631
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**592,053**	**3,047,628**

c) Financial liabilities – measured at amortised cost

	2025 $	2024 $
Trade and other payables	3,115,691	194,051
Interest bearing loans	21,839,228	28,479,852
Refundable accommodation deposits	75,210,910	63,112,911
TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	**100,165,829**	**91,786,814**

d) Financial risk management objectives and policies

Interest Rate Risk

The Organisation is exposed to interest rate risk as it invests at both fixed and variable interest rates. The risk is managed by adopting a conservative approach with regards to long and short-term investment strategies

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 25 Related parties

The parent entity of the Organisation is Jewish Care (Victoria) Inc. Note 23 provides information about the Organisation's structure, including details of the subsidiary. There were no transactions and outstanding balances that have been entered into with related parties for the relevant financial year.

a) Key management personnel compensation

The table below discloses the compensation recognised as an expense during the reporting period to key management personnel.

	2025 $	2024 $
Total key management personnel compensation	2,704,479	2,599,850

There were no Committee Members or other members of key management personnel that had control over the economic entities' operations.

There were no transactions with, or loans to and from, key management personnel.

b) Committee members

Lisa Kennett is a board member of Community Security Group (Vic) Limited which provides security advice to the Organisation. The total amounts paid for security advice was $21,975 (2024: $17,600).

No salaries, compensations or other benefits were paid or are payable to the Members in their capacity as Board Members.

Committee of Management

Details of the Committee of Management are listed below. All members of the Committee of Management held office during the period in an honorary capacity.

	Appointed	Retired
Ms Sharon Gdanski	14-Nov-19	-
Professor Sharon Goldfeld AM	27-Sep-16	-
Ms Lisa Kennett OAM	19-Nov-14	-
Mr Steven Klein	18-Nov-20	-
Ms Susie Ivany OAM	13-Nov-12	28-Nov-24
Mr Adam Joel	22-Nov-17	-
Mr Michael Schoenfeld	30-Nov-04	-
Mr Andrew Schwartz	29-Nov-05	-
Mr David Slade	24-Nov-22	-
Ms Simone Szalmuk-Singer	22-Nov-16	-
Adjunct Professor John Zelcer	10-Nov-21	28-Nov-24
Mr Justin Greenstein	29-Nov-24	-
Mr Reuben Zelwer	16-Nov-18	02-Oct-24

Note 26 Contingent liabilities

Included in the Property, plant & equipment balances in Note 14 is land at 619 St. Kilda Road Melbourne. The land has been subject to an external valuation at 30 June 2025 and is recorded under the fair value principle of market participants considering an asset "highest and best use" valued at $49,000,000. The title to the land has an encumbrance that may be amended by the Minister for Finance in the State Government of Victoria. The encumbrance requires that if the land were to be sold or transferred to an external party under a mortgagee sale, it is likely an amount would be payable to the State Government of Victoria under the approval arrangements. No amounts have been recorded or provided as liabilities in relation to any amounts as the Organisation has no plans to dispose of the asset at 30 June 2025 and an obligation to make any payment does not exist.

Note 27 Information relating to Jewish Care (Victoria) Inc. (the Parent)

	2025 $	2024 $
RESULTS OF THE PARENT		
(Loss) for the year	(7,729,577)	(5,378,633)
Other comprehensive (loss)/income for the year	(1,738,543)	2,425,215
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(9,468,120)**	**(2,953,418)**
FINANCIAL POSITION OF THE PARENT ENTITY AT YEAR END		
Current assets	20,780,728	17,691,413
Total assets	288,486,669	292,979,542
Current liabilities	91,763,455	81,883,160
Total liabilities	116,108,765	111,133,518
TOTAL EQUITY OF THE PARENT ENTITY COMPRISING:		
Reserves	105,267,169	105,267,169
Accumulated funds	68,849,278	76,578,830
	174,116,447	**181,845,999**

At 30 June 2025, the Organisation has not committed to any capital commitments (2024: $Nil)

The Organisation has pledged 619 St. Kilda Road Melbourne as collateral to the bank for the loan agreements.

Note 28 Auditor's remuneration

	2025 $	2024 $
AUDITORS OF THE GROUP - KPMG		
Audit and review of financial statements - Group	81,572	79,700
Grant and compliance audit	13,312	13,000
Other assurance services	10,800	21,500
TOTAL AUDITOR REMUNERATION	**105,684**	**114,200**

Note 29 Subsequent events

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

Declaration by Members of the Committee

In the opinion of the Committee of Management of Jewish Care (Victoria) Inc:

a) the Organisation is not publicly accountable;

b) The consolidated financial statements and notes that are set out on pages 7 to 39 are in accordance with the Australian Charities and Not-for-profits Commission Regulations 2022 (and its associated regulations) including:

   i) giving a true and fair view of the Organisation's consolidated financial position as at 30 June 2025 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 Regulations 2022 (and its associated regulations); and

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

Signed in accordance with a resolution of the Committee:

Dated at Melbourne 29 October 2025.

Sharon Gdanski	Lisa Kennett OAM
Treasurer	Co-President
Melbourne	Melbourne
29 October 2025	29 October 2025

Independent Auditor's Report

To the Committee of Management of Jewish Care (Victoria) Inc

Opinion

We have audited the ***Financial Report***, of the Jewish Care (Victoria) Inc. (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 2025, and of its financial performance and its cash flows for the year then ended; and

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

The ***Financial Report*** comprises:

i. Consolidated statement of financial position as at 30 June 2025.

ii. Consolidated statement of profit or loss and other 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.

iv. Members of the Committee declaration.

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

Basis for opinion

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

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

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012 and Regulations 2022* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Other Information is financial and non-financial information in Jewish Care (Victoria) Inc.'s annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Company's committee members are responsible for the Other Information.

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

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

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

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

Responsibilities of the Company's committee members for the Financial Report

The Company's committee members are responsible for:

i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC Act 2012 and Regulations 2022 and the Associations Incorporations Reform Act 2012

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'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 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 Company's committee members.

iv. Conclude on the appropriateness of the Company's committee members' 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'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 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 Company's committee members 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

Antoni Cinanni

Partner

Melbourne

29 October 2025