

FINANCIAL REPORT 2025



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30 June 2025

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UnitingCare Queensland

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Revenue			
Revenue from contracts with clients	B1	2,254,806	2,083,107
Other income	B1	127,351	98,173
Total revenue		2,382,157	2,181,280
Share of surplus in joint ventures	F3	68	655
Change in fair value of investment properties	C4	28,218	10,338
Expenses			
Salaries and employee expenses ¹		(1,462,516)	(1,370,633)
Supplies and services expenses	B2	(481,442)	(439,965)
Depreciation and amortisation expenses		(133,920)	(130,937)
Property expenses	B2	(170,046)	(154,198)
Other expenses	B2	(131,229)	(165,445)
Finance costs	B2	(39,292)	(28,848)
Total expenses		(2,418,445)	(2,290,026)
Deficit for the year		(8,002)	(97,753)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Gains on equity instruments measured at FVOCI ²	D2	1,465	2,702
<i>Items that will subsequently be reclassified to profit or loss</i>			
Gains on debt instruments measured at FVOCI ²	D2	688	117
Other comprehensive income for the year		2,153	2,819
Total comprehensive loss for the year		(5,849)	(94,934)

¹ Salaries and employee expenses includes agency staffing costs.

² Fair value through other comprehensive income (FVOCI).

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

UnitingCare Queensland
Consolidated statement of financial position
For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	D1.1	417,763	362,439
Trade and other receivables	C1.1	105,531	118,524
Financial assets	D2	47,580	41,426
Inventories	C1.2	23,905	23,092
Other assets	C1.3	75,149	50,796
Disposal group assets classified as held for sale	C6	36,600	-
Assets classified as held for sale		782	5,217
Total current assets		707,310	601,494
Non-current assets			
Property plant and equipment	C2.1	999,569	1,048,702
Right of use assets	C3	78,325	73,714
Investment properties	C4	737,508	670,355
Intangible assets	C5	24,771	36,729
Other assets	C1.3	2,548	2,446
Interests in other entities	F3	-	1,813
Total non-current assets		1,842,721	1,833,759
TOTAL ASSETS		2,550,031	2,435,253
Current liabilities			
Trade and other payables	C1.4	179,831	167,325
Ingoing contributions, RADs ¹ and accommodation bonds	D3	1,002,752	944,326
Lease liabilities	D4.1	24,160	19,127
Borrowings	D5	-	55,000
Employee benefits	E1	184,544	178,994
Other liabilities	C1.5	66,038	74,803
Provisions	C1.6	48,329	5,640
Liabilities directly associated with disposal group assets classified as held for sale	C6	65,914	-
Total current liabilities		1,571,568	1,445,215
Non-current liabilities			
Trade and other payables	C1.4	6,425	6,547
Lease liabilities	D4.1	62,929	62,904
Employee benefits	E1	22,074	20,199
Other liabilities	C1.5	50,452	44,644
Provisions	C1.6	6,793	20,105
Total non-current liabilities		148,673	154,399
TOTAL LIABILITIES		1,720,241	1,599,614
NET ASSETS		829,790	835,639
Equity			
Contributed funds		5,234	5,234
Properties revaluation reserve		23,689	23,689
Financial assets at FVOCI reserve		7,049	4,896
Accumulated funds		793,818	801,820
TOTAL EQUITY		829,790	835,639

¹ Refundable Accommodation Deposits (RADs)

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

UnitingCare Queensland
Consolidated statement of changes in funds
For the year ended 30 June 2025

		Contributed funds	Properties revaluation reserve	FVOCI reserve	Accumulated funds	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		5,234	23,689	2,077	899,573	930,573
Deficit for the year		-	-	-	(97,753)	(97,753)
Other comprehensive income	D2	-	-	2,819	-	2,819
Balance at 30 June 2024		5,234	23,689	4,896	801,820	835,639
Balance at 1 July 2024		5,234	23,689	4,896	801,820	835,639
Deficit for the year		-	-	-	(8,002)	(8,002)
Other comprehensive income	D2	-	-	2,153	-	2,153
Balance at 30 June 2025		5,234	23,689	7,049	793,818	829,790

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes.

UnitingCare Queensland
Notes to the consolidated financial statements
For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from clients, funding and others		2,260,610	2,139,234
Payments to suppliers and employees		(2,190,413)	(2,148,692)
Interest received		18,157	16,839
Interest and financing costs paid		(6,757)	(5,928)
Net cash inflow from operating activities	D1.2	81,597	1,453
Cash flows from investing activities			
Receipts from the sale of property, plant and equipment		19,691	15,370
Payments for property, plant and equipment		(109,666)	(138,302)
Payments for intangible assets		(96)	(225)
Receipts from capital grants for property, plant and equipment		13,373	22,789
Dividends received from investments in financial assets		1,322	443
Receipts from the sale of interests in joint ventures		7,500	-
Payments for investment properties		(266)	(2,047)
Receipts from the sale of financial assets		8,488	2,354
Payments to acquire financial assets		(11,897)	(2,571)
Net cash outflow from investing activities		(71,551)	(102,189)
Cash flows from financing activities			
Receipts from ingoing contributions and accommodation bonds		287,969	217,961
Repayments of ingoing contributions and accommodation bonds		(167,579)	(152,192)
Net receipts from ingoing contributions and accommodation bonds	D6	120,390	65,769
Receipts from borrowings		-	55,000
Repayments of borrowings		(55,000)	-
Net receipts from / (repayments of) borrowings	D6	(55,000)	55,000
Payments to reduce lease liabilities	D6	(20,112)	(17,801)
Net cash inflow from financing activities		45,278	102,968
Net increase in cash and cash equivalents		55,324	2,232
Cash and cash equivalents at beginning of year		362,439	360,207
Cash and cash equivalents at end of year	D1.1	417,763	362,439

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

A About UnitingCare Queensland

This section sets out the basis on which UnitingCare Queensland's financial report is prepared. Where a material accounting policy is specific to a note, the policy is described within that note.

A1 Our organisation

These financial statements comprise the consolidated financial statements of UCQ Ltd (the Company) and the entities it controls (together the Group, or UnitingCare Queensland). For the purposes of preparing the consolidated financial statements, UCQ Ltd is a not-for-profit entity.

UCQ Ltd is a public company limited by guarantee incorporated in Australia under the *Corporations Act 2001* and a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*. On 1 July 2024 UCQ Ltd became the parent entity of the Group and commenced transitioning the businesses of UnitingCare Queensland, UnitingCare Community, BlueCare and UnitingCare Health to UnitingCare Queensland Ltd. See Note A2.5 for information relating to the Group reorganisation.

The sole member of the Company is the Uniting Church in Australia Property Trust (Q.) (the Property Trust). The Property Trust has appointed the Board of UCQ Ltd to govern its activities in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulations 2022*, the *Uniting Church in Australia Act 1977* (Qld), the Uniting Church in Australia Basis of Union, Constitution & Regulations, the Uniting Church in Australia Queensland Synod By-Laws, and the UCQ Ltd Constitution.

Legal title to all real property beneficially utilised in the services provided by the Group is held by the Property Trust, or Australian Regional and Remote Community Services Ltd (ARRCS).

UnitingCare Queensland's principal continuing activities are delivering quality health, aged care, disability and community services across Queensland and the Northern Territory. The Group provides person-centred care and support services to thousands of people every day of the year, helping people live life in all its fullness.

The consolidated financial statements of the Group were authorised for issue on 7 October 2025 in accordance with a resolution of the Board of Directors.

The registered office and principal place of business of UnitingCare Queensland is Level 5, 192 Ann Street, Brisbane, Queensland 4000.

A2 Our financial statements

A2.1 Basis of preparation

These consolidated financial statements:

- are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs), other authoritative pronouncements issued by the Australian Accounting Standards Board, and the *Australian Charities and Not-for-profits Commission Act 2012*. In some circumstances, where permitted under the AASBs, the Group has elected to apply exemptions available to not-for-profit entities such as for volunteer services and concessional leases;
- have been prepared on the basis of historical cost, except for investment properties and financial assets which are measured at fair value;
- present all values in Australian dollars, which is the Group's functional currency, and have been rounded to the nearest thousand dollars, unless otherwise stated;
- adjust comparative balances, where applicable, to conform to changes in presentation for the current year; and
- do not early adopt any Australian Accounting Standards and Interpretations issued or amended but which are not yet effective.

A2.2 Statement of compliance

The Group does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* (AASB 1053) and is therefore eligible to apply the 'Tier 2' reporting framework under the Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements of those standards as modified by AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements of AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

A2 Our financial statements (continued)

A2.3 New and amended standards adopted

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2024. These are as follows:

Pronouncement	Impact
AASB 2022-5 <i>Amendments to Australian Accounting Standards - Lease liability in a sale and leaseback</i>	<p>This Standard requires a seller-lessee to measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains.</p> <p>The Group does not currently have sale and leaseback arrangements. The Group will apply the amendments if sale and leaseback arrangements are entered into in the future.</p>
AASB 2023-3 <i>Amendments to Australian Accounting Standards - Disclosure of non-current liabilities with covenants</i>	<p>This Standard clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification. It requires additional disclosures about the risk that non-current liabilities could become payable within 12 months after the reporting period because of difficulties with complying with the covenants.</p> <p>The amendments did not impact the classification of the Group's financial liabilities. Disclosures about covenants the Group is required to comply with are provided in Note D5.</p>
AASB 2024-1 <i>Amendments to Australian Accounting Standards - Supplier finance arrangements</i>	<p>This Standard requires the disclosure of information about the Group's supplier finance arrangements and their effect on the Group's liabilities and cash flows.</p> <p>The Group does not have any supplier finance arrangements in place. The Group will apply the amendments if supplier finance arrangements are entered into in the future.</p>

None of the above standards have had a material impact on the Group.

A2.4 Standards and interpretations in issue but not yet adopted

Apart from those presented below, there are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions:

Pronouncement	Effective for annual reporting periods beginning on or after	Impact
AASB 2014-10 <i>Amendments to Australian Accounting Standards - Sale or contribution of assets between an investor and its associates or joint venture (as amended)</i>	1 January 2028	<p>This Standard limits the recognition of a gain or loss arising from the loss of control of a subsidiary that does not control a business in a transaction with an associate or joint venture to the extent of the unrelated investors' interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries.</p> <p>The Group does not currently have such arrangements. The Group will apply the amended requirements if such arrangements are entered into in the future.</p>
AASB 2023-5 <i>Amendments to Australian Accounting Standards - Lack of exchangeability</i>	1 January 2025	<p>This Standard specifies how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>The Group does not currently hold foreign currencies. The Group will apply the amended requirements if it holds foreign currencies in the future.</p>

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

A2 Our financial statements (continued)

A2.4 Standards and interpretations in issue but not yet adopted (continued)

Pronouncement	Effective for annual reporting periods beginning on or after	Impact
AASB 2024-2 <i>Amendments to Australian Accounting Standards – Clarification and measurement of financial instruments</i>	1 January 2026	This Standard amends AASB 9 <i>Financial Instruments</i> (AASB 9) to introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements. The Group is currently investigating the impact of this amendment.
AASB 2025-1 <i>Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity</i>	1 January 2026	This Standard amends AASB 9 and AASB 7 <i>Financial Instruments: Disclosures</i> (AASB 7) by introducing additional guidance for contracts referencing nature-dependent electricity (often structured as power purchase agreements), including contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. Amendments added applications guidance to AASB 9 to clarify the 'own-use' criteria for contracts to buy electricity generated from nature-dependent sources. In respect of hedges for forecast electricity transactions the amendments to AASB 9 permit a variable nominal amount of the forecast electricity transaction to be designated as the hedged item that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument. The Group is currently investigating the impact of this amendment.
AASB 18 <i>Presentation and disclosure in financial statements (not-for-profit entities)</i>	1 January 2028	AASB 18 <i>Presentation and Disclosure in Financial Statements</i> (AASB 18) replaces AASB 101 <i>Presentation of Financial Statements</i> (AASB 101). It will not change the recognition and measurement of items in the financial statements, but it will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements. The Group is currently investigating the impact of this Standard.

A2.5 Basis of consolidation

The consolidated financial statements for UnitingCare Queensland consist of UCQ Ltd and its controlled entities as at and for the year ended 30 June each year. See Note F1 for information relating to subsidiaries. The Group controls an entity when it is exposed to, or has rights to, variable financial or non-financial returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Where the Group has less than a majority of the voting or similar rights of an investee, the Group considers all facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangements with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

A2 Our financial statements (continued)

A2.5 Basis of consolidation (continued)

Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised gains and losses from intra-group transactions, are eliminated in the preparation of the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Group reorganisation

In July 2024 the Group commenced transitioning the businesses of UnitingCare Queensland, UnitingCare Community, BlueCare and UnitingCare Health to UnitingCare Queensland Ltd, a not-for-profit public company limited by guarantee incorporated in Australia. The principal activities of the Group remain unchanged as a result of the group reorganisation.

Management has assessed that there has been no change in ultimate control over the businesses that have transitioned to UnitingCare Queensland Ltd. Accordingly, UnitingCare Queensland Ltd is not able to be identified as the acquiring entity, and the Group reorganisation does not constitute a business combination in accordance with AASB 3 *Business Combinations* (AASB 3). Management has chosen to adopt the predecessor value approach to measure the assets and liabilities of the businesses that have transitioned to UnitingCare Queensland Ltd. The predecessor value approach (i) measures assets and liabilities at their previous carrying value, with no fair value adjustments made at date of reorganisation, and (ii) does not require a restatement of comparative amounts in the financial statements.

A2.6 Going concern

The consolidated financial statements include the assumption that the Group will continue to operate as a going concern. The Group expects to be able to settle its liabilities as they arise in the ordinary course of business for at least the next 12 months. The following considerations have been taken into account when making this assumption.

Net current asset deficiency

The Group has a net current asset deficiency of \$864,258,000 (2024: \$843,721,000). This mainly arises because of the requirement to classify ingoing contributions, refundable accommodation deposits (RADs) and accommodation bonds of \$1,002,752,000 (2024: \$944,326,000) as current liabilities.

Ingoing contributions, RADs and accommodation bonds are classified as current liabilities because the Group does not have an unconditional right to defer settlement of any specific balance for at least 12 months after the reporting date. The total ingoing contributions, RADs and accommodation bonds liability represents the sum of separate payments from individual residents in different locations with differing circumstances, and frequently a departing resident may be replaced quickly by a new ingoing contribution or RAD paying resident. The Group expects that, of the total ingoing contributions, RADs and accommodation bonds disclosed as a current liability, \$832,909,000 (2024: \$774,304,000) will not be repaid within 12 months (see Note D3).

In addition of the total employee benefits classified as a current liability, \$107,373,000 (2024: \$103,965,000) are expected to be settled after 12 months (see Note E1);

The Group has a cash advance facility of \$140,000,000 (2024: \$140,000,000) of which \$140,000,000 remains undrawn at 30 June 2025 (2024: \$85,000,000). This facility can be drawn upon to fund ingoing contributions, RADs and accommodation bond refunds should the Group experience significant RADs and bond net outflows. The Group also has a revolving bank guarantee facility of \$11,000,000 (2024: \$11,000,000) of which \$4,824,000 remains unused at 30 June 2025 (2024: \$4,824,000) (see Note D5).

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

A2 Our financial statements (continued)

A2.6 Going concern (continued)

The Group's adjusted net current asset position is reflected as follows:

	2025 \$'000	2024 ¹ \$'000
Net current asset deficiency	(864,258)	(843,721)
<i>Add back:</i> Ingoing contributions and accommodation bonds not expected to be repaid within 12 months	832,909	774,304
<i>Add back:</i> Ingoing contributions and accommodation bonds expected to be repaid within 12 months and replaced by new ingoing contributions and accommodation bonds	169,843	170,022
<i>Add back:</i> Current employee benefits not expected to be settled within 12 months	107,373	103,965
Total adjusted net current asset position	245,867	204,570

¹ The comparative information related to certain current assets and liabilities has been reclassified. Refer to Note A2.10 for more information.

A2.7 Economic dependency

The Group is partially dependent on Commonwealth, State and Territory Government subsidies and grants to fund its operations. The continued support and funding of community care and aged care program facilities by Commonwealth, State and Territory Governments are subject to regular reviews and accreditation requirements. The revenue from these Government entities is expected to continue in the foreseeable future. See Note G5.2 for information relating to government funding.

A2.8 Significant accounting judgements, estimates and assumptions

In preparing these consolidated financial statements, the Board and management have made judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical accounting judgements, estimates and assumptions are included in the following notes:

Accounting judgements, estimates and assumptions	Note
Deferred management fees	B1
Imputed DAP revenue on RAD and bond balances	B1
Expected credit losses on trade receivables	C1.1
Construction provision	C1.6
Perpetual lease arrangements	C2.1
Estimated useful life of property, plant and equipment	C2.1
Classification of investment properties	C4
Fair value estimate of investment properties	C4
Construction work in progress	C4
Capitalisation of configuration and customisation costs in software-as-a-service arrangements	C5
Refundable accommodation deposits	D3
Lease term and option renewals	D4.1
Incremental borrowing rates	D4.1
Annual and long service leave assumptions	E1

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Notes to the consolidated financial statements

For the year ended 30 June 2025

A2 Our financial statements (continued)

A2.9 Current and non-current classification

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

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

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

A2.10 Comparatives

During the year the Group made the following reclassifications to the financial statements:

- i. Fair value loss on resident loans was reclassified from other income to other expenses;
- ii. Construction provision was reclassified from non-current other liabilities to non-current provisions;
- iii. Accrued income for services provided not yet invoiced was reclassified from other receivables to contract receivables;
- iv. Portable long service leave reimbursement receivable was reclassified from employee benefits to other current assets; and
- v. Reclassifications of other minor asset and liability accounts were made to enhance comparability with the current year presentation.

Comparative amounts in the primary financial statements and relevant notes were reclassified for consistency.

A2.11 Goods and Services Tax (GST)

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the consolidated statement of financial position. Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows within the receipts from clients, funding and others, and payments to suppliers and employees.

A2.12 Income taxes

No provision for income tax has been made as the Group and each of the not-for-profit entities that comprise the Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act (1997)* and have been so endorsed by the Commissioner of Taxation.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

B Results for the Year

This section provides additional information on UnitingCare Queensland's results for the year, including details on revenue and expenses, that are considered most relevant in the context of the Group's operations.

B1 Revenue and other income

The Group primarily derives revenue from the provision of health, aged care, disability and community services across Queensland and the Northern Territory.

	2025 \$'000	2024 ¹ \$'000
Revenue from contracts with clients		
Aged care and community services	1,038,527	957,102
Hospital patient services	651,392	598,590
Family and disability services (grant funded programs)	226,771	196,648
Recoverable revenue (prosthesis)	125,435	122,090
National Disability Insurance Scheme (NDIS) services	53,386	60,622
Lifeline sales	68,078	64,358
Daily accommodation payments (DAP)	63,536	58,870
Deferred management fees (DMF)	18,171	16,401
Other hospital revenue ²	8,933	7,846
Other revenue from contracts with clients ³	577	580
Total revenue from contracts with clients	2,254,806	2,083,107
Other income		
Other not-for-profit income		
Capital grants	17,949	12,706
Fundraising and donations	7,165	5,911
Bequests (without performance obligations)	4,756	7,086
Lessor income		
Lessor income	20,556	21,821
Gain on sale of assets		
Gain on sale of property, plant and equipment	8,534	6,719
Gain on sale of investment in joint venture	5,619	-
Other income		
Investment income ⁴	2,413	1,459
Impairment reversals of non-financial assets	5,029	2,246
Other income ⁵	6,491	2,305
Interest income		
Uniting Church Investment Services (UCIS)	8,977	7,904
Imputed DAP revenue on RAD and bond balances	30,310	21,081
Other interest ⁶	9,552	8,935
Total other income	127,351	98,173

¹ The comparative information related to certain revenue items has been reclassified. Refer to Note A2.10 for more information.

² Other hospital revenue includes student placement and teaching fees, and onsite café and retail sales for hospitals.

³ Other revenue from contracts with clients includes onsite café and retail sales for residential aged care facilities and retirement villages.

⁴ Investment income includes fair value gains on financial assets measured at fair value through profit and loss, realised gains on sales of financial assets, and dividends on financial assets (see Note D2).

⁵ Other income includes income from insurance recoveries.

⁶ Other interest includes interest on cash at bank and short-term deposits held with banking institutions other than UCIS, interest on financial assets (see Note D2), and unwinding of discounts on deferred consideration receivable (see Note C1.3).

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

B1 Revenue and other income (continued)

Accounting judgements, estimates and assumptions

Deferred management fees	A significant source of estimation for the recognition of deferred management fees is the calculation of the expected resident occupancy period. This is calculated with reference to the Australian Bureau of Statistics Life tables and historical resident occupancy trends.
Imputed DAP revenue on RAD and bond balances	The Group has determined the use of the Maximum Permissible Interest Rate (MPIR) prevailing at the date of admission as the interest rate to be used in the calculation of the imputed DAP revenue on RAD and bond balances. The MPIR is a rate set by the Government and is used to calculate the DAP to applicable residents.

Accounting policies

Revenue from contracts with clients

Revenue is measured based on the consideration the Group expects to be entitled to in exchange for transferring promised goods or services as specified in a contract with a client. The Group recognises revenue when it transfers control over goods or provides a service to a client.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with clients, including significant payment terms, and the related revenue recognition policies.

Where an agreement is enforceable and contains sufficiently specific performance obligations for the Group to transfer goods or services to a third-party, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers* (AASB 15). Otherwise, revenue is accounted for under AASB 1058 *Income from Not-for-Profit Entities* (AASB 1058), whereby revenue is recognised upon receipt, except for certain capital grants noted below.

Type of good or service	Revenue recognition policies including nature and timing of satisfaction of performance obligations and significant payment terms
Aged care and community services	<p>This revenue stream includes revenue derived from Home Care Packages (HCP), Commonwealth Home Support Programme (CHSP), residential funding under Australian National Aged Care Classification (AN-ACC), basic daily fees, aged care supplements and client fees for services relating to aged care and community services.</p> <p>Performance obligations are deemed to be the delivery of the services relevant to the above programs. Services are provided primarily on a daily or monthly basis.</p> <p>Revenue is recognised over time when the services are performed and delivered.</p> <p>An accrued income asset representing the Group's right to consideration for services delivered but not yet invoiced is also recognised (see Note C1.3).</p>
Hospital patient services	<p>Performance obligations are deemed to be the delivery of the hospital patient services. Services are provided daily.</p> <p>Revenue is recognised daily as services are provided to hospital patients.</p> <p>A contract asset representing the Group's right to consideration for services delivered but not yet invoiced is also recognised (see Note C1.1).</p>
Family and disability services (grant funded programs)	<p>Grants are received for the funding of family, aged care, community and disability services programs. Where these specify certain specific performance obligations, the Group recognises revenue from services over time as performance obligations are satisfied. Such services are primarily provided on a daily or monthly basis.</p> <p>Any unused funds are to be returned to the funder unless otherwise agreed, and an associated grant funding liability is recognised (see Note C1.5).</p> <p>Cyclic and annual acquittals are required to be submitted to the funder for the majority of funded programs, in addition to output-based performance reporting. Funding is generally received quarterly or bi-annually in advance or in arrears.</p>

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

B1 Revenue and other income (continued)

Accounting policies (continued)

Revenue from contracts with clients (continued)

Type of good or service	Revenue recognition policies including nature and timing of satisfaction of performance obligations and significant payment terms
Recoverable revenue (prosthesis)	The Group performs medical procedures that require prosthesis. Performance obligations for prosthesis revenue are deemed to be the delivery of the contracted prosthesis. The Group is considered the principal in these transactions and therefore recognises revenue on a gross basis. Revenue is recognised on delivery of the goods to the patient.
NDIS services	The Group provides services to clients under the National Disability Insurance Scheme (NDIS) as identified in individual contracts. After the provision of the agreed services, the Group may submit a claim through the National Disability Insurance Agency (NDIA) or invoice a client directly for recoupment of revenue for the service. The Group recognises revenue from services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or a monthly basis. There are no related unused funds as claims or invoices for payment are submitted after services are provided.
Lifeline sales	The Group sells new and second-hand goods at its network of Lifeline Retail stores, including online. Goods sold in store come with a 14-day right of return. Goods sold online come with a 60-day right of return. Revenue is recognised on delivery of the goods to the client. Historically the amount of returns has not been material. As such, the full selling price is recognised as revenue.
Daily accommodation payments (DAP)	The Group has assessed its resident agreements relating to residential aged care accommodation arrangements to be leases under AASB 16 <i>Leases</i> (AASB 16) due to the security of tenure that these offer to its residents. The resident agreement only requires 14 days written notice to vacate. For arrangements where residents have elected to pay a DAP, the associated lessor revenue is accounted for under AASB 16.
Deferred management fees (DMF)	DMFs are amounts retained as income from ingoing contributions and are recognised over the expected period of resident occupancy in line with AASB 16. Where the expected period of resident occupancy differs from the contractual entitlement to DMF under the resident agreement, the Group recognises this difference as a deferred revenue liability (see Note C1.5).

Other not-for-profit income

The Group is the recipient of income that is accounted for in accordance with AASB 1058, which covers transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the Group to further its objectives. This includes the following:

(i) Capital grants

For capital grants received under an enforceable agreement where it includes a transfer to enable the Group to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the Group when completed, the Group recognises a capital grant funding liability for the excess of the fair value of the transfer over any related amounts recognised, and recognises income as it satisfies its obligations under the transfer (see Note C1.5).

As the capital grants received by the Group are primarily for the construction of buildings, the Group recognises income as the buildings are constructed (when it satisfies its obligations).

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

B1 Revenue and other income (continued)

Accounting policies (continued)

Other not-for-profit income (continued)

(ii) Fundraising, donations and bequests

Income is recognised when received, unless it contains sufficiently specific performance obligations that require it to be recognised in accordance with AASB 15, in which case the Group recognises an unearned income liability for the amount received, and recognises income as it satisfies its obligations under the donation (see Note C1.5).

Lessor income

Lessor income includes lease payments from operating leases recognised on a straight-line basis over the lease term in accordance with AASB 16. Lessor income also includes hospital car park income.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Imputed DAP revenue on RAD and bond balances

Accommodation services provided to residents who have chosen to pay a RAD or accommodation bond are accounted for as a lease under AASB 16. The Group has recognised as revenue an imputed non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement. The accounting treatment results in a non-cash increase in revenue for accommodation and a non-cash increase in finance costs on the outstanding RAD and accommodation bond balance, with no net impact on profit and loss for the year. See Note B2 for imputed interest expense on RAD and bond balances.

Sale and leaseback transactions

When the Group sells and leases back the same asset, the accounting treatment depends on whether the control of the asset has been transferred to the buyer and whether the lease is not exempt from the recognition requirements of AASB 16:

- If so, the Group measures the right of use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the rights retained by the Group as a seller-lessee. Accordingly, the Group recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor;
- If not, as a seller-lessee the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds.

Unrecognised revenue

(i) Volunteer services

The Group regularly receives volunteer services as part of its operations. Under AASB 1058, private sector not-for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured. The Group has elected not to recognise the receipt of volunteer services as revenue as the fair value cannot be measured reliably.

(ii) Donated inventories

As part of its operations, the Group receives donations of second-hand goods which may then be used in its activities. AASB 102 *Inventories* (AASB 102) requires donated inventories to be measured at current replacement cost and any related amounts to be accounted for under AASB 1058.

The Group has decided to make use of the practical expedient under AASB 102 and apply the materiality assessment at the individual item level (instead of the portfolio level) when recognising donated inventories. Based on an assessment, the Group has noted that it only receives individually immaterial donations of inventory and accordingly will not be required to recognise such donated inventories. Accordingly, no amounts are recognised in the financial statements for donated inventories (see Note C1.2).

UnitingCare Queensland
Notes to the consolidated financial statements
For the year ended 30 June 2025

B2 Expenses

This note presents a breakdown of specific expenses to help users understand the Group's financial performance.

	2025	2024¹
	\$'000	\$'000
Supplies and services expenses		
Patient services and supplies	271,891	256,890
Resident services and supplies	95,544	88,175
Cleaning and housekeeping	35,653	34,249
Other supplies and services ²	78,354	60,651
Total supplies and services expenses	481,442	439,965
Property expenses		
Repairs and maintenance expense	76,689	68,689
Communications and utilities expense	35,522	36,223
Motor vehicle expense	15,529	14,738
Property insurance	12,976	11,528
Rental expense	7,337	9,607
Rates and taxes	10,083	8,417
Other property expense ³	4,764	4,409
Impairment of non-financial assets expense	7,146	587
Total property expenses	170,046	154,198
Other expenses		
Consulting and professional fees	38,871	78,553
Software-as-a-service expense ⁴	13,751	20,981
Business expenses	20,494	20,833
Administrative and other expenses	24,843	22,002
Fair value loss on resident loans	23,577	13,756
Stewardship expenses	9,693	9,320
Total other expenses	131,229	165,445
Finance costs		
Imputed interest expense on RAD and bond balances	30,310	21,081
Interest expense on leases ⁵	4,097	3,931
Interest expense on borrowings	1,090	1,197
Interest expense	1,846	1,079
Bank charges and fees	1,949	1,560
Total finance costs	39,292	28,848

¹ The comparative information related to certain expense items has been reclassified. Refer to Note A2.10 for more information.

² Other supplies and services expenses include brokerage fees incurred under the Escaping Violence Program of \$65,933,000 (2024: \$48,380,000), and cost of inventories for Lifeline Retail of \$6,489,000 (2024: \$6,018,000) (see Note C1.2).

³ Other property expenses include fire prevention, security, waste disposal and workplace health and safety costs.

⁴ Software-as-a-service (SaaS) expense contains costs of developing and implementing SaaS platforms for the Group that do not meet the criteria for recognition as an intangible asset (see Note C5).

⁵ Includes interest expense on lease liabilities (see Note D4.1) and unwinding of discounts on lease restoration provisions (see Note C1.6).

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

B2 Expenses (continued)

Expense classifications

The Group's major categories of expenses have been disclosed above. We note that:

- Supplies and services expenses include the cost of goods sold and costs incurred in delivering services to patients, residents and customers;
- Property expenses comprise all costs associated with the ownership and maintenance of the Group's property, plant and equipment, investment properties, intangible assets, and leased assets;
- Other expenses include external contractors, consulting and professional fees, software-as-a-service expenses, stewardship and general business and administrative expenses; and
- Finance costs comprise interest expense on lease liabilities (see Note D4.1) and bank loans recognised using the effective interest method, imputed interest expense on RAD and bond balances under AASB 16 (see Note B1), and bank fees.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C Operating Assets and Liabilities

This section explains UnitingCare Queensland's operating asset base used to support the provision of health, aged care, disability and community services, and the liabilities incurred as a result.

C1 Working capital

C1.1 Trade and other receivables

Trade and other receivables primarily consist of amounts outstanding from governments, health funds, self-insured patients, and residents of aged care facilities and retirement villages, for delivering health, aged care, disability and community services.

	2025 \$'000	2024 ¹ \$'000
Trade receivables	95,916	100,298
Loss allowance	(17,106)	(12,826)
Net trade receivables	78,810	87,472
Contract assets ²	24,069	27,022
GST recoverable	2,560	3,426
Other receivables ³	92	604
Total trade and other receivables	105,531	118,524

¹ The comparative information related to trade receivables, contract assets, other receivables and GST recovered has been reclassified. Refer to Note A2.10 for more information.

² Contract assets include accrued income for services provided to patients not yet invoiced.

³ Other receivables include minor items such as fuel tax receivable and sundry debtors.

Ageing analysis

The ageing analysis of trade receivables at reporting date is as follows:

	Current - 90 days past due \$'000	90+ days past due \$'000	Total \$'000
30 June 2025			
Gross carrying amount - trade receivables	76,362	19,554	95,916
Loss allowance	(3,003)	(14,103)	(17,106)
Net trade receivables	73,359	5,451	78,810
30 June 2024			
Gross carrying amount - trade receivables	77,276	23,022	100,298
Loss allowance	(2,363)	(10,463)	(12,826)
Net trade receivables	74,913	12,559	87,472

Credit risk

Refer to Note D7.1(a) for details of the Group's exposure to credit risk on trade receivables.

Related party balances

Trade receivables contain balances with related parties. Refer to Note G2 for further details.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C1 Working capital (continued)

C1.1 Trade and other receivables (continued)

Allowance for expected credit losses

Movements in the allowance for expected credit losses were as follows:

	2025 \$'000	2024 \$'000
Opening loss allowance at the start of the year	12,826	9,605
Allowance arising during the year	8,026	3,939
Allowance utilised during the year	(3,746)	(718)
Closing loss allowance at the end of the year	17,106	12,826

Accounting judgements, estimates and assumptions

Expected credit losses on trade receivables	To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing profile. The expected loss rates are based on the historical payment profiles of debtors over a period of up to 12 months before 30 June 2025 and 30 June 2024 respectively. The historical loss rates are adjusted to reflect current and forward-looking information on economic factors affecting the ability of the clients to settle the receivables.
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Accounting policies

Trade receivables

Trade receivables are amounts due from clients for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are classified as current. No interest is charged on outstanding balances. Trade receivables are recognised initially at the transaction price unless they contain significant financing components, then they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and measures them subsequently at amortised cost using the effective interest method.

Loss allowance

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses in the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

An allowance for expected credit loss is recognised based on the difference between the contractual cash flows and the expected cash flows. The Group applies the simplified approach to measuring expected credit losses and uses a lifetime expected loss allowance for all trade receivables.

Contract assets

Contract assets representing the Group's right to consideration for services delivered but not yet invoiced is recognised as hospital patient services are rendered but not yet invoiced (see Note B1).

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C1 Working capital (continued)

C1.2 Inventories

Inventories mainly include medical supplies and prosthetics to be consumed in providing future patient services.

	2025 \$'000	2024 \$'000
Medical supplies	18,812	18,250
Other ¹	5,093	4,842
Total current inventories	23,905	23,092

¹ Other inventories include purchased consumer goods available for sale in Lifeline Retail stores.

Inventories expense

The cost of inventories recognised as an expense during the year was \$247,414,000 (2024: \$236,235,000). This expense has been included in the following expense categories in the statement of profit or loss and other comprehensive income: 'patient services and supplies' and 'other supplies and services.'

The Group has not recognised any impairment losses in profit or loss on inventories during the year (2024: \$Nil). The Group has also not pledged any inventories as security during the year (2024: \$Nil).

Accounting policies

Inventories

Purchased inventories are valued at the lower of weighted average cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Second-hand inventory donations are not recognised as an asset (see Note B1).

C1.3 Other assets

Other assets comprise prepayments, accrued income, deferred consideration, portable long service leave reimbursement, and funds held in trust.

	2025 \$'000	2024 ¹ \$'000
Current		
Prepayments	23,363	19,581
Accrued income	26,336	8,386
Deferred consideration	16,454	16,184
Other current assets ²	8,996	6,645
Total other current assets	75,149	50,796
Non-current		
Funds held in trust	2,548	2,446
Total other non-current assets	2,548	2,446

¹ The comparative information related to prepayments, accrued income and other current assets has been reclassified. Refer to Note A2.10 for more information.

² Other current assets include provision for portable long service leave reimbursement, security deposits on leased properties and imputation credits receivable arising on receipt of dividends from financial assets.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C1 Working capital (continued)

C1.3 Other assets (continued)

Deferred consideration

Deferred consideration comprises amounts receivable for the sale of financial or non-financial assets of the Group and includes the sale of two properties to the Property Trust of \$4,454,000 (2024: \$4,454,000) and \$12,000,000 (2024: \$11,730,000). This is disclosed as a related party balance (see Note G2).

Portable long service leave reimbursement

Portable long service leave for community services workers within Queensland's community services industry came into effect with the passing of the *Community Services Industry (Portable Long Service Leave) Act 2020*. The scheme is administered by QLeave. Other current assets comprise an estimate for the probable reimbursement receivable from QLeave under the scheme.

Funds held in trust

Funds held in trust are restricted in use to the purposes intended under the trust agreements. Only interest income earned from investment of the principal amounts is permitted to be used. Permitted uses include but are not limited to the promotion of staff development and training and the support of community care services.

Accounting policies

Deferred consideration

Deferred consideration comprises amounts due for sales of financial or non-financial assets. Deferred consideration expected to be settled within 12 months is recognised initially at the transaction price. Where deferred consideration is expected to be settled after 12 months, the transaction price is discounted to present value using an appropriate discount rate. The discount is recognised as other interest income in the statement of profit or loss and other comprehensive income (see Note B1).

C1.4 Trade and other payables

Trade and other payables consist of amounts owing to suppliers for goods and/or services delivered.

	2025 \$'000	2024 ¹ \$'000
Current		
Trade payables	74,455	79,428
Accrued expenses	105,376	87,897
Total current trade and other payables	179,831	167,325
Non-current		
Maintenance reserve funds	6,425	6,547
Total non-current trade and other payables	6,425	6,547

¹ The comparative information related to trade payables and accrued expenses has been reclassified. Refer to Note A2.10 for more information.

Maintenance reserve funds

Maintenance reserve funds are established under section 97 of the *Retirement Villages Act 1999* (Qld) for maintaining and repairing retirement villages' capital items. The amounts held in the maintenance reserve funds are solely for the benefit of the residents and the residents are solely responsible for contributing to the funds. The budget of the fund is set annually by an external quantity surveyor and drawn down as the allowed items are incurred.

Supplier finance arrangements

The Group has not entered into any supplier finance arrangements in the current financial year (2024: \$Nil).

Related party balances

Trade payables contain balances with related parties. Refer to Note G2 for further details.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C1 Working capital (continued)

C1.5 Other liabilities

Other liabilities predominantly comprise amounts received in advance of provision of services and include operational and capital grant funding, patient deposits, deferred revenue (being the difference between contractually accrued ingoing contributions and DMF revenue recognised based on expected resident occupancy), and prepaid long-term leases.

	2025 \$'000	2024 ¹ \$'000
Current		
Grant funding liabilities	32,380	36,079
Capital grant funding liabilities	24,030	28,606
Deferred revenue	3,911	3,968
Unearned income	5,474	4,363
Other current liabilities ²	243	1,787
Total other current liabilities	66,038	74,803
Non-current		
Deferred revenue	42,929	36,962
Unearned income	7,523	7,682
Total other non-current liabilities	50,452	44,644

¹ The comparative information related to grant funding liabilities, unearned income and other non-current liabilities has been reclassified. Refer to Note A2.10 for more information.

² Other current liabilities include resident fund account liabilities.

Unearned income

Unearned income includes a lease to Wesley Research Institute Ltd for a 99-year term that has been prepaid of \$7,682,000 (2024: \$7,842,000). This is disclosed as a related party balance (see Note G2). This lease does not have an option to renew or purchase the underlying asset at the expiry of the lease period. The Group has assessed this as an operating lease as it does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Accounting policies

Grant funding liabilities

Grant funding liabilities (including capital grants) comprise unfulfilled performance obligations for government and other grants received. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied or returned to the funder unless otherwise agreed (see Note B1).

Unearned income

Unearned income comprises unfulfilled performance obligations for donations, bequests and other receipts from clients or customers. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied (see Note B1).

Deferred revenue

Deferred revenue represents the difference between DMF income recognised over the expected period of resident occupancy and the contractual entitlement to DMF under the resident agreement. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied beyond the contractual DMF period (see Note B1).

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C1 Working capital (continued)

C1.6 Provisions

A provision is a liability with uncertain timing and amount, but the expected settlement amount can be reliably estimated by the Group. The main provisions held are in relation to construction provision for Sunrise Beach Retirement Village and lease restoration provisions on leased properties.

	2025 \$'000	2024 ¹ \$'000
Current		
Construction provision	40,230	-
Lease restoration provision	2,674	2,949
Other provisions ²	5,425	2,691
Total current provisions	48,329	5,640
Non-current		
Construction provision	-	13,773
Lease restoration provision	6,793	6,332
Total non-current provisions	6,793	20,105

¹ The comparative information related to non-current provisions has been reclassified. Refer to Note A2.10 for more information.

² Other provisions include estimated costs arising from private health fund audits.

Movements in provisions were as follows:

	Construction \$'000	Lease Restoration \$'000	Other \$'000	Total \$'000
Carrying amount at 1 July 2024	13,773	9,281	2,691	25,745
Provisions arising during the year ¹	26,457	1,692	4,374	32,523
Provisions utilised during the year	-	(1,506)	(1,640)	(3,146)
Carrying amount at 30 June 2025	40,230	9,467	5,425	55,122
Carrying amount at 1 July 2023	-	10,941	2,074	13,015
Provisions arising during the year ¹	13,773	1,631	2,192	17,596
Provisions utilised during the year	-	(3,291)	(1,575)	(4,866)
Carrying amount at 30 June 2024	13,773	9,281	2,691	25,745

¹ Provisions arising during the year includes the unwinding of discounts on lease restoration provision (see Note B2).

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C1 Working capital (continued)

C1.6 Provisions (continued)

Accounting judgements, estimates and assumptions

Construction provision	A construction provision is recognised for estimated construction costs incurred to date on the Sunrise Beach Retirement Village development. Management uses a construction cost and stage of completion estimate performed by an independent quantity surveyor to estimate the value of the construction provision and associated investment property capital work in progress at reporting date (see Note C4).
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Accounting policies

Provisions

Provisions are recognised when the Group 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.

Construction provision

The Group has appointed an external development manager who is responsible for funding the development of the BlueCare Sunrise Beach Retirement Village and bears the development and construction risk. In consideration, the development manager is entitled to a development fee equal to the entry fee paid by each first resident of the completed village.

The Group has the right to terminate the development during construction at which point it would become liable for construction costs incurred to date. Whilst it is considered unlikely that any liability will become payable for early termination, the Group has determined that it has an irrevocable obligation for costs incurred at reporting date.

The retirement village is to be completed in stages. On completion of construction of each stage, the Group will have a present obligation to pay the development manager the development fee equal to the entry fee paid by each first resident of the completed stage. The provision relating to each stage will be reclassified as a development fee liability (a financial liability to be presented within other liabilities) and initially measured as the entry fee payable on by each first resident. The development fee is paid to the development manager on a per unit basis when the entry fee is paid by the first resident. As the entry fee is equivalent to an ingoing contribution, and the Group contracts with each individual resident, an ingoing contribution liability is subsequently recognised on derecognition of the development fee liability.

Lease restoration provisions

Lease restoration provisions comprise an estimate of the cost to restore leased properties to their original condition on expiry (or surrender) of the lease agreement. Lease restoration provisions on lease agreements are initially measured at the present value of the estimated cost of restoration on expiry (or surrender) of the lease agreement, discounted to present value using an appropriate discount rate. Lease restoration provisions are included in the cost of the right of use asset for leases subject to the recognition and measurement requirements of AASB 16 (see Note C3). If the lease agreement is short-term and exempt from AASB 16, the Group initially measures the lease restoration provision at the undiscounted estimated cost of restoration.

Lease restoration provision values are reviewed at each reporting date and adjusted if appropriate.

UnitingCare Queensland
Notes to the consolidated financial statements
For the year ended 30 June 2025

C2 Property, plant and equipment

C2.1 Property, plant and equipment

Property plant and equipment represents the investment by the Group in tangible assets such as land, buildings and plant and equipment. It also includes capital works in progress.

	Work in progress \$'000	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
2025				
Cost	54,284	1,394,208	702,728	2,151,220
Accumulated depreciation	-	(654,289)	(497,362)	(1,151,651)
Carrying amount at 30 June 2025	54,284	739,919	205,366	999,569
Carrying amount at 1 July 2024	56,981	759,450	232,271	1,048,702
Additions	85,648	4,330	19,688	109,666
Disposals and derecognitions	(2,965)	(591)	(1,836)	(5,392)
Transfers: from work in progress ²	(78,234)	48,316	16,521	(13,397)
Transfers: to disposal group assets classified as held for sale	-	(29,222)	(7,378)	(36,600)
Transfers: from assets classified as held for sale	-	358	-	358
Depreciation	-	(47,751)	(53,900)	(101,651)
Impairment reversals	-	5,029	-	5,029
Impairment losses	(7,146)	-	-	(7,146)
Carrying amount at 30 June 2025	54,284	739,919	205,366	999,569
2024¹				
Cost	56,981	1,421,833	708,305	2,187,119
Accumulated depreciation	-	(662,383)	(476,034)	(1,138,417)
Carrying amount at 30 June 2024	56,981	759,450	232,271	1,048,702
Carrying amount at 1 July 2023	105,686	723,534	223,952	1,053,172
Additions	106,520	7,620	23,818	137,958
Disposals and derecognitions	(3,243)	(1,958)	(1,959)	(7,160)
Transfers: from work in progress	(151,395)	85,531	38,551	(27,313)
Transfers: to assets held for sale	-	(5,217)	-	(5,217)
Transfers: between asset classes	-	(3,094)	3,094	-
Depreciation	-	(46,966)	(55,185)	(102,151)
Impairment losses	(587)	-	-	(587)
Carrying amount at 30 June 2024	56,981	759,450	232,271	1,048,702

¹ The comparative information related to work in progress and plant and equipment has been reclassified. Refer to Note A2.10 for more information.

² Certain transfers out of work in progress have been recognised as additions to investment properties and intangible assets in Note C4 and Note C5.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C2 Property, plant and equipment (continued)

C2.1 Property, plant and equipment (continued)

Assets classified as held for sale

Land assets with a cost of \$1,140,000 that were previously classified as held for sale did not sell in the current financial year. Of these, the Group continues to actively market \$782,000 of land for sale and expects a sale to occur within the next 12 months. The Group has ceased actively marketing \$358,000 of land which has been returned to land and buildings in the current financial year. No additional assets have been classified as held for sale by the Group (2024: \$5,217,000).

The Group has not recognised any impairment losses in respect of the above reclassifications.

Disposal group assets classified as held for sale

In May 2025 the Group signed a contract to sell a number of Residential Aged Care Facilities and Retirement Villages which completed in July 2025. Land, buildings, plant and equipment totalling \$36,600,000 have been reclassified to disposal groups held for sale (see Note C6).

The Group has not recognised any impairment losses in respect of the above reclassifications.

Property, plant and equipment pledged as security

Freehold land and buildings with a carrying amount of \$160,734,000 (2024: \$165,839,000) have been pledged as security by the Property Trust for the ANZ cash advance facility. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity without the approval from the ANZ Banking Group Ltd (see Note D5).

As at 30 June 2025, freehold land and buildings with a carrying amount of \$3,466,000 (2024: \$3,631,000) have been pledged to the Queensland Government by the Property Trust to secure grant funding under a mortgage. The Group is able to pledge these assets as security for other borrowings provided that the funder remains as a second mortgagee. In addition, freehold land and buildings with a carrying amount of \$284,000 (2024: \$330,000) have been pledged to the Commonwealth Government to secure grant funding under a mortgage.

In total, property, plant and equipment of \$3,750,000 (2024: \$3,961,000) which is 0.4% (2024: 0.4%) of total property, plant and equipment, has been or will be pledged to secure government grants.

Land held under Deed of Grant in Trust (DOGIT)

The Group holds 5 (2024: 5) properties with a carrying amount of \$3,901,000 (2024: \$3,901,000) that are subject to a Deed of Grant In Trust (DOGIT) in accordance with the *Land Act 1994* (Qld). A DOGIT is a form of land tenure that restricts land use for a specific purpose. The Group classifies land subject to a DOGIT as land measured at cost less accumulated impairment losses.

Accounting judgements, estimates and assumptions

Perpetual lease arrangements	Legal title to all real property beneficially utilised in the services provided by the Group is held by the Property Trust (except for ARRCs Ltd which retains legal title to its own real property). Management has determined that this arrangement is a perpetual lease as the Property Trust provides the Group with rights to use real property into perpetuity. Perpetual leases are effectively a form of ownership interest in an asset that lasts forever. As the Group controls the underlying assets into perpetuity, is exposed to the risks and rewards of ownership, and uses the assets in its operations, it classifies perpetual leases of real property as property plant and equipment in its financial statements.
Estimated useful life of property, plant and equipment	The estimated useful lives of property, plant and equipment are assessed annually. This assessment takes into consideration legislative and safety requirements and plans to ensure continued compliance therewith. The estimated useful lives reflect existing redevelopment plans which are also subject to review based on requirements and cost. Future changes to the redevelopment program may impact on the assessment of useful lives with a corresponding impact on depreciation expense in future periods.

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Notes to the consolidated financial statements

For the year ended 30 June 2025

C2 Property, plant and equipment (continued)

C2.1 Property, plant and equipment (continued)

Accounting policies

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of profit or loss and other comprehensive income.

The cost of capital works in progress includes directly attributable expenditure including the cost of materials, direct labour, an initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located, an appropriate proportion of production overheads and directly attributable borrowing costs.

Assets whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use are classified as assets held for sale. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. For a sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, an active program to locate a buyer and complete the plan must have been initiated, and the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the consolidated statement of profit or loss and other comprehensive income. Land is not depreciated.

The depreciation expense is recognised in 'depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings and improvements	Up to 50 years
Plant and equipment - general	1 to 50 years
Plant and equipment - motor vehicles	1 to 13 years

Assets are depreciated on a straight-line basis from the date of acquisition or from the time an asset is completed and held ready for use.

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

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C2 Property, plant and equipment (continued)

C2.1 Property, plant and equipment (continued)

Accounting policies (continued)

Impairment of assets

The carrying values of property, plant and equipment are reviewed annually to determine whether there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the current replacement cost of the asset.

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

C2.2 Commitments for capital expenditure

Commitments for capital expenditure are the Group's contractual obligation to make future payments in relation to purchases of property plant and equipment. Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2025 \$'000	2024 ¹ \$'000
Not later than one year		
Buildings	23,903	19,926
Plant and equipment	3,323	988
Total not later than one year	27,226	20,914
Later than one year and not later than five years		
Buildings	-	974
Total commitments for capital expenditure	27,226	21,888

¹ The comparative information related to commitments for capital expenditure has been reclassified. Refer to Note A2.10 for more information.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C3 Right of use assets

A right of use asset represents the Group's right to use an asset over the life of a lease. See Note D4.1 for the Group's lease arrangements and related lease liabilities recognised.

	Land and buildings \$'000	Motor vehicles \$'000	Equipment \$'000	Total \$'000
2025				
Cost	133,224	19,093	3,414	155,731
Accumulated depreciation	(70,539)	(5,656)	(1,211)	(77,406)
Carrying amount at 30 June 2025	62,685	13,437	2,203	78,325
Carrying amount at 1 July 2024	68,880	4,817	17	73,714
Additions	7,918	10,807	2,500	21,225
Depreciation	(17,586)	(2,818)	(314)	(20,718)
Lease modifications	3,473	631	-	4,104
Carrying amount at 30 June 2025	62,685	13,437	2,203	78,325
2024				
Cost	125,054	8,134	3,554	136,742
Accumulated depreciation	(56,174)	(3,317)	(3,537)	(63,028)
Carrying amount at 30 June 2024	68,880	4,817	17	73,714
Carrying amount at 1 July 2023	30,866	2,257	34	33,157
Additions	10,532	4,619	-	15,151
Depreciation	(16,950)	(2,059)	(17)	(19,026)
Lease modifications	42,186	-	-	42,186
Impairment reversals	2,246	-	-	2,246
Carrying amount at 30 June 2024	68,880	4,817	17	73,714

Right of use assets pledged as security

Leased motor vehicle right of use assets with a carrying amount value of \$13,437,000 (2024: \$4,817,000) are pledged as security under the terms of the lease (see Note D4.1).

Accounting policies

Recognition and measurement

The Group recognises right of use assets at the commencement date of the lease which is when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised (see Note D4.1), lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred by the Group, and an estimate of costs incurred in restoring the underlying asset to the condition required by the terms and conditions of the lease (see Note C1.6). Unless the Group is reasonably certain to be able to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight line basis over the shorter of the estimated useful life of the assets and the lease term. The depreciation expense is recognised in the 'Depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income. Right of use assets are subject to annual impairment testing.

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Notes to the consolidated financial statements
For the year ended 30 June 2025

C4 Investment properties

Investment properties comprise the property held by the Group to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, or sale in the ordinary course of business.

	Work in progress \$'000	Investment properties \$'000	Total \$'000
Fair value at 1 July 2024	13,773	656,582	670,355
Additions	26,457	266	26,723
Disposals and derecognitions	-	(312)	(312)
Transfers: from work in progress	-	12,524	12,524
Change in fair value of investment properties	-	28,218	28,218
Fair value at 30 June 2025	40,230	697,278	737,508
Fair value at 1 July 2023	-	636,227	636,227
Additions	13,773	2,469	16,242
Disposals and derecognitions	-	(379)	(379)
Transfers: from work in progress	-	7,927	7,927
Change in fair value of investment properties	-	10,338	10,338
Fair value at 30 June 2024	13,773	656,582	670,355

Amounts recognised in consolidated statement of profit or loss and other comprehensive income are as follows:

	2025 \$'000	2024 \$'000
Deferred management fees	18,171	16,401
Change in fair value of investment properties	28,218	10,338
Valuation reconciliation:		
Fair value of investment properties	697,278	656,582
Less:		
Ingoing contributions	(470,804)	(449,555)
Deferred revenue	(35,716)	(34,010)
Valuation	190,758	173,017

Valuation approach

In determining market values, the Group obtains independent external valuations for its investment properties on a rolling basis at least every three years. As a result, 2 (2024: 3) investment properties accounting for 25% (2024: 37.5%) of the total number of investment properties have been independently valued. The remainder of the investment property portfolio is measured using the Group's internal valuation model.

Investment properties pledged as security

Freehold land with a carrying amount of \$4,344,000 (2024: \$4,237,000) has been pledged by the Property Trust to Keyton Retirement Villages as security for the Sunrise Beach Retirement Village development. The Group is not allowed to pledge these assets as security for other borrowings or sell them without the approval from Keyton.

Commitments for capital expenditure

The Group has not entered into any contractual obligations to make future payments in relation to purchases of investment property (2024: \$Nil).

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C4 Investment properties (continued)

Accounting judgements, estimates and assumptions

Classification of investment properties Significant management judgement has been applied to determine the classification of retirement units as investment properties. The Group has assessed the risks and rewards associated with ownership of the retirement units as remaining with the Group and not transferring to the occupier. The Group therefore recognises resident loans in respect of those occupied retirement units. The gross carrying amount of these units is recognised with reference to the relevant resident loan.

Fair value estimate of investment properties Investment properties are classified as level 3 in the fair value hierarchy as key assumptions used in their valuation are not observable. The following assumptions have been used in calculating the fair values of investment properties:

Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	2025	2024	
Expected market growth	2.6% to 3.5%	2.6% to 3.5%	Fair value increases with higher expected market growth
Average length of stay	5.0 to 13.7 years	3.9 to 13.7 years	Fair value decreases with higher length of stay
Risk adjusted discount rates	13.0% to 16.0%	13.0% to 16.0%	Fair value increases with lower discount rate

Construction work in progress Management uses construction cost and stage of completion estimate performed by an independent quantity surveyor to estimate the value of capital work in progress at reporting date and the associated construction provision (see Note C1.6).

Accounting policies

Recognition and measurement

Investment properties comprise the resort style retirement villages of the Group. This includes Independent Living Units, Serviced Apartments, common facilities and integral plant and equipment. Investment properties are initially measured at cost including any acquisition costs and are held to generate income from deferred management fees and the Group's share of the change in the market value of the investment.

Subsequently, investment properties are measured at fair value with any change therein recognised in the consolidated statement of profit or loss and other comprehensive income.

Fair value of investment properties under construction is primarily determined using direct comparison of active market prices, adjusted for any difference in the nature, location or stage of completion of the specific asset. Any gain or loss arising from a change in fair value is recognised in the consolidated statement of profit or loss and other comprehensive income.

The Group transfers property, plant and equipment to investment property when and only when there is a change in use. A change in use occurs when the property meets the definition of investment property and there is evidence of a change in use. At the date of reclassification, the relevant item of property, plant and equipment is measured at fair value, with the fair value gain recognised as other comprehensive income and taken to the properties revaluation reserve (see below).

Deferred management fee income from investment property is recognised as revenue on a straight-line basis over the expected period of the resident occupancy in line with AASB 16 (see Note B1).

Properties revaluation reserve

On 1 July 2018, the Group reclassified its resort-style retirement villages from property plant and equipment to investment properties. The difference at the date of change between carrying value and fair value was recognised in other comprehensive income and created the properties revaluation reserve. Fair value gains on subsequent transfers of property, plant and equipment to investment property on change in use have been treated consistently with this approach. On subsequent disposal of an investment property, the properties revaluation reserve relating to that property will be reclassified to accumulated funds. If any investment property is disposed, the gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal and is recognised in the consolidated statement of profit or loss and other comprehensive income in the year of disposal.

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Notes to the consolidated financial statements

For the year ended 30 June 2025

C5 Intangible assets

The Group's investment in intangible assets includes computer software acquired from third party vendors or developed in-house.

	2025 \$'000	2024 \$'000
Computer software		
Cost	182,187	184,553
Accumulated amortisation	(157,416)	(147,824)
Carrying amount at the end of the year	24,771	36,729
Computer software		
Carrying amount at the start of the year	36,729	26,878
Additions	96	225
Disposals and derecognitions	(1,376)	-
Transfers: from work in progress	873	19,386
Amortisation	(11,551)	(9,760)
Carrying amount at the end of the year	24,771	36,729

Significant intangible assets

During the year ended 30 June 2025, the Group carried the following significant intangible assets: client management systems (myCMS and Alayacare). The carrying value related to these intangible assets at year-end was \$5,709,000 and is expected to be amortised between four to eight years.

Commitments for capital expenditure

The Group has not entered into any contractual obligations to make future payments in relation to purchases of intangible assets (2024: \$Nil).

Accounting judgements, estimates and assumptions

Capitalisation of configuration and customisation costs in software-as-a-service arrangements	<p>In implementing SaaS arrangements, the Group has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement's cloud-based application.</p> <p>Judgement has been applied in determining whether the changes to the owned software meets the definition and recognition criteria for an intangible asset in accordance with AASB 138 <i>Intangible Assets</i> (AASB 138).</p>
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Notes to the consolidated financial statements

For the year ended 30 June 2025

C5 Intangible assets (continued)

Accounting policies

Recognition and measurement

Expenditure on research activities for software development is recognised in the consolidated statement of profit and loss and other comprehensive income when incurred.

Software development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development to be able to use or sell the asset. Otherwise, it is recognised in profit and loss and other comprehensive income as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the consolidated statement of profit and loss and other comprehensive income as incurred.

Amortisation

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit and loss. The amortisation expense is recognised in 'depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income.

The estimated useful life for software development costs is 1 to 15 years.

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

Impairment

Intangible assets are tested for impairment when an indicator of impairment exists. If the recoverable amount is less than its carrying value, an impairment loss is recorded to adjust the carrying value. The Group does not have intangibles with indefinite lives.

Software-as-a-service arrangements

Software-as-a-service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud providers application software, are recognised as operating expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability of, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate. Judgement is required to determine whether the additional code meets the definition of an intangible asset.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

C6 Disposal group classified as held for sale

In May 2025 the Group entered into a binding agreement to sell the following BlueCare Residential Aged Care Facilities and Retirement Villages:

- Emerald Avalon Aged Care Facility;
- Gracemere Aged Care Facility and Gracemere Gardens Retirement Village;
- Hervey Bay Masters Lodge Aged Care Facility and Masters Lodge Retirement Village;
- Ingham Bluehaven Aged Care Facility;
- Maleny Erowal Aged Care Facility and Ben Bryce Retirement Village;
- Mareeba Aged Care Facility; and
- Toogoolawah Alkira Aged Care Facility and Toogoolawah Alkira Retirement Village.

The Group completed the sale in July 2025 and has disclosed this as an event occurring after the reporting date (see Note G4). The assets and liabilities of the above sites have been reclassified as a disposal group held for sale as at 30 June 2025. The Group has not recognised any impairment losses in respect of this reclassification.

The carrying amounts of assets and liabilities in the disposal group are as follows:

	2025 \$'000	2024 \$'000
Disposal group assets classified as held for sale		
Property plant and equipment	36,600	-
Total disposal group assets classified as held for sale	36,600	-
Liabilities directly associated with disposal group assets classified as held for sale		
Ingoing contributions, RADs and accommodation bonds	61,460	-
Employee benefits	4,454	-
Total liabilities directly associated with disposal group assets classified as held for sale	65,914	-
Net assets of disposal group classified as held for sale	(29,314)	-

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

D Capital Structure and Financing

This section provides additional information on UnitingCare Queensland's capital structure, including cash and cash equivalents, financial assets, ingoing contributions, RADs and accommodation bonds, leases and bank borrowings. It also contains a summary of the Group's exposure to key financial risks, including interest rate, credit and liquidity risks, along with the Group's policies and strategies to mitigate these risks.

D1 Cash and cash equivalents

D1.1 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cash at bank and short-term deposits that are readily convertible to cash. This note presents the amount of cash at year end, together with a reconciliation of the Group's deficit to net cash flow from operating activities.

	2025 \$'000	2024 ¹ \$'000
Cash on hand	106	132
Cash at bank	198,744	144,924
Deposits – UCIS	183,913	182,383
Deposits – other	35,000	35,000
Total cash and cash equivalents	417,763	362,439
Restricted balances included within cash and cash equivalents		
Grant agreements and donations	30,568	25,759
<i>Restricted funds held under Retirement Villages Act 1999</i>		
Capital replacement funds	21,459	13,071
Maintenance reserve funds	6,266	6,275
General services funds	509	637
Total restricted balances	58,802	45,742

¹ The comparative information for cash on hand has been reclassified. Refer to Note A2.10 for more information.

Deposits with UCIS

Uniting Church Investment Services (UCIS) is the Treasury arm of the Property Trust. UCIS is a Religious Charitable Development Fund (RCDF) as it meets the definition of a banking business under the *Banking Act 1959* but is exempt from the requirement to be authorised under the Act. Deposits held with UCIS are disclosed as a related party balance (see Note G2).

Restricted balances

Restricted balances are restricted in use for certain purposes defined in either a grant agreement, trust agreement or other externally imposed requirements. The *Retirement Villages Act 1999* imposes statutory restrictions over all amounts held in capital replacement funds, maintenance reserve funds, and general services funds, which restricts the use for which these funds can be applied. These amounts are required to be held separately. In addition, all residential aged care bond deposits received since 1 October 2011, that have been expended on projects, meet the *Aged Care Act 1997* definition of "permitted purposes".

Interest

Cash at bank earns interest at floating rates based on daily bank deposit rates. Deposits are made for varying terms depending on the immediate cash requirements of the Group and earn interest at the respective deposit rates.

Interest rate risk

Refer to Note D7.2(a) for details of the Group's exposure to interest rate risk on cash and cash equivalents.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

D1 Cash and cash equivalents (continued)

D1.1 Cash and cash equivalents (continued)

Accounting policies

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits that are readily convertible to cash. For the purpose of the statement of cash flows, cash and cash equivalents are as defined above.

D1.2 Reconciliation of deficit to net cash flow from operating activities

	2025 \$'000	2024 \$'000
Deficit for the year	(8,002)	(97,753)
Depreciation and amortisation expense	133,920	130,937
Capital grants from government	(17,949)	(12,706)
Write-offs and impairment expense	7,146	587
Impairment reversals	(5,029)	(2,246)
Gain on sale of property, plant and equipment	(8,534)	(6,719)
Gain on sale of investments in joint ventures	(5,619)	-
Fair value loss on resident loans	23,577	13,756
Deferred management fee revenue and retentions	(18,171)	(16,401)
Share of profit in joint ventures	(68)	(655)
Change in fair value of investment properties	(28,218)	(10,338)
Fair value gain / (loss) on financial assets at Fair Value through Profit or Loss (FVTPL)	178	(514)
Investment income	(2,591)	(982)
Non-cash transactions included in the deficit for the year	200	1,424
Change in operating assets and liabilities:		
Decrease in trade and other receivables	12,993	2,465
(Increase) / decrease in prepayments	(3,782)	2,201
(Increase) in inventories	(813)	(1,989)
(Increase) / decrease in other assets	(20,571)	4,661
Increase / (decrease) in trade and other payables	12,506	(6,668)
(Decrease) in other liabilities	(4,189)	(3,625)
Increase in employee benefits and other provisions	14,613	6,018
Net cash inflow from operating activities	81,597	1,453

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

D2 Financial assets

The Group has established an investment portfolio comprising investments in financial assets including debt and equity instruments.

	2025 \$'000	2024 \$'000
Financial assets measured at fair value through profit or loss (FVTPL)	6,609	4,485
Investments in debt instruments classified as fair value through other comprehensive income (FVOCI)	18,399	15,332
Investments in equity instruments designated as fair value through other comprehensive income (FVOCI)	22,572	21,609
Total financial assets	47,580	41,426

Amounts recognised in profit or loss and other comprehensive income are as follows:

Income recognised in profit or loss

Included in investment income

Fair value (loss) / gain on financial assets measured at FVTPL	(178)	514
Realised gain on sale of financial assets and investments	1,695	333
Dividends on financial assets and investments	896	612
Total investment income	2,413	1,459

Included in interest income

Interest on financial assets and investments	511	498
Total income included in interest income	511	498
Total income recognised in profit or loss	2,924	1,957

Income recognised in other comprehensive income

Fair value gain on investments in equity instruments designated as FVOCI	1,465	2,702
Fair value gain on investments in debt instruments classified as FVOCI	688	117
Total income recognised in other comprehensive income	2,153	2,819

Investment management strategy

The Group has established an investment portfolio which is managed in accordance with the Group's Investment Management Strategy (IMS). The IMS provides a framework within which the Group can invest funds in a considered, sustainable and compliant way.

Interest rate, foreign currency and price risk

Refer to Note D7.2 for details of the Group's exposure to interest rate, foreign currency and price risk on financial assets.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

D2 Financial assets (continued)

Accounting policies

Recognition and initial measurement

Debt and equity instruments are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Debt and equity instruments are initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification

On recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through profit or loss;
- Debt instruments at fair value through other comprehensive income;
- Equity instruments at fair value through other comprehensive income.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Classification and subsequent measurement

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity instrument is measured at FVOCI if on initial recognition it is not held for trading and the Group makes an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The fair value of financial assets at FVTPL and FVOCI is determined based on current bid prices for all quoted investments at reporting date.

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Notes to the consolidated financial statements

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D2 Financial assets (continued)

Accounting policies (continued)

Classification and subsequent measurement (continued)

Subsequent measurement, gains and losses

Financial assets measured at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments classified as FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains or losses are recognised in OCI. On derecognition, gains or losses accumulated in OCI are reclassified to profit or loss.
Equity investments designated as FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

D3 Ingoing contributions, RADs and accommodation bonds

Accommodation bonds, including RADs, are held in respect of clients in residential aged care facilities. Ingoing contributions are held for clients of retirement living units covered under the *Retirement Villages Act 1999*.

	2025 \$'000	2024 \$'000
Expected to be paid within 12 months		
Ingoing contributions	36,723	37,488
RADs and accommodation bonds	133,120	132,534
Total expected to be paid within 12 months	169,843	170,022
Not expected to be paid within 12 months		
Ingoing contributions	544,020	530,219
RADs and accommodation bonds	288,889	244,085
Total not expected to be paid within 12 months	832,909	774,304
Total ingoing contributions, RADs and accommodation bonds	1,002,752	944,326

Liabilities directly associated with disposal group assets classified as held for sale

At reporting date, the Group held ingoing contributions and RADs of \$61,460,000 related to residents of the BlueCare Residential Aged Care Facilities and Retirement Villages that were sold in July 2025. The Group has reclassified these to liabilities directly associated with the disposal group assets classified as held for sale (see Note C6).

Accounting judgements, estimates and assumptions

Refundable accommodation deposits	Management use historical performance for resident exits and the average value of current RADs held for the basis of estimating the expected payment periods for current RADs.
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Notes to the consolidated financial statements

For the year ended 30 June 2025

D3 Incoming contributions, RADs and accommodation bonds (continued)

Accounting policies

Ingoing contributions

Ingoing contributions received from residents represent non-interest-bearing deposits that are refundable in accordance with the relevant legislation and the individual resident agreements in the event the resident leaves a Group facility. They are recognised at fair value with resulting fair value adjustments recognised in profit or loss. Fair value is the amount payable on demand and is measured at the principal amount plus the residents' share of any increase in the market value of the occupied unit (for contracts that contain a capital gain share clause) less deferred management fees contractually accruing up to reporting date.

They are repayable on demand and classified as current liabilities because the Group does not have an unconditional right to defer settlement of any specific balance for at least 12 months after the reporting date. As they are considered to be repayable on demand, they are recorded at the amount initially received less any contractually accrued DMF the Group is allowed to deduct and are not discounted.

This classification does not reflect the expected annual net movement of cash received from the receipt and refund of accommodation balances over the normal course of business.

RADs

RADs are repayable on demand and are classified as current liabilities because the Group does not have an unconditional right to defer settlement of any specific balance for at least 12 months after the reporting date. This classification does not reflect the expected annual net movement of cash received from the receipt and refund of accommodation balances over the normal course of business.

RADs are recorded at the amount initially received less any retention the Group is allowed to deduct in accordance with the relevant legislation and resident agreement. Retentions may take the form of DAPs, interest on unpaid amounts, additional service fees, and any other fees drawn from the RAD balances, and are not discounted. DAPs are accounted for under AASB 16 (see Note B1).

Interest is payable to residents on RADs from the date of the resident's death or departure to the date of repayment. Interest is charged on RADs and fees that are received after their due date.

The cash required to cover the refund of RADs is subject to a documented liquidity management strategy.

D4 Lease liabilities

D4.1 Lease liabilities

The Group has lease contracts for the use of properties, motor vehicles and equipment which it uses in its operations.

	2025 \$'000	2024 \$'000
Current		
Lease liabilities	24,160	19,127
Total current lease liabilities	24,160	19,127
Non-current		
Lease liabilities	62,929	62,904
Total non-current lease liabilities	62,929	62,904
Interest expense (included in finance costs)	3,821	3,652
Expense relating to short-term leases (included in property expenses)	5,166	3,891

Total cash outflows for leases (excluding short-term leases) for the year ended 30 June 2025 was \$23,932,000 (2024: \$21,453,000).

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Notes to the consolidated financial statements

For the year ended 30 June 2025

D4 Lease liabilities (continued)

D4.1 Lease liabilities (continued)

Accounting judgements, estimates and assumptions

Lease term and option renewals	<p>The lease term is determined to be the non-cancellable term of a lease, together with any periods covered by an option to extend if it is reasonably certain to be exercised.</p> <p>Where the Group has the option to extend a lease for additional terms, judgement is applied in evaluating whether it is reasonably certain to exercise the option to renew, taking into account relevant factors that create an economic incentive to exercise the renewal option. After commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew.</p>
Incremental borrowing rates	<p>Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to calculate the present value of future lease payments. The Group estimates the IBR using market interest rates and adjusts these rates to include the effect of its own stand-alone credit rating.</p>

Accounting policies

Identification of lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Recognition and measurement

Lease liabilities are initially measured at the present value of the lease payments to be made over the lease term that have not paid at the commencement date, discounted using the Group's incremental borrowing rate (IBR) if the interest rate implicit in the lease cannot be determined. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs. See Note C3 for the Group's right of use assets on lease arrangements.

After commencement date, the carrying amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, or a change in the assessment to purchase the underlying asset. 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 consolidated statement of profit and loss and other comprehensive income if the carrying amount of the right of use asset has been reduced to zero.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less, while low-value assets include items such as IT equipment.

Concessionary leases

The Group has applied the option to measure these leases at cost in accordance with AASB 16 and expenses them on a straight-line basis when incurred.

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Notes to the consolidated financial statements

For the year ended 30 June 2025

D4 Lease liabilities (continued)

D4.1 Lease liabilities (continued)

Accounting policies (continued)

Lessor accounting

When the Group 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 Group 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, it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as 'lessor income' (see Note B1).

Significant leasing arrangements

Lease liabilities are secured by the assets leased and represented the discounted future rentals payable by the Group for:

- Office, retail, warehouse and residential properties – these leases are negotiated on an individual basis for between 1 to 75 years. Rentals are increased annually based on a fixed, market rate or other index and may contain options to extend for up to a further 20 years at the then prevailing market rate;
- Motor vehicles used in the provision of community and disability services – these leases are negotiated on an individual basis for between 3 to 9 years. The majority of the Group's motor vehicle leases are governed by an overarching fleet management agreement. Rentals are fixed but may be adjusted for changes in vehicle usage; and
- Equipment used in the provision of healthcare services and administration – these leases are negotiated on an individual basis for between 2 to 7 years.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Sale and leaseback transactions disclosures

The Group has not entered into any sale and leaseback arrangements in the current financial year (2024: \$Nil).

Concessionary leases

The Group has 40 (2024: 39) below market leases accounting for 2.3% (2024: 5.8%) of the total number of leases. The Group is dependent on these leases to further its objectives as it utilises the land and buildings to run its operations and deliver its services. The Group is restricted on the use of the land and buildings subject to these leases as agreed with the respective lessors being local, state or territory governments and commercial suppliers.

Category	Source	Group Objectives	Lease term	Avg payment p.a. (\$)
Aged care 4: land and buildings	State/Territory government	Regional and remote high care, hostel and remote accommodation	10 to 34 years Average of 26 years	466
Community services 7: land and buildings	Local government	Respite centres, counselling, charity stores and other community services	1 to 50 years Average of 22 years	570
Housing 20: Dwellings	State government	Crisis accommodation	1 to 5 years Average of 1 years	1
Hospitals 9: Equipment	Commercial suppliers	Health care services	2 to 7 years Average of 4 years	-

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Notes to the consolidated financial statements

For the year ended 30 June 2025

D4 Lease liabilities (continued)

D4.2 Future minimum lease payments

The future minimum lease payments arising under the Group's lease contracts at the end of the reporting period, including short-term leases, are as follows:

	2025 \$'000	2024 \$'000
Not more than one year	25,471	21,016
Later than one year and not later than five years	62,144	59,440
Later than five years	10,374	9,166
Total future minimum lease payments	97,989	89,622

D4.3 Group as lessor in operating leases

The future minimum lease receipts arising under the Group's operating leases with tenants at the end of the reporting period are as follows:

	2025 \$'000	2024 \$'000
Not later than one year	7,957	7,758
Later than one year and not later than five years	23,699	24,315
Later than five years	38,775	41,294
Total future minimum lease receipts	70,431	73,367

D5 Borrowings

This note outlines the Group's loans and borrowing facilities, which are predominantly from banks and other financial institutions.

	2025 \$'000	2024 \$'000
Current		
Bank loans - secured at amortised cost	-	55,000
Total current borrowings	-	55,000

At the end of the reporting period the Group had access to the following facilities:

	2025		2024	
	Total \$'000	Utilised \$'000	Total \$'000	Utilised \$'000
ANZ Cash Advance Facility	140,000	-	140,000	55,000
ANZ Bank Guarantee Facility	11,000	6,176	11,000	6,176
ANZ Asset Finance Facility	8,000	-	8,900	66
ANZ Electronic Payaway Facility	40,000	-	-	-
ANZ Commercial Card Facility	3,115	1,750	-	-
UCIS Line of Credit Facility ¹	-	-	20,000	-
Total	202,115	7,926	179,900	61,242

¹ The UCIS line of credit facility was closed by the Group in June 2025.

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D5 Borrowings (continued)

ANZ cash advance facility

The ANZ cash advance facility can only be used for the purpose of funding the Group's working capital and liquidity requirements or routine capital expenditure. Each cash advance loan carries an interest rate equal to the margin for the loan plus the Bank Bill Swap Bid Rate (BBSY) applicable to the relevant funding period and can have a maximum funding period of 6 months.

The ANZ cash advance facility cannot be used for the purpose of funding the construction of qualifying assets. The Group has not incurred any finance costs that have been capitalised to the cost of qualifying assets.

The ANZ facilities are secured by a mortgage over freehold land and buildings of the Property Trust which are beneficially utilised by the Group (see Note C2.1). In addition, the Group is required to maintain an Interest Cover Ratio of no less than 3 to 1 for the 12-month period ending on each calculation date (being 30 June and 31 December). The Interest Cover Ratio is defined as the ratio of Earning Before Income Tax Depreciation and Amortisation (EBITDA) of the Group to the Net Interest Expense for that same period. The Group has complied with this covenant in the 2024 and 2025 reporting periods. Management has determined that as at reporting date that there are no facts or circumstances that indicate that the Group may have difficulty in complying with this banking covenant.

Assets pledged as security

The carrying amounts of assets pledged as security for loans and borrowings are disclosed in Note C2.1.

Interest rate risk

Refer to Note D7.2(a) for details of the Group's exposure to interest rate risk on borrowings.

Liquidity risk

Refer to Note D7.3 for details of the Group's exposure to liquidity risk on borrowings.

Accounting policies

Recognition and measurement

Borrowings are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Borrowings are classified and measured at amortised cost using the effective interest method. Any difference between cost and redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the entire period of the borrowings on an effective interest basis. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless there is a right to defer the settlement of the liability for at least 12 months from the end of each annual reporting period.

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For the year ended 30 June 2025

D6 Movement in liabilities from financing activities

The table below details changes in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities. Cash flows presented below exclude interest.

	1 July 2024 \$'000	Cash flows \$'000	New leases \$'000	Other \$'000	30 June 2025 \$'000
Liabilities					
Ingoing contributions, RADs and accommodation bonds	944,326	120,390	-	(61,964)	1,002,752
Lease liabilities	82,031	(20,112)	20,792	4,378	87,089
Borrowings	55,000	(55,000)	-	-	-
Total liabilities from financing activities	1,081,357	45,278	20,792	(57,586)	1,089,841

	1 July 2023 \$'000	Cash flows \$'000	New leases \$'000	Other \$'000	30 June 2024 \$'000
Liabilities					
Ingoing contributions, RADs and accommodation bonds	882,435	65,769	-	(3,878)	944,326
Lease liabilities	39,432	(17,801)	13,886	46,514	82,031
Borrowings	-	55,000	-	-	55,000
Total liabilities from financing activities	921,867	102,968	13,886	42,636	1,081,357

Other changes for ingoing contributions, RADs and accommodation bonds include deferred management fees, movement in deferred revenue liabilities and retention revenue and transfers to liabilities directly associated with disposal group assets classified as held for sale. Other changes for lease liabilities relate primarily to lease modifications, including changes to future lease payments resulting from a reassessment of the likelihood of exercising option renewals, or a change in an index or a rate used to determine those payments, such as a change to reflect market rental rates following a market rent review.

D7 Financial risk management objectives

The primary responsibility for identification and control of financial risks lies with the Audit, Risk and Compliance Committee (the ARCC) under the authority of the Board. The Board reviews and approves policies for managing each of the risks identified below. The Group's principal financial instruments comprise trade receivables, trade payables, cash and cash equivalents, other financial assets and short-term bank borrowings.

The Group's activities expose it to a variety of financial risks, including credit risk, market risk (interest rate risk, foreign currency risk and price risk) and liquidity risk. The Group manages its exposure to financial risks in accordance with its risk management framework and associated policies. The Group's objectives are to safeguard its ability to continue as a going concern, to ensure the funding structure enhances, protects and balances financial flexibility against minimising the cost of capital, and to meet regulatory requirements.

The Group uses different methods to measure and manage different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest and foreign exchange rates. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

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Notes to the consolidated financial statements

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D7 Financial risk management objectives (continued)

D7.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from trade receivables.

(a) Trade receivables

The Group's customer credit risk is managed subject to established policies, procedures and internal controls relating to customer credit risk management.

An impairment analysis is performed on an ongoing basis at a business unit level using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customers with similar credit risk characteristics, adjusted for any material expected changes to the future credit risk of that group. The Group applies the simplified approach to measuring expected credit losses, using the lifetime expected credit loss allowance for all trade receivables.

Generally, trade receivables are written off only once all reasonable avenues to recover the balance have been exhausted and there is no reasonable expectation of recovery.

The Group's exposure to credit risk is spread across Government departments, private health funds, disability services, private companies and individuals. Whilst the Group does have significant credit risk exposure to single debtors or groups of related debtors, the credit quality of these debtors is considered high, as they are Government departments or private health funds governed by the prudential requirements of APRA. Individual debtors typically comprise a mix of high-volume low-value balances, and low-volume high-value balances (a portion of which are secured via the provision of RADs or accommodation bonds). The maximum exposure to credit risk is represented by the carrying amount of the trade receivable balance.

D7.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: (i) interest rate risk; (ii) foreign currency risk; and (iii) price risk. The Group is not exposed to commodity or equity risks.

The sensitivity analyses in the following sections have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates are all constant at 30 June 2025 and 30 June 2024. Further, it is assumed that the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks only. This is based on the financial assets and liabilities held at 30 June 2025 and 30 June 2024.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing cash and cash equivalents, other financial assets, and short-term borrowings.

The effective interest rate of financial assets and liabilities recognised at reporting date are disclosed in the maturity profile table in the liquidity risk section below. All other financial assets and liabilities are non-interest bearing.

Interest rate sensitivity

At the end of the reporting period, if the floating interest rates on cash and cash equivalents and other financial assets had been 1% higher or lower, assuming all other variables remain constant, the Group's result would have increased or decreased by \$2,069,000 (2024: \$1,784,000).

The Group's short-term borrowings have fixed interest rates and are not exposed to interest rate risk. Interest rate risks on borrowings are managed with the aim of reducing the impact of short-term fluctuations in earnings. However, over the longer term, permanent changes in interest rates would have an impact on earnings. At the end of the reporting period, if the interest rates on short-term borrowings had been 1% higher or lower, the result would have decreased or increased by \$197,000 (2024: \$550,000).

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For the year ended 30 June 2025

D7 Financial risk management objectives (continued)

D7.2 Market risk (continued)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to risk of changes in foreign exchange rates relates primarily to the Group's investments in other financial assets (where other financial assets are denominated in a different currency from the functional currency) and is as follows:

	30 June 2025		30 June 2024	
	US shares \$'000	Other shares \$'000	US shares \$'000	Other shares \$'000
Shares (equity instruments)	7,383	1,231	7,897	1,251

Foreign currency sensitivity

As shown above, the Group is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated shares. The impact of a 10% increase in the AUD/USD exchange rate would result in a decrease of \$671,000 (2024: \$745,000) in the net result. The impact of a 10% decrease in the AUD/USD exchange rate would result in an increase of \$820,000 (2024: \$844,000) in the net result. The Group's exposure to other foreign exchange movements is not material.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group's exposure to price risk arises from financial assets measured at FVTPL and investments in debt and equity instruments classified as FVOCI (see Note D2). To manage its price risk arising from its investments, the Group diversifies its portfolio, with limits on asset classes and industries. Diversification of the portfolio is managed in accordance with the policies and limits set by the Group, which include expected rates of return and ethical restrictions. Investments are managed at arm's length by an independent and fully qualified investment manager.

Price risk sensitivity

The investment portfolio includes cash, term deposits, managed funds, exchange trade funds, corporate bonds, Australian equities and international equities. If the price of investments had been 10% higher or lower, the net result for the year would have increased or decreased by \$4,758,000 (2024: \$4,143,000).

D7.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of adequate credit facilities. The ANZ facilities maintain flexibility in funding by keeping external credit lines available.

The Group has established a liquidity risk management strategy in compliance with requirements of the *Aged Care Act 1997*. The Group continually reviews its liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The table on the following page details the contractual maturity for the Group's financial assets and liabilities based on contractual undiscounted amounts. The inclusion of information on financial assets and liabilities is necessary to understand the liquidity risk management as liquidity is managed by the Group on a net asset and liability basis.

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D7 Financial risk management objectives (continued)

D7.3 Liquidity risk (continued)

	Interest	Effective	Maturing (Years)			
	Rate Type	Rate	< 1	1 to 2	> 2	Total
		%	\$'000	\$'000	\$'000	\$'000
30 June 2025						
Assets						
Cash and cash equivalents	-	-	106	-	-	106
Cash and cash equivalents	Floating	4.37	417,657	-	-	417,657
Trade and other receivables	-	-	105,531	-	-	105,531
Financial assets	-	-	29,181	-	-	29,181
Financial assets	Floating	3.55	18,399	-	-	18,399
Deferred consideration ²	-	-	16,454	-	-	16,454
Funds held in trust	Floating	4.23	-	-	2,548	2,548
Total financial assets			587,328	-	2,548	589,876
Liabilities						
Trade and other payables	-	-	179,831	-	6,425	186,256
Ingoing contributions, RADs and accommodation bonds	-	-	1,002,752	-	-	1,002,752
Lease liabilities	Fixed	4.70	24,160	20,291	42,638	87,089
Other liabilities	-	-	56,653	-	-	56,653
Total financial liabilities			1,263,396	20,291	49,063	1,332,750
30 June 2024 ¹						
Assets						
Cash and cash equivalents	-	-	132	-	-	132
Cash and cash equivalents	Floating	4.73	362,307	-	-	362,307
Trade and other receivables	-	-	118,524	-	-	118,524
Financial assets	-	-	26,095	-	-	26,095
Financial assets	Floating	3.15	15,331	-	-	15,331
Deferred consideration ²	-	-	16,454	-	-	16,454
Funds held in trust	Floating	4.25	-	-	2,446	2,446
Total financial assets			538,843	-	2,446	541,289
Liabilities						
Trade and other payables	-	-	167,325	-	6,547	173,872
Ingoing contributions, RADs and accommodation bonds	-	-	944,326	-	-	944,326
Lease liabilities	Fixed	4.34	19,127	13,886	49,018	82,031
Borrowings	Fixed	5.54	55,000	-	-	55,000
Other liabilities	-	-	66,472	-	-	66,472
Total financial liabilities			1,252,250	13,886	55,565	1,321,701

¹ The comparative information related to certain assets and liabilities has been reclassified. Refer to Note A2.10 for more information.

² Deferred consideration is presented at its undiscounted value.

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E Our People

This section provides further details of the Group's investment in our people, including employee benefits and remuneration of key management personnel.

E1 Employee benefits

Employee benefits consist of amounts owing to employees for annual leave, long service leave, vested sick leave, and other leave obligations including rostered days off.

	2025 \$'000	2024 ¹ \$'000
Current		
Annual leave	108,835	106,347
Long service leave	73,135	69,939
Accrued day off and other leave	1,212	1,083
Sick leave	1,362	1,625
Total current employee benefits	184,544	178,994
Non-current		
Long service leave	22,074	20,199
Total non-current employee benefits	22,074	20,199
Amounts recognised as an expense for defined contribution plans (included in salaries and employee expenses)	130,438	119,945

¹ The comparative information for annual leave, long service leave, and accrued day off and other leave has been reclassified. Refer to Note A2.10 for more information.

Liabilities directly associated with disposal group assets classified as held for sale

At reporting date, the Group held employee benefits of \$4,454,000 related to employees of the BlueCare Residential Aged Care Facilities and Retirement Villages that were sold in July 2025. The Group has reclassified these employee benefits to liabilities directly associated with the disposal group assets classified as held for sale (see Note C6).

Current leave obligations

The current portion of employee benefits liability includes all of the employee benefits where employees have completed the required period of service or will complete the required period of service within 12 months from the balance date. The entire annual leave provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

The current portion of the long service leave represents the unconditional entitlement where employees have completed the required period of service, or are expected to complete the required period of service within 12 months, and also for those employees that are entitled to pro-rata payments in certain circumstances.

The Group does not expect all employees to take the full amount of current leave entitlements or require payment within the next 12 months. Current leave obligations not expected to be settled within 12 months, included in current employee benefits, were \$107,373,000 (2024: \$103,965,000).

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E1 Employee benefits (continued)

Accounting judgements, estimates and assumptions

Annual and long service leave assumptions	The liabilities for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.
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Accounting policies

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group recognises benefits accruing to employees in respect of wages and salaries, annual leave, long service and vesting sick leave as short-term benefits and measures these at their nominal values using the remuneration rate expected to apply at the time of settlement (including relevant on-costs).

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected credit unit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match the estimated future cash outflows.

Termination benefits

Termination benefits for restructuring are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted to determine present value.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructure and has raised a valid expectation that it will carry out the plan through either commencement or announcing its main features to those affected by it. The measurement of the provision includes only the direct expenditures arising from the restructure, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

E2 Key management personnel compensation

In addition to their salaries, the Group provides non-cash benefits to key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including all Directors. Key management personnel compensation paid or payable included in salaries and employee expenses in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2025 \$'000	2024 \$'000
Short-term employee benefits	6,858	6,898
Post-employment benefits	336	353
Termination benefits	966	652
Total key management personnel compensation	8,160	7,903

No transactions other than those disclosed above were made with key management personnel (2024: Nil).

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

F Group Structure

This section explains the Group's structure, including its interests in subsidiaries, joint operations, joint ventures and associates.

F1 Information relating to subsidiaries

This note provides a list of all entities who are members of the consolidated Group as at reporting date. The sole member of UCQ Ltd is the Property Trust. All entities controlled by the Group are registered charities with the ACNC.

Entity Name	ABN	NAPS ID	PBI ¹	DGR ²	Country	% Equity interest	
						2025	2024
Parent							
UCQ Ltd ⁴	74 674 995 076	-	No	No	Australia	-	-
Subsidiaries							
UnitingCare Queensland Ltd ^{4,6}	84 675 001 493	20740	Yes	Yes	Australia	100	100
UnitingCare Queensland ⁴	45 414 098 573	-	Yes	Yes	Australia	100	100
UnitingCare Community ⁴	28 728 322 186	-	Yes	Yes	Australia	100	100
BlueCare ^{4,6}	96 010 643 909	314	Yes	Yes	Australia	100	100
UnitingCare Health ⁴	87 842 457 440	-	Yes	Yes	Australia	100	100
UnitingCare Health Pty Ltd ³	098 658 023	-	No	No	Australia	100	100
Australian Regional and Remote Community Services Ltd ⁵	88 167 926 132	6871	Yes	Yes	Australia	100	100
Regional and Remote Indigenous Services Trust ⁵	12 290 854 684	-	No	No	Australia	100	100

¹ Registered as a Public Benevolent Institution (PBI) with the ACNC.

² Endorsed as a Deductible Gift Recipient (DGR) with the ATO.

³ UnitingCare Health Pty Ltd does not have an ABN. The ACN of the company has been disclosed instead.

⁴ These organisations report to the ACNC on a group reporting basis, known as the UnitingCare QLD_ACNC Group (the UCQ ACNC Reporting Group).

⁵ These organisations report to the ACNC on a group reporting basis, known as the Australian Regional and Remote Community Services_ACNC Group (the ARRCs ACNC Reporting Group).

⁶ UnitingCare Queensland provides aged care services under BlueCare's NAPS ID. A NAPS ID has been created for UnitingCare Queensland Ltd. Aged care services will be transferred from BlueCare to UnitingCare Queensland Ltd as the group reorganisation progresses (see Note A2.5)

F2 Joint operations

The Group had a 50% interest in a joint operation with Brisbane Housing Company Ltd (BHC) that provides affordable housing under the National Rental Affordability Scheme (NRAS). The Group sold the property asset that it had contributed to the joint operation in November 2024. The joint operation ceased as at the date of sale.

Financial information relating to this interest is set out below.

	2025 \$'000	2024 \$'000
Interest in joint operation		
Property, plant and equipment	-	3,990
Less: accumulated depreciation	-	(131)
Net interest in joint operation	-	3,859
Results		
Lessor income	126	638
Expenses	(117)	(270)
Net contribution to result	9	368

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

F2 Joint operations (continued)

Accounting policies

Joint operations

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint operations are accounted for through the recognition of the proportionate share of the assets, liabilities, revenues and expenses of the joint operation. Classification of these items is consistent within the Group.

F3 Interests in other entities

The Group holds investments in equity accounted joint ventures and associates. Financial information relating to these interests is set out below.

	Nature of Relationship	Place of Business	Principal Activities	Ownership Interest		Carrying Amount of Investment	
				2025 %	2024 %	2025 \$'000	2024 \$'000
LeapIn! Australia Pty Ltd (formerly LeapIn! Australia Ltd) ¹	Joint Venture	Australia	Healthcare	-	50	-	1,813
Wesley Research Institute Ltd ²	Associate	Australia	Healthcare	30	-	-	-
Investments measured using the equity method						-	1,813

¹ LeapIn! Australia Pty Ltd is an online portal for national disabilities insurance scheme clients.

² Wesley Research Institute Ltd is the official medical research partner for UnitingCare Queensland.

Movements during the year for equity accounted joint ventures were as follows:

	2025 \$'000	2024 \$'000
At beginning of the year	1,813	1,158
Add: Share of surplus in joint venture	68	655
Less: Disposal of interest	(1,881)	-
Balance at end of the year	-	1,813

LeapIn! Australia Pty Ltd

In April 2024 the Group signed a contract to sell its shares in LeapIn! Australia Pty Ltd for a total consideration of \$7,500,000, comprising \$3,750,000 cash paid on completion, and \$3,750,000 cash paid 12 months after contract date. The sale was completed in July 2024 and generated a profit of \$5,619,000 (see Note B1).

Wesley Research Institute Ltd

In November 2024 the Group established significant influence over Wesley Research Institute Ltd by attaining control of 30% of the voting rights on the Board of Directors for nil consideration. The Group has no rights to dividends or assets on winding up and so does not have an economic share in the company. Therefore the Group attributes no economic value to this investment.

Commitments and contingent liabilities in respect of joint ventures and associates

There were no further commitments or contingent liabilities in respect of the Group's joint ventures and associates at 30 June 2025 (2024: Nil).

Impairment losses

The Group has not recognised any impairment losses in profit or loss on equity accounted investments during the year (2024: \$Nil)

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

F3 Interests in other entities (continued)

Accounting policies

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Significant influence is achieved when the Group holds directly or indirectly, 20 per cent or more of the voting power of the investee, unless it can be clearly demonstrated that this is not the case.

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Interests in associates and joint ventures where the Group has exposure to economic risks and rewards are accounted for using the equity method, after initially being recognised at cost or fair value where the consideration for the investment is significantly less than fair value principally to enable the Group to further its objectives. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entities.

The Group recognises its share of the profits or losses of associates and joint ventures in the consolidated statement of profit or loss and other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest. Accounting policies of associates and joint ventures are consistent with the Group's policies.

Interests in associates and joint ventures are tested for impairment when an indicator of impairment exists. If the recoverable amount is less than its carrying amount an impairment loss is recorded to adjust the carrying amount.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

G Other Disclosures

This section contains information about the financial performance and position of UnitingCare Queensland that must be disclosed to comply with the Australian Accounting Standards, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

G1 Auditor's remuneration

This note summarises the total remuneration received or receivable by the Group's external auditors for audit, assurance and other services provided.

	2025 \$	2024 \$
Amounts received or due and receivable by Deloitte and related network firms for:		
An audit of the financial report of the Group and any other entity in the consolidated group ¹	1,071,802	980,118
Other services provided to the Group and any other entity in the consolidated group		
Advisory services	123,800	208,783
Total auditor's remuneration	1,195,602	1,188,901

¹ Includes audits of statutory financial statements, retirement village financial statements, grant acquittals, and Australian Prudential Compliance Statements (APCS).

The auditor for the Group is Deloitte Touche Tohmatsu. Other services provided relate to consulting and advisory services. Management has an Auditor Independence Policy in place to formally approve the non-audit services provided by Deloitte and is satisfied that the provision of non-audit services during the year ended 30 June 2025 is compatible with the general standard of independence for auditors imposed by the *Australian Charities and Not-for-profits Commission Act 2012*. The Board has reviewed the position on permitted non-audit services and, in accordance with the advice received from the Audit, Risk and Compliance Committee, is satisfied that the nature and scope of the non-audit services provided does not compromise the Auditor Independence Policy.

G2 Related party disclosures

This note discloses the Group's transactions with its related parties, including their relatives or related businesses.

Related parties

The sole member of UCQ Ltd is the Property Trust. UnitingCare Queensland has a related party relationship and undertakes transactions with various agencies and departments of the Property Trust including the Uniting Church in Australia – Queensland Synod and Uniting Church Investment Services (UCIS).

The Group makes financial contributions to the Uniting Church in Australia – National Assembly which is the national body for the Uniting Church network.

Management has assessed that there are no related party relationships with the other Uniting Church entities such as Wesley Mission Queensland Ltd, Lifeline Australia Ltd, congregations and presbyteries. These entities are not controlled under the same Uniting Church governance and reporting structures as the Group and are not considered to meet the definition of a related party under AASB 124 *Related Party Disclosures* (AASB 124).

The Group is a member of Wesley Research Institute Ltd. Management has assessed that Wesley Research Institute Ltd meets the definition of a related party under AASB 124 in the current reporting period as the Group established significant influence over Wesley Research Institute Ltd in November 2024 (see Note F3). The Group and Wesley Research Institute Ltd have a Collaboration and Research Services Agreement to advance medical research to in a manner that benefits both parties. The Group has provided a 99-year operating lease of space within the Wesley Hospital to Wesley Research Institute Ltd. The Group provides ancillary property services to Wesley Research Institute Ltd in connection with this arrangement.

The Group sold its shareholdings in LeapIn! Australia Pty Ltd in July 2024 to an unrelated third party (see Note F3). LeapIn! Australia Pty Ltd ceased to meet the definition of a related party as of this date.

The Group only discloses transactions with related parties for the period in which the entity meets the definition of a related party. Balances are only disclosed for entities meeting this definition as at reporting date.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

G2 Related party disclosures (continued)

Transactions with related parties are on terms and conditions no more favourable than those available to other persons or entities unless otherwise stated. The Group has not recognised a provision for doubtful debts in relation to related party trade receivables, nor has it written off any related party trade receivables as uncollectable.

The Group records and manages all conflicts of interest in accordance with the UnitingCare Queensland Conflict of Interest Policy and good governance principles.

The consolidated statement of profit or loss and other comprehensive income and statement of financial position includes the following amounts arising from transactions and balances with related parties who are not members of the Group:

	2025 \$'000	2024 \$'000
(a) Transactions with related parties		
Uniting Church in Australia – Queensland Synod		
Chaplaincy services	(4,066)	(3,970)
Insurance premiums expense	(16,707)	(15,855)
Land tax reimbursement	-	778
Lessor income	163	-
Other revenue	128	27
Other expenses	(38)	(18)
Stewardship fee	(9,693)	(9,320)
Redress and sensitive matters contribution	(2,868)	(1,420)
Sub-total	(33,081)	(29,778)
Uniting Church Investment Services		
Interest revenue	8,977	7,904
Sub-total	8,977	7,904
The Uniting Church in Australia – National Assembly		
Contribution paid	(300)	(500)
Sub-total	(300)	(500)
Wesley Research Institute Ltd		
Utilities and cleaning	96	-
Research, medical and other services	12	-
Donations received and remitted	(181)	-
Operating grants paid	(165)	-
Sub-total	(238)	-
LeapIn! Australia Pty Ltd		
Share of joint venture surplus	68	656
Sub-total	68	656

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

G2 Related party disclosures (continued)

	2025 \$'000	2024 \$'000
(b) Balance with related parties		
Uniting Church in Australia – Queensland Synod		
Consideration receivable for sale of properties ¹	16,454	16,184
Net payables owed	(103)	(37)
Sub-total	16,351	16,147
Uniting Church Investment Services		
Cash at bank and deposits at the end of year	184,022	182,486
Funds held in trust	2,548	2,446
Sub-total	186,570	184,932
Wesley Research Institute Ltd		
Unearned income ²	(7,682)	-
Net receivables owed	21	-
Sub-total	(7,661)	-
LeapIn! Australia Pty Ltd		
Investment in LeapIn! Australia Pty Ltd	-	1,813
Sub-total	-	1,813

¹ The consideration receivable is secured under contract. Should the consideration not be paid by the Uniting Church in Australia – Queensland Synod by the payment date, the property is transferred back to the Group. Management expects the consideration to be paid by the payment date (see Note C1.3).

² Unearned income relates to prepaid rent on 99-year operating lease to Wesley Research Institute Ltd (see Note C1.5).

G3 Contingent assets and liabilities

Contingent assets and liabilities are possible future cash flows arising from past events that are not recognised in the financial statements, as the likelihood of payment is not considered probable or cannot be reliably measured.

National Redress Scheme

Periodically, the Group is notified of claims from people who have received current and/or previous services from the Uniting Church in Australia, Queensland Synod or its predecessor Denominations. Although the Group and the Uniting Church in Australia, Queensland Synod meet with claimants, payments made to claimants are paid through the Queensland Synod Insurance Managed Fund (including where applicable contributions from insurers and other predecessor Denominations) and not directly by the Group.

The National Redress Scheme was established on 1 July 2018 and the Group is a member of the scheme. The financial responsibility for meeting costs associated with redress and civil litigation will be borne collectively by the Uniting Church in Australia, with UnitingCare Queensland being a responsible body contributing to the recovery of costs. The nature and extent of any claims in any period are not predictable and therefore any amounts levied may vary from year to year.

Legal claims

From time to time, the services of the Group are named in legal claims that are predominantly of a medical nature. The outcome of these claims is uncertain. The Board is of the opinion that provisions are not required in respect of these matters, as it is not probable that a future outflow of economic benefits will be required or the amount is not capable of reliable measurement and insurance policies are adequate to meet these claims.

Capital funding grants

The Group has received capital grants from the Commonwealth Government. Funding received may be repayable in circumstances where the asset is sold or it ceases to be used for its funded purpose, depending on the specific contractual obligations of each contract. It is considered unlikely that any liability will become payable for such grants as a result of the continued activities of the Group. The estimated contingent liability at 30 June 2025 was \$108,070,000 (2024: \$90,138,000).

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

G3 Contingent assets and liabilities (continued)

Insurance claims

The Group has suffered financial damages as a result of the cyber incident in April 2021 and other events occurring up to reporting date. Whilst the outcome of insurance claims the Group has submitted to date remains uncertain, the Group currently estimates the total amount yet to be recovered for these events to be in excess of \$21,690,000 (2024: \$28,200,000).

Wesley Research Institute Ltd long-term lease

In June 2009 the Group entered into a 99-year property lease with Wesley Research Institute Ltd. After 30 years, the Group has the right to require Wesley Research Institute Ltd to surrender the lease and vacate the premises. The Group would be required to refund Wesley Research Institute Ltd a proportion of construction costs paid as consideration for the lease if it exercised this right. The maximum exposure to liability is estimated to be \$6,036,000 (2024: \$6,036,000).

Time and attendance system review

The Group is currently upgrading its employee time and attendance system. As part of this upgrade, certain anomalies in data have been identified that the Group is investigating. It is currently not possible to estimate the financial impact of this investigation. Accordingly, no provision has been recognised in the financial statements.

Other than the above matters, the Board is not aware of any other contingent assets or liabilities at the date of this report.

G4 Events after the reporting period

This note outlines the nature and financial effect of non-adjusting events which have occurred between the reporting date, being 30 June 2025, and the date these financial statements are released.

Sale of aged care facilities and retirement villages

In May 2025 the Group signed a contract to sell a number of BlueCare Residential Aged Care Facilities and Retirement Villages. The disposal group, comprising the assets and liabilities of the businesses sold, has been classified as held for sale in the consolidated statement of financial position as at 30 June 2025 (see Note C6).

The Group completed the sale in July 2025 for a gross purchase consideration of \$45,000,000 cash plus the ingoing contribution liabilities for the Retirement Villages. The gross consideration was adjusted downward for liabilities assumed by the purchaser including RADs and employee entitlements. These adjustments resulted in a net liability position that required to Group to make a payment of \$12,705,000 (excluding GST) to the buyer on completion of the sale.

The final completion payment is expected to be made in November 2025. At the date of authorisation of these financial statements, it is not practicable to estimate the expected profit on sale.

Closure of Alexandra Hills Nandeebie Aged Care Facility

In May 2025 the decision was made to permanently close the BlueCare Alexandra Hills Nandeebie Aged Care Facility. An engineering assessment identified extensive facility remediation needs which would result in a prolonged period of extensive capital works which cannot be completed without disruptions to the service and comfort of our residents. The Group supported all residents to relocate to alternative homes that meet their long-term care needs, including nearby BlueCare homes where practicable. Staff members were also offered redeployment to other nearby BlueCare homes. The Alexandra Hills Nandeebie Aged Care Facility closed in July 2025.

At the date of authorisation of these financial statements, it is not practicable to determine the cost of closing the facility to the Group.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

G5 ACNC disclosure

G5.1 Financial statements by ACNC Reporting Group

A reconciliation of the Groups statement of profit or loss and other comprehensive income and statement of financial position, comprising both the UCQ and ARRCs ACNC Reporting Groups is presented below, with any reclassifications required to comply with ACNC disclosure requirements:

Consolidated statement of profit or loss and other comprehensive income	UCQ ACNC Reporting Group \$'000	ARRCS ACNC Reporting Group \$'000	Eliminations \$'000	UCQ Consolidated Group \$'000
Revenue				
Revenue from Government (including grants) ¹	1,112,699	122,120	-	1,234,819
Donations and bequests ²	11,847	74	-	11,921
Revenue from providing goods or services	1,023,806	13,553	-	1,037,359
Revenue from investments	48,533	2,719	-	51,252
Other revenue	28,881	1,726	(2,983)	27,624
Total revenue	2,225,766	140,192	(2,983)	2,362,975
Other income	47,468	-	-	47,468
Total gross income	2,273,234	140,192	(2,983)	2,410,443
Expenses				
Employee expenses ³	(1,296,555)	(79,077)	-	(1,375,632)
Interest expenses	(36,646)	(697)	-	(37,343)
Other expenses	(956,555)	(51,898)	2,983	(1,005,470)
Total expenses	(2,289,756)	(131,672)	2,983	(2,418,445)
Net (deficit) / surplus for the year	(16,522)	8,520	-	(8,002)
Other comprehensive income	2,153	-	-	2,153
Total comprehensive (loss) / income for the year	(14,369)	8,520	-	(5,849)

Consolidated statement of financial position

Assets				
Total current assets	652,568	54,928	(186)	707,310
Total non-current assets	1,722,962	119,759	-	1,842,721
Total assets	2,375,530	174,687	(186)	2,550,031
Liabilities				
Total current liabilities	1,518,565	53,189	(186)	1,571,568
Total non-current liabilities	145,307	3,366	-	148,673
Total liabilities	1,663,872	56,555	(186)	1,720,241
Net assets	711,658	118,132	-	829,790

¹ Government revenue includes both aged care and community services, family services, capital grants from government and non-recurring revenue and income (see Note B1).

² Donations and bequests includes both fundraising, donations, and bequests (see Note B1).

³ Employee expenses do not include agency staffing costs for ACNC disclosure purposes. These are included in other expenses.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

G5 ACNC disclosure (continued)

G5.2 Revenue and other income from government

The UCQ and ARRCs ACNC Reporting Groups receives significant funding from government departments and agencies to enable its continued operations. The following table outlines the largest 10 sources of revenue and other income (including grants) received from the respective level of government department or agency.

	UCQ ACNC reporting group \$'000	ARRCS ACNC reporting group \$'000	UCQ Consolidated Group \$'000
Commonwealth Government			
Department of Health, Disability and Ageing	823,199	121,207	944,406
Department of Social Services	76,533	-	76,533
National Disability Insurance Agency	14,981	7	14,988
Attorney-General's Department	10,058	-	10,058
Department of Veteran's Affairs	7,458	0	7,458
Other Commonwealth Government departments and agencies	4,822	850	5,672
Total income from Commonwealth Government	937,051	122,064	1,059,116
State Government			
Department of Families, Seniors, Disability Services and Child Safety	65,045	-	65,045
Queensland Health	64,672	-	64,672
Department of Housing and Public Works	21,954	-	21,954
Department of Women, Aboriginal and Torres Strait Islander Partnerships and Multiculturalism	15,057	-	15,057
Department of Justice	8,102	-	8,102
Other State Government departments and agencies	817	56	873
Total income from State Government	175,647	56	175,703
Total income from Government	1,112,699	122,120	1,234,819

G5.3 Related party transactions disclosure in Annual Information Statement

For the purposes of the UCQ ACNC reporting group's Annual Information Statement, related party transactions are categorised as follows:

- Fees paid to a related party for providing goods or services to the Reporting Group;
- Other:
 - Trade payables owing to a related party;
 - Trade receivables owed from a related party.

UnitingCare Queensland

Notes to the consolidated financial statements

For the year ended 30 June 2025

G6 Department of Health, Disability and Ageing disclosure

For the purposes of the *Aged Care Act 1997*, BlueCare (NAPS ID 314) and ARRCs Ltd (NAPS ID 6871) are the Group's Approved Providers for Commonwealth funded aged care services in Queensland and the Northern Territory. These consolidated financial statements are not prepared on a service level basis and contain the following Government Provider Management System Identification (GPMS ID) numbers included under NAPS ID 314 and NAPS ID 6871:

NAPS ID	Residential Service	GPMS ID
BlueCare (314)	BlueCare Alexandra Hills Nandeebie Aged Care Facility	3554
BlueCare (314)	BlueCare Arundel Woodlands Lodge Aged Care Facility	3583
BlueCare (314)	BlueCare Beenleigh Bethania Haven Aged Care Facility	3539
BlueCare (314)	BlueCare Bli Bli Aged Care Facility	3535
BlueCare (314)	BlueCare Brassall Aged Care Facility	3862
BlueCare (314)	BlueCare Bundaberg Pioneer Aged Care Facility	3515
BlueCare (314)	BlueCare Bundaberg Riverlea Aged Care Facility	3803
BlueCare (314)	BlueCare Caloundra Aged Care Facility	3824
BlueCare (314)	BlueCare Capricorn Aged Care Facility	5647
BlueCare (314)	BlueCare Carbrook Wirunya Aged Care Facility	3630
BlueCare (314)	BlueCare Carina Aged Care Facility	3791
BlueCare (314)	BlueCare Dicky Beach Aged Care Facility	3389
BlueCare (314)	BlueCare Elanora Pineshaven Aged Care Facility	3555
BlueCare (314)	BlueCare Emerald Avalon Aged Care Facility	3431
BlueCare (314)	BlueCare Flinders View Nowlanvil Aged Care Facility	3746
BlueCare (314)	BlueCare Gladstone Edenvale Aged Care Facility	5646
BlueCare (314)	BlueCare Gracemere Aged Care Facility	3727
BlueCare (314)	BlueCare Gympie Grevillea Gardens Aged Care Facility	3762
BlueCare (314)	BlueCare Hervey Bay Masters Lodge Aged Care Facility	3601
BlueCare (314)	BlueCare Hollingsworth Elders Village	12324
BlueCare (314)	BlueCare Ingham Bluehaven Aged Care Facility	3533
BlueCare (314)	BlueCare Kallangur Pilgrim Aged Care Facility	3590
BlueCare (314)	BlueCare Kenmore Aged Care Facility	3815
BlueCare (314)	BlueCare Kingaroy Canowindra Aged Care Facility	3896
BlueCare (314)	BlueCare Kirra Aged Care Facility	3508
BlueCare (314)	BlueCare Labrador Aged Care Facility	3364
BlueCare (314)	BlueCare Lawnton Pine Woods Aged Care Facility	3552
BlueCare (314)	BlueCare Lowood Glenwood Aged Care Facility	3641
BlueCare (314)	BlueCare Mackay Homefield Aged Care Facility	3479
BlueCare (314)	BlueCare Maleny Erowal Aged Care Facility	3681
BlueCare (314)	BlueCare Mareeba Aged Care Facility	3478

UnitingCare Queensland
Notes to the consolidated financial statements
For the year ended 30 June 2025

G6 Department of Health, Disability and Ageing disclosure (continued)

NAPS ID	Residential Service	GPMS ID
BlueCare (314)	BlueCare Redcliffe Aged Care Facility	6438
BlueCare (314)	BlueCare Redland Bay Yarrabee Aged Care Facility	5170
BlueCare (314)	BlueCare Rothwell Nazarene Aged Care Facility	3838
BlueCare (314)	BlueCare Shalom Elders Village	12323
BlueCare (314)	BlueCare Springwood Yurana Aged Care Facility	3398
BlueCare (314)	BlueCare Star of the Sea Elders Village	12327
BlueCare (314)	BlueCare Sunnybank Hills Carramar Aged Care Facility	3384
BlueCare (314)	BlueCare Tallebudgera Talleyhaven Aged Care Facility	3660
BlueCare (314)	BlueCare Toogoolawah Alkira Aged Care Facility	3507
BlueCare (314)	BlueCare Toowoomba Residential Aged Care Facility	3780
BlueCare (314)	BlueCare Townsville Mt Louisa Aged Care Facility	3399
BlueCare (314)	BlueCare Warana Beachwood Aged Care Facility	3542
BlueCare (314)	BlueCare Wynnum Aged Care Facility	3795
BlueCare (314)	Ny-Ku Byun Elders Village	23462
BlueCare (314)	Sunrise Beach Aged Care	6823
ARRCS (6871)	Flynn Lodge	4402
ARRCS (6871)	Hetti Perkins	4400
ARRCS (6871)	Juninga Centre	4395
ARRCS (6871)	Katherine Hostel	4398
ARRCS (6871)	Old Timers	4391
ARRCS (6871)	Rocky Ridge	4394
ARRCS (6871)	Terrace Gardens	4396

Declaration by the Board of UnitingCare Queensland

30 June 2025

The Board of UnitingCare Queensland declares that:

- (a) the financial statements and notes set out on pages 1 to 60:
 - i. comply with the *Australian Charities and Not-for-profits Commission Act 2012* including compliance with Australian Accounting Standards and mandatory professional reporting requirements; and
 - ii. give a true and fair view of the financial position of UnitingCare Queensland as at 30 June 2025 and of its performance as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that UnitingCare Queensland will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.

Dated 7 October 2025



Jim Demack, Chair
UnitingCare Queensland Board



Susan Rix AM, Chair
UnitingCare Queensland Audit, Risk and
Compliance Committee

7 October 2025

The Board of Directors
UCQ Ltd
Level 5, 192 Ann Street
Brisbane Qld 4000
Australia

Dear Board Members,

Auditor's Independence Declaration to UCQ Ltd

In accordance with section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Board of UCQ Ltd.

As lead audit partner for the audit of the financial report of UCQ Ltd for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Nathan Furness
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



R G Saayman
Partner
Chartered Accountants

Independent Auditor's Report to the Board of UCQ Ltd

Opinion

We have audited the financial report of UCQ Ltd (the "Entity") and its controlled entities (the "Group") which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in funds and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the declaration by Board of UCQ Ltd (the "Board"), as set out on pages 1 to 61.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Board for the Financial Report

The Board of the Entity is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act and for such internal control as the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Board 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.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Nathan Furness
Partner
Chartered Accountants
Brisbane, 7 October 2025

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



R G Saayman
Partner
Chartered Accountants
Brisbane, 7 October 2025

FINANCIAL REPORT 2025

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