

that's a wrap, folks 2022- 2023



**sit back,
get comfortable
and let us take
you through the
year that was...**



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acknowledgement of country

Aruma acknowledges the Traditional Custodians of the lands on which we operate and pay our respects to Elders past, present and emerging. We recognise the continuing connection to land, waters and community held by First Nations People.



The artwork

This artwork, "Working together for a brighter future" is the cover of our Reconciliation Action Plan.

It was created by Rob Naylor, a proud Yuin man raised on Dharawal country and represents supporting people with a disability as a community.

The three circles represent the community, the green is the land, and the orange is the sunshine, representing a bright future. The pathway comes from community support and works toward the sunshine, symbolising the creation of a brighter future for people with a disability.

a message from our Chair and CEO

Images on opposite page

Top left: Her Excellency Mrs Linda Hurley, Aruma CEO Dr Martin Laverty, and Aruma customer Daniele at the Human Rights Committee meeting in Canberra, ACT.

Top right: His Excellency General the Honourable David Hurley with Aruma's Human Rights Lead, Judy Topper, and Chief Operating Officer, Tiffany Roxburgh.



Singing occurs regularly at Aruma.

With almost 5,500 children and adults with disability being supported by Aruma from Queensland to Victoria in different ways, lifting the voices of people with disability is part of what we do. Yet not too many human rights charities have their own song.

Aruma was graciously gifted its very own song in August. Her Excellency Mrs Linda Hurley wrote and performed "Aruma" during a reception for Aruma's Human Rights Advisory Committee with the Governor General His Excellency David Hurley at Government House in Yarralumla.

The Human Rights Advisory Committee, made up of people with disability, family members of people with disability and expert staff have a role to guide Aruma to make decisions informed by the human rights of people with disability. Their meeting with the Governor General recognised the importance of their role within Aruma.

Supporting the voices of people with disability to be heard and respected within Aruma and across the wider community has been a key priority of the last year.

Survey findings of Aruma residents, participants and family members found ninety percent report that they feel Aruma treats them with dignity and respect and feeling safe and supported.

Aruma's Human Rights Advisory Committee provided advice to the organisation on improved supported decision making, priorities for the NDIS Review and supporting families during challenging periods.

Human Rights Ambassadors raised accessibility barriers faced by people with disability in casting their vote in the Voice to Parliament Referendum.



Above: Human Rights Ambassador, Elyce Shearer, speaking to the ABC about the importance of supporting people with a disability exercise their right to vote

A message from our Chair and CEO



**We provide
one of the
nation's largest
offerings of
home and living
supports across
583 locations...**

**Together with 35 community participation hubs,
eight different supported employment enterprises,
five early childhood intervention centres and
51 services for children with disability.**

A message from our Chair and CEO

In seeking to sustain and improve our complex offerings to people with disabilities over the last year, the organisation adopted three distinct priorities.

Safety

Project Zero was established to reduce significant staff injuries to zero, in response to high numbers of reported safety incidents across the disability sector. An independent review of Aruma's Safety Management System was undertaken. Aruma was appointed leader of the Alliance Twenty's Safety Working Group. Strengthened safety practices were implemented across the organisation.

Consistent Quality

An initiative to establish new service quality standards and service governance was commenced to drive an uplift in consistency of service quality across all Aruma locations. The Quality and Safety All the Time (QSAT) program was expanded across all Aruma services.

Sustainability

Actions have been adopted to realign Aruma's cost base, in response to sector-wide financial pressure impacting Aruma's bottom line. A new environmental sustainability framework to reduce Aruma's carbon emissions over time was also drafted for refinement and adoption in the next financial year.



A message from our Chair and CEO

The policy environment within which the NDIS and in turn Aruma operated in the last year was poised for reform.

- The Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability concluded after four and a half years of evidence from the disability community.
- The NDIS Review consulted widely across the disability sector.
- NDIS Minister Bill Shorten convened the NDIS Workforce Dialogue to consider a Reform Compact.

Aruma has represented the voices of people with disability in reform forums. Aruma proposed to the Royal Commission reform to group homes over time, and expansion of alternate home and living options.

Aruma proposed to the NDIS Review formal navigation support across the health system for people with disabilities. Aruma proposed a Reform Compact to the Federal Government for NDIS participants, the NDIS workforce and charities delivering NDIS services to implement Royal Commission and NDIS Review findings. In making these proposals to the Royal Commission, the NDIS Review and the Federal Government, Aruma has been guided by the advice of the Aruma Human Rights Advisory Committee at each stage.

With the Royal Commission and NDIS Review completed, and governments considering their responses, Aruma has commenced a refresh of its own strategic planning processes. 2024 will see a new strategy for Aruma emerge, informed by both decisions of governments and Aruma's human rights lens.

Aruma's Board made several big decisions in the last year.

The Aruma Board determined to expand its role in support for children with disability, by agreeing to commence out of home care support services in NSW and by agreeing to provide continuity of support to children and families in early intervention services previously provided by Irabina in Melbourne.

The Aruma Board also endorsed a long-term evolution in support for employment of people with disability, by endorsing Aruma's commencement of support for people with disability in mainstream employment.

Expanded attention was given to community participation, with Aruma commencing a shift in focus towards social inclusion. The Aruma Board also agreed to commence operation of the former ACES community participation program in Port Macquarie.

Most significantly, the Aruma Board determined to commence a planned and gradual shift away from operating large group homes, in favour of providing supports to smaller numbers of residents in smaller homes or alternate living environments like apartments and villas.

This strategic decision continues the decades move away from congregate institutional care to supporting individual needs and choice preferences. The shift from large institutional group homes will take Aruma some time to progress and will be dependent on similar support from the NDIS and State and Territory Governments.

Providing disability support to almost 5,500 children and adults involves the effort and commitment of over 6,000 committed staff and a highly involved Board.

Thanks are due to every staff member and Board Director who have helped steer Aruma through the year. The coming year is one in which the Board and Management Team have

committed to lifting Aruma from a small deficit to surplus, representing the voice of people with disabilities in government decision making as changes are made to the NDIS, and most importantly refreshing the strategic direction of Aruma to ensure the organisation is best positioned to continue to meet the needs of the people it serves.



Candice Charles
Chair



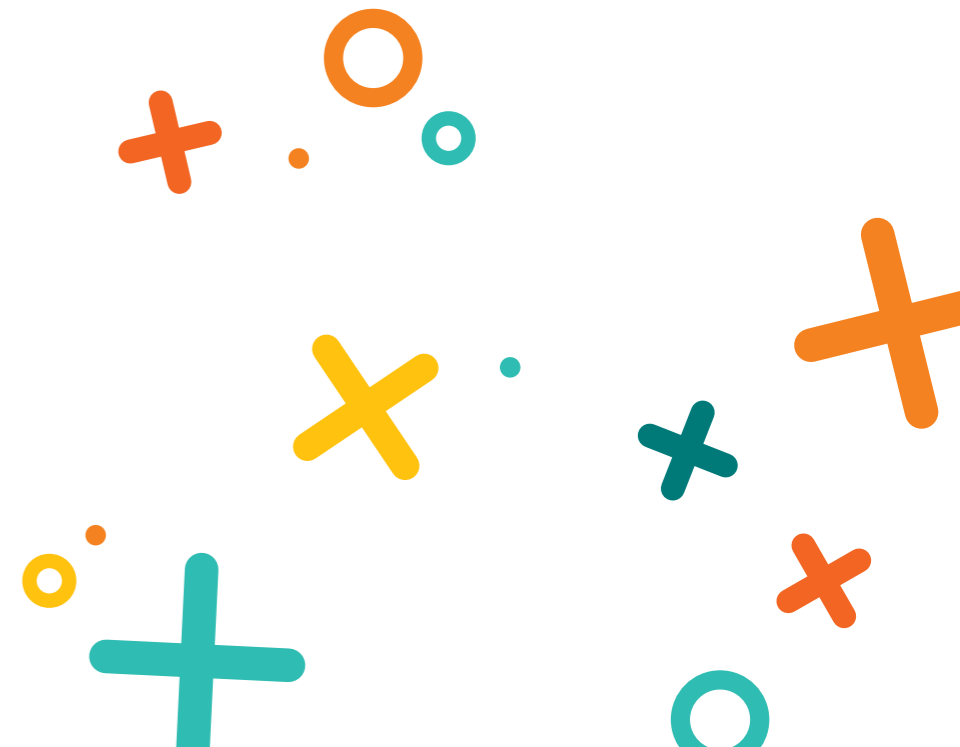
Dr Martin Laverty
CEO



Candice, Chair of the Board and Martin, Aruma's CEO.



about Aruma



About Aruma

delivering our strategic priorities

As one of Australia's largest not-for-profit disability service providers, we support almost 5,500 adults and children with a disability to live a great life, the life they want, the life they choose.

We're proud to be a human rights charity that delivers on our 'You. First' promise to uphold the human rights of all people with a disability. As always, these commitments guide everything we do, including our strategic priorities.



1. We are a human rights charity.

This means, at a bare minimum, we meet the needs of our participants, and we also speak up and give people with a disability a voice. 1 in 6 people in Australia have a disability* which is around 18% of the population. It's not enough to just provide disability services, we must continue to create more housing, jobs, and opportunities for those who need it. We're all about challenging standards and striving for change to advocate for people with a disability and amplify their voices. We're achieving this through working groups, more visibility in the media, and engagement with our stakeholders and governments.

2. This year, we've taken some big leaps forward in our strategy to be experts in children, community, employment, home, and living support.

We've expanded our footprint and committed to creating new housing to give people with a disability somewhere to call home. Our businesses continue to go from strength to strength, making more employment opportunities available this year. We've also focused on upskilling our people through our Person Centred Active Support training and providing them with the resources to provide the best support possible.

3. We're focused on becoming a sustainable for-purpose organisation.

An audit of our systems showed opportunities to simplify our processes and create a consistent approach. By getting our processing ducks in a row, we can eliminate double handling and return to what truly matters: our participants. We've made significant headway already with the rollout of new finance and learning management systems. The key to a truly sustainable organisation is the people. To ensure we deliver the best service, we want the best people, and we want them to stick around, so we're improving how we recruit and support careers at Aruma.

4. We don't just want to be a business; we want to be a partner.

This means working closely with our staff, union partners, and other organisations. By developing partnerships within the disability sector and beyond, we open the door to collaboration and shared learning. Partnering with other organisations creates opportunities for our participants and allows us to grow our service offerings. It's a win-win!



We've seen some real progress this year with momentum continuing to build as we embed our four pillars into business as usual, but there's more to come. Stay tuned!

*Source: AIHW Report

About Aruma

A year of impact

We support almost **5,500 people**



to live a great life, the life they want, the life they choose

We are an organisation of over **6,000 staff**

We support people with a disability throughout the east coast of Australia and have a total of



583 locations

We have 5 National Support Coordination teams made up of 53 support coordinators who completed over

6,700 requests for support

throughout the financial year

Our Business Development team helped **190 people find their new home**



Our Facilities Management team created **over 85,000 hours of work**

for our supported employees per year across 4,000 sites in TAS, VIC, WA, NSW and QLD



We launched two new finance and learning management systems



Our Learning and Development team offered **21 training courses that covered 76 topics**



Our Registered Training Organisation was announced as a State Finalist by Training New South Wales in July 2022

37.1K Facebook followers



1.25 million visits to our website



788 mentions in the media

which created a combined reach of 235,972,346 and is an equivalent ad value of \$2.1 million

About Aruma

Our purpose, our reason for being



Supporting people with a disability to live a great life, the life they want, the life they choose.

Our values

value teamwork we do things together

excellent we do things well

BRAVE

bold
we speak up

respectful
we respect each other

authentic
we do what we say

Our customer promise

you.first



excellence
in action

How we supported people with a disability this year

The theme of Aruma's 2023 annual report is excellence in action.

This theme is born from the everyday acts of excellence we witness across the organisation. Whether it be a participant learning a new skill, finding their forever home, or landing their first job, each day is a new reason to celebrate. As one of Australia's largest human rights charities and disability service providers, we are taking action to become a leader in the sector.

Check out just some of the many success stories from the past year...

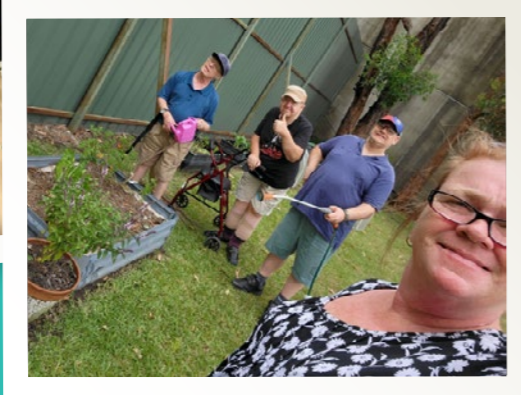


Excellence in action

Our year in selfies



Aruma CEO **Martin Laverty** and the team celebrating the opening of the Frenchs Forest office in the best way possible, with sweet treats for morning tea.



Cardiff Hub pictured participating in the grow something to eat challenge, we have a couple of natural green thumbs in our midst!



Human Rights Advisor **Rochelle** grabs a selfie with Netflix star **Chloe Hayden** at the NSW Human Rights Conference.



Queensland staff and Aruma participant snap a quick selfie at the 2022 Human Rights Conference.



Lexy, Catherine, Nikita, Charmaine, Andrew, and Kieunga representing Aruma at the Nepean Disability Expo.



Our **Communications team** get together to share ideas at an in-person workshop in Sydney.



Great to see so many smiling faces at an in person gathering at **Parramatta**.



Our **Therapeutic Supports team** gather for their annual National training day.



The **Queensland team** celebrate Christmas with plenty of food, laughter and joy.



Aruma's **North Rocks home** celebrating **Shirley** overcoming cancer.

Excellence in action

Putting the heart in our homes

Rolling out the welcome mat with more social housing in Mackay

In March, we partnered with Specialist Disability Accommodation (SDA) developers Leben Homes to offer four accessible, high-physical support apartments in Mackay.

We were excited to join SDA provider Inhab to support four eligible NDIS participants to move in. This followed our recent expansion into Cairns, where we teamed up with partners to offer six SDA homes and community support in the area.

Martin Laverty, Aruma CEO said:

“It makes sense to do what we can as a disability provider and partner with others to help fill vital social housing gaps like we’re seeing in Mackay.”

“These incredible homes offer people with a disability a lifestyle full of independence, pride, and comfort, with state-of-the-art accessible features. The villas even have a hydrotherapy pool and shared spaces for residents to relax and enjoy.”

Bringing families together

The festive season is always cause for celebration, with many homes hosting events for families. In the lead up, our staff spend months planning and preparing for these spectacular days.

Seeing our residents and their families enjoying themselves is thanks enough, however Rebecca Prestwidge, Manager Shared Living at our home in Berkeley, New South Wales received a lovely thank you letter from our resident Jade’s family following their Christmas family event.

“We would like to thank the staff that ensured all the families had a great day. Especially Paul for supplying equipment, setting up, and cleaning. We also want to thank Kerrie for coming in on her day off to ensure the day was a success. She went above and beyond expectations. Thanks to all the other staff who contributed to the day. Overall, it was a fun and delightful day.”

Our teams go above and beyond to create a positive culture and build strong relationships with our residents and their families.



Lauren (middle) enjoyed checking out the new apartments with support at the Mackay Open Day.



Left to right: **Kerrie** (SIL staff), **Jade** (customer) and **Maxine** (Jade’s Mum) sharing a laugh at the Christmas Party.

Excellence in action

Our 2022 Human Rights conference was a huge success!

We hosted our annual Human Rights conference in New South Wales, Victoria, and Queensland in December.

Our keynote and guest speakers shared their lived experiences and spoke about the importance of human rights for people of all abilities.

Kicking off in Queensland, artist Tim Sharp and his mother, Judy Sharp, told us to never give up when faced with adversity.

“No one can decide your life for you. You have to be yourself, enjoy the little things, and as cliché as it sounds, all you need is love,” said Judy.

There was barely a dry eye in the room as we saw Tim’s bright, joyful, and optimistic art shine through the hardships and obstacles the pair have overcome.

In New South Wales, Netflix Star Chloé Hayden, expressed the importance of finding your eye sparkle and romanticising our lives as fairy tales. She encouraged us to think about Disney movies where the protagonists and their sidekicks refuse to give up hope.

In Victoria, the theme of hope continued as Activist Ben Pettingill called for celebrations and conversations around International Day of People with Disability to become part of mainstream media.

“It is really important that we see with true vision, and what I mean by that is seeing all people from the inside out rather than from the outside in,” said Ben.



Images

Left: Not a dry eye in the house during **Tim** and his mother **Judy Sharp’s** speeches at the QLD Human Rights conference.

Middle: Netflix star **Chloe Hayden** and **Dylan Rohan** with Human Rights Advisors **James** and **Rochelle**, at our NSW Human Rights Conference, sharing the importance of bringing a little sparkle to world.

Right: **Josh** and **Nas** snap a quick selfie at the VIC Human Rights conference.



Our Human Rights Committee

The Human Rights Advisory Committee was established in 2015 to truly knit human rights principles into everything we do. Our advisors are a group of participants, supported employees, family members and staff who are not afraid to tackle the big issues and speak up. They meet every three months to look for ways to improve our organisation and shape our policies that affect Human Rights with Board directors attending. They also design and implement our annual Human Rights conference and meet with the full Board twice a year.

Excellence in action

Achieving our goals

Anthea pictured here in her earlier years at what was then known as House with No Steps.



Anthea's amazing adventure

Since joining Aruma 22 years ago, Anthea has become a confident woman who advocates for herself and chases her dreams.

Due to Anthea's complex needs, her family spent a long time looking for the right support and an environment where their daughter could thrive.

"We felt that Aruma (then House with No Steps) was the only place we could put our faith in to take care of Anthea," said mum, Di Heenan.

Today, Anthea's goals are independent living and engaging with the local community. Last year, she joined Aruma's work education program and is now one of our amazing receptionists.

"I enjoy working in reception and meeting new people. My responsibilities include fire drills, sending emails, photocopying, and scanning. I like helping everyone out however I can," said Anthea.

Emily's wonderful smile shining at the Wollongong beach, what a journey she's been on with Aruma!



Emily finds her voice

When you walk through the doors of our home in Minto, New South Wales, the first thing you will hear is the sound of happy residents chatting and laughing.

What might surprise you is that when Emily first moved in, she had just been diagnosed with selective mutism, and for the first few months, no one heard a peep from her.

"We immediately knew she needed an environment with consistent and trained staff. Those staff members also needed an avid interest in supporting Emily with the intense Person-Centred Active Support (PCAS) she required," said Manager of Shared Living, Jacinta Tester.

Finding Emily's voice started with providing stability through consistent staff and PCAS. The next step was encouraging Emily to take control of her decision-making.

Emily is now not only speaking but is also regularly heard singing and entertaining staff. What a fantastic outcome!

Excellence in action

Support during tough times

In October 2022, torrential rain and flooding left thousands of homes and businesses underwater across Eastern Australia.

The Central West and Northern inland of New South Wales, Northern Victoria, and Southern Queensland was hit with the brunt of the flooding, with Aruma staff and participants affected.

Despite the devastation, we were proud to see an outpouring of care and support from our BRAVE staff and participants.

Support workers and managers from New South Wales and Queensland volunteered to head south and support our Victorian staff, who battled the floods for almost two months.

“The relief staff were truly amazing. It was incredible that they were even willing to leave the safety of their own homes to help us out. Everyone was so flexible and willing to do what it takes,” said Victorian Support Worker, Jaimie Lee Currie.

Jaimie works at our home in Rochester, Victoria. She was one of our staff members who worked 21 days straight to assist the 11 residents relocated because of the floods.

Our Aussie Biscuits factory in Forbes, New South Wales, was also in the flood lines. The local team supported the business and the community by waterproofing offices, homes, shop front, and the factory.

“Our full crew of 10 supported employees joined the local SES to deliver sandbags around the town,” said Facilities Services Manager Mitch Bembrick.

The support didn’t stop there. Staff and participants from across the country raised over \$21,000 in donations to help those affected recover from the floods.

Below: the devastating Forbes flood captured by our Manager Shared Living, Kim Wright.



A big thank you to everyone who rallied together during this tough time.

Excellence in action

Aruma teens shine bright

Levi's art recognised with a Nanga Mai Award

For our participant Levi, art has always been an outlet and has helped him engage with the world around him.

Earlier this year, he was recognised for his amazing artistic abilities by the New South Wales Department of Education. However, when Levi's mum Janina realised the award ceremony was being held in Sydney (more than seven hours away from their home), their excitement was cut short.

"Between occupational therapy, speech therapy, and paediatric visits for all three kids, it has been full on. Janina doesn't have much support around her, so I wanted to help," said Aruma Support Coordinator, Teresa Marriott.

Teresa and the team worked together to raise the funds and coordinate logistics to get the family to the Sydney Opera House for the award ceremony.

Aruma participant **Levi** with his mum **Janina** and little sister in Sydney to celebrate Levi's Nanga Mai Award for excellence.

"Levi is quite amazing. He is a kid who, due to his struggle with fine motor skills, struggles to do up a button, but he is amazing with a pencil in his hands. He loves his art, and it shows," continued Teresa.

Janina was so grateful to watch her son proudly walk across the stage and represent their Indigenous heritage as he accepted the Nanga Mai Award which celebrates First Nation students, who have demonstrated excellence in school.



Cody gets the call to Parliament

Cody from our home in Burleigh Waters, Queensland, was invited to join the Gold Coast IMPACT Youth Summit for their presentation to Parliament in June.

As a confident advocate for himself and others with a disability, Cody was excited to meet like-minded young people passionate about providing feedback to the government and other officials.

"My favourite part of the event was spending time with friends, meeting new people and sharing my experiences," said Cody.

Left to right: Cody's friend, **Angie Bell** MP, Federal Member for Moncrieff, and Shadow Minister for Youth, **Cody** and another mate having a great time socialising at the IMPACT Youth Summit.



Manager of Shared Living for Gold Coast South, Nathan Lawrie, said, "One thing I admire about Cody is his passion for advocacy and ability to speak his mind. He was the perfect candidate to attend the Summit, and he told me he had a ball."

Almost 200 young people attended the TED-X style event that featured over 20 speakers, workshops, immersive programs and entertainment.

Cody is no stranger to the spotlight. Last year, he was announced as the 'Leagueability Male Player of the Year' at the Gold Coast Titans' annual awards night. He gave a speech alongside his sporting heroes, so speaking to Parliament was a walk in the park.

Excellence in action

Business is booming

Warabrook laundry celebrates 20 years!

March 2023 marked 20 years since our Warabrook laundry first opened its doors, and what an incredible couple of decades it has been.

We have seen some incredible advancements, but the mission has always remained the same: to help people with a disability live their best lives.

“My favourite thing is seeing our team come in daily with a smile. Everyone comes in and gives it 100%. I know I’ve done my job when everyone leaves at the end of the day, still as happy as when they arrived,” said Andrew Furner, Laundry Manager.

“Some staff joined when it was just therapeutics and recycling. Now we have the commercial laundry, manufacturing, medical packs, and facility services, and many of those supported employees are still here,” continued Andrew.

There are currently 54 supported employees at the laundry, some of whom have been with us for over 20 years. What a milestone!



Christine (right) celebrates 17 years with Aruma, and 2023 also marks 15 years for **Glen** (left). This dynamic duo are well known and loved by their colleagues at the Warabrook Laundry.

Aussie Biscuits flying high with FlyPelican

In October 2022, Aruma’s Aussie Biscuits took to the skies with home-grown airline FlyPelican, serving our delicious bikkies to passengers.

FlyPelican now serves 2,500 packs of biscuits each month to passengers flying out of Newcastle between various destinations, including Sydney, Canberra, Mudgee, and Ballina. This follows Aussie Biscuit’s deal with Sydney Airport, which has seen more than 30,000 packs of bikkies served to weary travellers in peak-time queues.

This partnership with FlyPelican provides work for 24 supported employees who make and pack biscuits for hungry travellers.

The more we grow, the more we can employ people with a disability to learn new skills, make friends, and build their confidence and independence – all while having fun.



Aussie Biscuits are a delicious snack for all ages.

Excellence in action

Summerland Farm is famous!

Our picturesque Summerland Farm graced the television screens of more than 1.3 million Aussies in March with a feature on Better Homes and Gardens.

The Better Homes and Gardens crew visited the farm and spent the better part of a day exploring the lush avocado orchards, watching an avocado grading demonstration in the packing shed, patting furry miniature animals at the animal encounters barn, perusing the goodies in the shop, and cooking up a storm with head chef Rob.

Presenter Joh Griggs also spoke to supported employees from across the farm and Aruma.

We've always known how special Summerland Farm is, but since the episode aired, we're no longer the only ones.

In July 2023, Summerland Farm won the 2023 North Coast Tourism Awards. The Awards acknowledge growth, entrepreneurship, and tourism success across the North Coast region.

"The more tourist dollars we can generate, the more we can support our 110 supported employees who work with us to build their skills, confidence, and friendships working in various roles on the Farm," said Executive General Manager Community and Employment, Brett Lacey.

To win this award, we had to demonstrate the uniqueness and role of the site in the community. Our commitment to creating opportunities for people with a disability and how we care for our land are just two great examples.

Better Homes and Gardens host **Johanna Griggs** meeting our furry friends at Summerland Farm.



Winner!
2023 North Coast Tourism Awards



Your directors present their report on the consolidated entity consisting of Aruma Services Limited and the entities it controlled at the end of, or during, the year ended 30 June 2023

Throughout the report, the consolidated entity is referred to as the Group.

directors' report

Directors

The following persons were directors of Aruma Services Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Candice Charles - Chair
- Leanne Dreves - Deputy Chair
- Maura Boland
- Chris Edwards
- Samantha Male
- Malcolm Kinns
- Andrea Tustin

Principal activities

The principal activity of the Group during the year was the provision of support services to people with a disability, their families and carers.

No significant change in the nature of these activities occurred during the year.



Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Review of operations

Overview of the Group

Consolidated revenue of \$485,182,000 (2022: \$468,204,000) increased by 3% (2022: decreased by 2%) compared with the prior year. During the year the Group experienced a decline in funding of some customers' individual National Disability Insurance Scheme (NDIS) plans and ongoing reduction in profit margins arising from inadequacy of NDIS pricing.

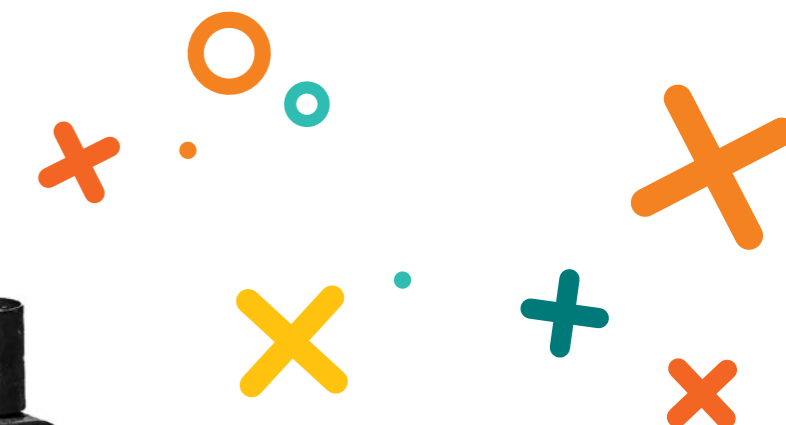
Consolidated net loss of \$7,667,000 (2022: loss of \$3,644,000) increased by 110% (2022: consolidated net loss decreased by 20%) mainly due to a number of non-recurring events that occurred last year and the challenging business environment as described.

Net assets of \$103,891,000 (2022: \$111,153,000) decreased by 7% (2022: decreased by 0.8%).

Cash flows from operating activities was \$16,051,000 (2022: \$15,734,000). Cash flows used in investing activities was \$2,349,000 (2022: \$3,567,000). Overall cash on hand increased by \$4,209,000 (2022: \$4,511,000).

Event since the end of the financial year

No matters or circumstances have arisen since 30 June 2023 that have significantly affected the Group's operations, results or state of affairs, or may do so in future years.



Information on directors

Candice Charles, Chair

Qualifications B App Sc, MBA, MPH, GAICD

Experience

Candice Charles is an experienced Chair with a career in the financial, health and community sectors. She is a non-executive director of Dental Health Services Victoria and has held directorships in several for-purpose organisations since 2002, with expertise in corporate governance, strategy, financial management and clinical governance.

Candice has held senior leadership positions in the financial services sector at National Australia Bank and Transport Accident Commission, and in health and community service organisations. Candice has also run her own consulting business.

Candice has a Masters Degree in Public Health and Business Administration from the University of Melbourne.

Special responsibilities

Chair of the Aruma Services Limited Board, Member of the Audit & Risk Committee, Member of the Customer Committee, Member of the People & Governance Committee.

Leanne Dreves, Deputy Chair

Qualifications B. Com, CPA, GAICD

Experience

Leanne Dreves is an experienced Chief Financial Officer, Company Secretary and non-executive director with extensive finance, governance and risk management expertise.

She has held senior accounting and financial leadership roles in various profit for purpose organisations, including charities and credit unions, and in public practice. In public practice she provided a range of accounting and management consulting services to small business.

Leanne is a non-executive director of Roses in the Ocean, Australia's leading lived experience of suicide organisation. She was previously a non-executive director of House with No Steps.

Leanne is a Certified Practising Accountant (CPA) and also holds a Bachelor of Commerce (Accounting).

Special responsibilities

Chair of the Audit & Risk Committee, Member of the People & Governance Committee.

Maura Boland, Director

Qualifications BSc (Hons), Grad Dip Comm Mgt, MAppSc, (Comm Mgt), Grad Cert Mgt, GAICD

Experience

Maura Boland is a leader, strategic thinker, and influencer with expertise across all aspects of management and corporate governance including strategic planning, policy development, social and capital program design and administration, regulation, and project governance.

Currently Maura is a director of The Insight Partnership, a management consultancy specialising in collaboration for strategic results in areas of positive social and environmental impact. Maura has held a range of executive positions in the NSW Government, most recently as Deputy Director-General, Strategy and Policy in the then Family and Community Services and has extensive experience in government and human services. She has successfully led and guided change and innovation across housing, health, disability, environment, planning and other government portfolios.

Her non-executive director positions have included the House with No Steps and ANROWS.

She is an Executive Fellow of the Australia and New Zealand School of Government (ANZSOG).

Special responsibilities

Chair of the People & Governance Committee.

Chris Edwards, Director

Qualifications GAICD, Dip. Business

Experience

Chris Edwards is a manager and director with extensive experience across the human services sector. He has specific expertise in disability inclusion and improving organisation performance in service delivery.

Chris is currently Director, Government Relations and Advocacy for Vision Australia. He has performed a range of strategic and operational management roles for Vision Australia and has previously worked for Nous Group, a leading Australian professional services firm.

Chris's current appointments include non-executive director RPH Australia and a member of the People & Culture Committee for the Melbourne Convention & Exhibition Centre. His prior board appointments include a non-executive director of The Tipping Foundation Ltd, Retina Australia (Victoria) and Disability Attendant Support Service Incorporated (DASSI), including two years as Chair of DASSI.

Chris is a Seeing Eye Dog handler and works in partnership with his Seeing Eye Dog, Eva.

Special responsibilities

Chair of the Customer Committee.

Information on directors

Samantha Male, Director

Qualifications BSc (Hons), MBA, GAICD

Experience

Samantha is an experienced director and senior business executive. She has particular experience in community housing, having worked at a senior management and Board level across the UK and Australia.

Samantha is a director of Four Five Six Pty Ltd, leading transformation projects within the social services sector. She lives in rural Australia running a family Avocado Farm. Previously Samantha held senior executive roles with Link Housing, Mission Australia Housing and Genesis Housing Group.

Samantha is a non-executive director of Bundaleer Care Services and Bundaleer Care Operations Ltd, an aged care facility on the Mid-North Coast, NSW. She was formerly an executive director of Pathmeads Residential Ltd and Orchard & Shipman PLC (UK), and a non-executive director of House with No Steps and Berkshires Women's Aid.

Samantha holds a Bachelor of Science (Building) and graduated with an MBA from the Cranfield School of Management in 2011.

Special responsibilities

Chair of the Property Committee, Member of the Customer Committee.

Malcolm Kinns, Director

Qualifications B.Eng (Hons), Chemical Engineering

Experience

Malcolm Kinns is an experienced director and education executive. He has held senior leadership roles in the vocational and higher education sectors and had an extensive career building and improving technology driven education.

Malcolm is currently Chief Executive Officer of Generation Australia, an independent not-for-profit focussed on transforming education to employment systems to prepare, place, and support people into life-changing careers.

Previously Malcolm has worked with a variety of educational institutions including Think Education Group, Edinburgh Business School and FBOL Solutions, where he consulted to universities and other education institutions on business growth strategies and best practice design principles for the delivery of blended and online learning.

Malcolm has also held advisory board roles on the Classic Wallabies Indigenous Exchange, supporting young Indigenous Australians to undertake volunteer assignments in South Africa as well as the NSW Rugby Learn, Earn, Legend program.

Malcolm holds a Bachelor of Engineering (Honours), Chemical Engineering from The University of Edinburgh and has completed the AGSM Governance for Social Impact.

Special responsibilities

Member of the Customer Committee, Member of the Property Committee.

Andrea Tustin, Director

Qualifications B.Com, CPA, GAICD

Experience

Andrea Tustin is a strategic, operationally, and commercially focused finance professional. She has extensive financial, commercial, technical and management experience across a diverse range of organisations and sectors in Australia, South Africa and UK.

Andrea is currently the Chief Financial Officer of the Uniting Church of Australia – Synod of NSW & ACT. Previously, Andrea has held senior finance and leadership roles at Nextt Group, Southern Cross Care, Corum Group Australia, NSW Business Chamber, Gambro Pty Ltd, Dymocks and Deloitte.

Andrea is a non-executive director of Can Too Foundation. She was previously a non-executive director of Take 3 Ltd.

Andrea is a Certified Practising Accountant (CPA) and holds a Bachelor of Commerce from the University of South Africa. She is a Graduate of the Australian Institute of Company Directors.

Special responsibilities

Member of the Audit & Risk Committee, Member of the Property Committee.

Tiffany Roxburgh, Company Secretary

Qualifications B. Com, CA, GAICD

Experience

Tiffany is both Company Secretary and Chief Operating Officer for Aruma Services Limited and has held executive roles in the areas of finance, risk, and governance.

Tiffany has extensive experience in the resources and energy industry and private equity owned organisations before joining Aruma in 2018. Previously Tiffany held the position of Client Director at Deloitte, and Director Corporate Development and Sustainability at Bis industries.

Sarah Houlihan, Company Secretary

Qualifications BArtTh, MArtAdmin, GradDipACGRM, AGIA

Experience

Sarah is both Company Secretary and Manager Corporate Governance for Aruma Services Limited. She has held company secretarial and governance related roles in the not-for-profit and corporate sectors, including MLC (NAB Wealth), WWF-Australia and the National Association for the Visual Arts.

Directors' report

Meetings of directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2023, and the numbers of meetings attended by each director were:

Directors	Meetings of the Aruma Services Board (excluding subsidiary meetings)		Audit & Risk Committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Candice Charles	6	6	6	6
Leanne Dreves	6	6	6	6
Maura Boland	6	6	-	-
Chris Edwards	6	6	-	-
Samantha Male	6	5	-	-
Malcolm Kinns	6	6	-	-
Andrea Tustin	6	6	6	5

Directors	Governance & Remuneration Committee meetings		Customer Experience & Outcomes Committee meetings		NSW Land Transfer Agreement Oversight Committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Candice Charles	6	6	3	3	4	4
Leanne Dreves	6	6	-	-	-	-
Maura Boland	6	6	-	-	-	-
Chris Edwards	-	-	3	3	-	-
Samantha Male	-	-	2	2	5	5
Malcolm Kinns	-	-	3	3	5	3
Andrea Tustin	-	-	-	-	1	1

Members guarantee

Aruma Services Limited is a company limited by guarantee and in accordance with the Constitution the liability of members in the event of Aruma Services Limited being wound up during the time, or within one year after he or she is a member, would not exceed (\$1) per member towards meeting any outstanding obligations of the entity. At 30 June 2023 the total amount that members are liable to contribute if Aruma Services Limited is wound up is \$35 (2022: \$36).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012 is set out on page 8.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the board of directors.



Candice Charles
Chair



Auditor's Independence Declaration

As lead auditor for the audit of Aruma Services Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Aruma Services and the entities it controlled during the period.

Eliza Penny
Partner
PricewaterhouseCoopers

Sydney
25 October 2023

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These financial statements are the consolidated financial statements of the Group consisting of Aruma Services Limited and its subsidiaries.

A list of subsidiaries is included in Note 24. The financial statements are presented in Australian dollars which is Aruma Services Limited's functional and presentation currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand dollars unless otherwise stated.

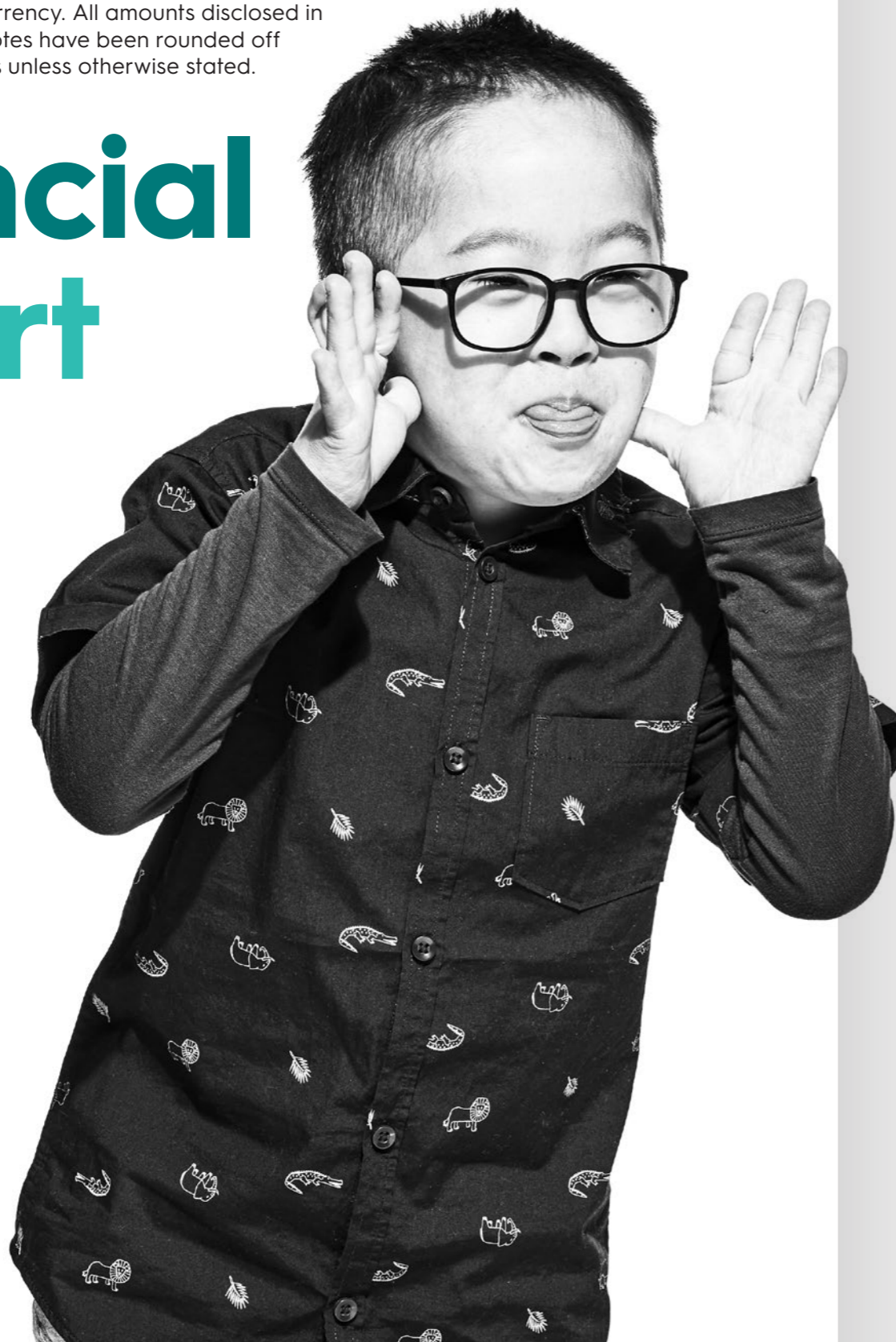
financial report

Aruma Services Limited is an Australian Public Company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Aruma Services

Building A, Suite 4.01/20
Rodborough Road
Frenchs Forest NSW 2086
Australia

The financial statements were authorised for issue by the directors on 24 October 2023. The directors have the power to amend and reissue the financial statements.



Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Revenue and other income			
Revenue	3	478,985	467,458
Other income	3	6,197	746
Total revenue and other income	3	485,182	468,204
Less: expenses			
Employee benefits expense	4	(419,893)	(405,649)
Occupancy expense		(13,656)	(12,689)
Depreciation and amortisation expense	4	(13,884)	(13,441)
Professional fee expenses		(3,790)	(4,132)
Motor vehicle expenses		(4,676)	(4,131)
Material and consumables used		(6,219)	(5,033)
Technology expenses		(13,730)	(15,163)
Repairs and maintenance expense		(5,907)	(5,030)
Sales and marketing expenses		(2,685)	(2,399)
Finance expenses	14	(1,487)	(1,270)
Other expenses		(5,922)	(2,911)
Revaluation loss on assets held for sale	10	(1,000)	-
Total expenses		(492,849)	(471,848)
Loss before income tax expense		(7,667)	(3,644)
Income tax expense		-	-
Net loss from continuing operations		(7,667)	(3,644)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability		405	2,760
Other comprehensive income for the year, net of tax		405	2,760
Total comprehensive loss for the year		(7,262)	(884)

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

Consolidated statement of financial position

As at 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	5	118,499	114,290
Trade receivables and accrued income	6	16,213	34,649
Inventories	7	870	846
Other financial assets	8	5,975	5,179
Other current assets	9	5,435	9,394
Assets classified as held for sale	10	13,000	-
Total current assets		159,992	164,358
Non-current assets			
Biological assets	11	-	602
Intangible assets	12	-	256
Property, plant and equipment	13	64,103	76,674
Right-of-use assets	14	26,950	27,803
Total non-current assets		91,053	105,335
Total assets		251,045	269,693
Liabilities			
Current liabilities			
Trade and other payables	15	30,511	25,395
Lease liabilities	14	7,946	6,886
Employee benefit obligations	16	59,475	57,587
Provisions	17	23,479	37,670
Contract liabilities	18	5,041	6,823
Total current liabilities		126,452	134,361
Non-current liabilities			
Lease liabilities	14	19,383	21,292
Employee benefit obligations	16	1,021	2,045
Provisions	17	298	842
Total non-current liabilities		20,702	24,179
Total liabilities		147,154	158,540
Net assets		103,891	111,153
Equity			
Reserves	19(a)	11,887	11,482
Retained surplus	19(b)	92,004	99,671
Total equity		103,891	111,153

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

Consolidated statement of changes in equity

For the year ended 30 June 2023

	Attributable to owners of Aruma Services		Total equity \$'000
	Reserves \$'000	Retained surplus \$'000	
Balance at 1 July 2022	8,722	103,315	112,037
Loss for the year	-	(3,644)	(3,644)
Remeasurements of defined benefit liability	2,760	-	2,760
Total comprehensive income/(loss) for the year	2,760	(3,644)	(884)
Balance at 30 June 2022	11,482	99,671	111,153
Balance at 1 July 2022	11,482	99,671	111,153
Loss for the year	-	(7,667)	(7,667)
Remeasurements of defined benefit liability	405	-	405
Total comprehensive income/(loss) for the year	405	(7,667)	(7,262)
Balance at 30 June 2023	11,887	92,004	103,891

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

Consolidated statement of cash flows

For the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipt from customers (inclusive of GST)		502,137	470,617
Payments to suppliers and employees (inclusive of GST)		(487,230)	(453,905)
Interest received		2,631	292
Interest paid		(1,487)	(1,270)
Net cash inflow from operating activities		16,051	15,734
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		483	164
Proceeds from sale of financial assets at fair value through profit or loss		1,328	892
Payment for property, plant and equipment		(4,388)	(4,092)
Payments for financial assets at fair value through profit or loss		(1,779)	(1,015)
Dividends received		299	484
Cash acquired on business combinations, net of consideration paid		1,708	-
Net cash outflow from investing activities		(2,349)	(3,567)
Cash flows from financing activities			
Lease payments		(9,493)	(7,656)
Net cash outflow from financing activities		(9,493)	(7,656)
Net increase in cash and cash equivalents		4,209	4,511
Cash and cash equivalents at the beginning of the financial year		114,290	109,779
Cash and cash equivalents at end of financial year	5	118,499	114,290

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

30 June 2023

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1. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Aruma Services Limited and its subsidiaries.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. The Company is a not-for-profit entity for the purpose of preparing the financial statements.

i. Compliance with Australian Accounting Standards - Simplified Disclosure Requirements

The consolidated financial statements of the Group comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

ii. Historical cost convention

The consolidated financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the respective accounting policies.

iii. Comparative information

Comparative information is reclassified where appropriate to enhance comparability or in conformity with revised standards and interpretations.

iv. New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2022:

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141].

The amendments listed above did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future years.

b. Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 1(r)).

Inter-company transactions and balances between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

c. Revenue from contracts with customers

NDIS funding

The Group provides disability services to participants who qualify for NDIS funding. NDIS funding for each participant is provided based on an hourly/weekly fixed price basis for approved specific support services. Revenue is recognised in the amount to which the Group has a right to invoice, based on specific support services delivered to participants each week. The Group invoices NDIA on a weekly or fortnightly basis and consideration is payable within 7 days from invoice date.

Government block funding

The Group provides disability services to participants who either have not transitioned from federal or state government funding

schemes to the NDIS or are not eligible for NDIS funding. Revenue is recognised in the amount to which the Group has a right to invoice, based on specific support services delivered to participants each week. The Group recognises a liability for government block funding received in advance of delivery of specific performance obligations in each participant's approved funding plan.

Service revenue

The Group provides commercial laundry and facility services to business customers. Revenue is recognised when services have been rendered and the customer has received and used the benefits simultaneously. No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. A receivable is recognised when services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group provides supported independent living support services under fixed price weekly fee contracts to participants who live at fit for purpose properties owned or leased by the Group. Revenue is recognised in the amount to which the Group has a right to invoice, based on specific support services delivered to participants each week. Participants are invoiced on a fortnightly basis and consideration is payable within 14 days from invoice date.

Sale of goods

The Group manufactures and sells biscuits, packaging materials, assembles and delivers medical packs and supplies, harvests and sells farm products. Revenue is recognised when the products have been shipped to the specific location and the customer has accepted the products in accordance with the sales contract. No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. A receivable is recognised when goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

d. Government Grants, Donations, Bequests, Fundraising Income and Volunteer Services

The Group recognises government grants as an asset where the consideration to acquire the grant is significantly less than the fair value of the asset principally to enable the Group to further its objectives. The Group recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard. Upon initial recognition of the asset, The Group would consider whether any other related amounts should be recognised.

Where the government grant relates to a transfer of a financial asset to enable the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group, the Group recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The Group recognises income as it satisfies its obligations under the transfer.

Where the government grant does not enable the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

The Group recognises donations, bequests and fundraising appeals as income when it gains control of the donated cash and bequeathed assets. The Group recognises a liability for all direct and indirect fundraising costs as they are incurred.

The Group does not recognise volunteer services even if the fair value of those services can be measured reliably, regardless of whether the services would have been purchased if they had not been donated. The Group does not rely significantly on volunteer services.

e. Dividend and interest income

Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and other comprehensive income (FVOCI). Dividends are recognised as income in profit or loss at the time the right to receive payment has been established.

Interest income received from financial assets at amortised cost and financial assets at FVPL and FVOCI is calculated using the effective interest method, with interest accrued over the relevant period using the effective interest rate. This rate exactly discounts the estimated future cash flows over the expected life of the financial asset to the net carrying amount of the financial asset. Interest income is recognised as income in profit or loss.

f. Income tax

The Group is registered under the Charitable Fundraising Act 1991 and is endorsed as income tax exempt charitable entities under Subdivision 50 B of the Income Tax Assessment Act 1997.

Aruma Services Limited is a public benevolent institution as defined in the Income Tax Assessment Act 1997 and is endorsed as a deductible gift recipient under Subdivision 30 BA of the Income Tax Assessment Act 1997.

g. Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and at banks, short term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

h. Inventories

Raw materials and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held for distribution at no or nominal consideration are measured at lower of cost and current replacement cost.

i. Financial assets

i. Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income ("FVOCI") or through profit or loss ("FVPL"), and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or in other comprehensive income.

For investments in equity instruments that are not held for trading and certain fixed interest securities, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. The Group has elected to classify its equity securities as financial assets at FVPL.

The Group has classified its debt financial assets as measured at amortised cost using the effective interest method as both of the following conditions are met:

- 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.

The Group's debt financial assets comprise trade and other receivables.

ii. Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

iii. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset at amortised cost, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt financial assets at amortised cost are measured using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income.

Certain fixed interest securities are subsequently measured at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses and reversal of impairment losses on equity investments measured at FVPL and FVOCI are not reported separately from other changes in fair value.

Equity instruments

The Group subsequently measures all equity investments at fair value.

Changes in the fair value of financial assets at FVPL are recognised in other gains/ (losses) in the consolidated statement of profit or loss and other comprehensive income as applicable. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is

established. Impairment losses and reversal of impairment losses on equity investments measured at FVPL are not reported separately from other changes in fair value.

iv. Impairment

The Group assesses the expected credit losses associated with its debt instruments carried at amortised cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and accrued income, the Group applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables and accrued income. To measure expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due. Accrued income relates to unbilled services delivered to customers and have substantially the same risk characteristics as trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for accrued income.

The expected loss rates are based on the payment profiles of revenue over a period of 36 months before 30 June 2023 and the historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on factors affecting the ability of customers to settle the receivables. The Group has identified that self-managed and plan-managed customers have a higher expected loss rate than other customer groups.

Trade receivables are written off where 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 make contractual payments for a period of greater than 180 days past due and the failure of a debtor to commit to a repayment plan for outstanding debt.

j. Financial liabilities

Financial liabilities include trade payables, other creditors and accrued liabilities. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. They are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

k. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Properties that are held for strategic purpose or to provide social services and that generate cash inflows where the rental revenue is incidental to the purpose for holding the property, do not meet the definition of investment properties and are classified as properties in accordance with AASB 116.

Freehold land and buildings are initially recorded at cost. Where freehold land and buildings were acquired at no cost or for a nominal amount, cost is deemed to be the fair value at the acquisition date.

Freehold land and commercial buildings

Subsequent to initial recognition, freehold land and commercial buildings are measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. At each balance date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of freehold land and commercial buildings are recognised in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease of the same class of asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same class of asset are recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Valuations are performed every 3 years by an external qualified valuer.

Land and buildings

Residential land and buildings are stated at historical cost less depreciation.

Plant and equipment and furniture and fittings

Plant and equipment and furniture and fittings are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Furniture and fittings include assets received in the form of free office fit outs. These assets are recognised at their fair value and depreciated over the shorter of their useful life or the lease term.

Depreciation

Land is not depreciated.

The depreciable amount of all property, plant and equipment is depreciated on a straight line basis over their estimated useful lives.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings at cost	2.5%	Straight line
Buildings at valuation	2.5%	Straight line
Plant and equipment at cost	8-50%	Straight line
Motor vehicles at cost	15%	Straight line

The Group reviews the assets' estimated useful lives and adjusts, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained surplus.

l. Intangibles

i. Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less any accumulated impairment losses.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purpose.

ii. Software development

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are clearly

attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Amortisation is calculated on a straight-line basis over 3 years, which is the expected benefit of the software, system or licence to the Group from the point in time at which the asset is ready for use.

iii. Cloud computing arrangements - Software-as-a-Service (SaaS) arrangements

The International Financial Reporting Standards Interpretations Committee (IFRIC) has issued two final agenda decisions which impact SaaS arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) - this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation costs in a cloud computing arrangement (April 2021) - this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Group previously capitalised costs incurred in configuring or customising certain suppliers' application software in certain cloud computing arrangements as intangible assets, as the Group considered that it would benefit from those costs to implement the cloud-based software over the expected terms of the cloud computing arrangements. Following the International Financial Reporting Standards Interpretations Committee (IFRIC) agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement in March 2021 (ratified by the International Accounting Standards Board (IASB) in April 2021), the Group has completed a review of these capitalised costs to determine whether they would need to be expensed or reclassified as prepayments. The value of these costs that were previously capitalised has been now appropriately treated as operating expenses.

m. Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash

generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is carried at a revalued amount such as property, plant and equipment, in which case the impairment loss is treated as a revaluation decrease. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

The recoverable amount is assessed based on the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

n. Biological assets

Avocado and macadamia trees are classified as biological assets and valued in accordance with AASB 116 Property, Plant and Equipment. The value of the trees is measured at fair value using a discounted cash flow methodology. Biological assets are assessed for impairment in accordance with note 1(m).

o. Leases

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalued its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

p. Employee benefits

i. Short-term obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits (other than termination benefits) expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. All short-term employee benefits including the expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in employee benefits obligations in the consolidated statement of financial position.

ii. Long-term employee benefit obligations

The Group has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting

period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee turnover and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

iii. Retirement benefit obligations Defined benefit superannuation plan

A net defined benefit liability is recognised in the consolidated statement of financial position and is measured as the difference between the Group's obligation for employees' defined benefit entitlements at the end of the reporting period and the fair value of plan assets attributable to employees at the same date. The Group's obligation for employees' defined benefit entitlements is calculated at the end of each reporting period by an independent actuary using the projected unit credit method. In determining the Group's obligation for employee's defined benefit entitlements, the actuary discounts the expected future payments attributable to providing the defined benefit entitlements at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Consideration is given to expected future wage and salary levels, experience of employee turnover and periods of service.

The periodic cost of providing defined benefit entitlements is disaggregated and

accounted for as follows:

- Service cost (including current and past service costs and any gains or losses on settlements or curtailments) is recognised in profit or loss in the period in which it arises as part of employee benefits expense;
- Interest on the net defined benefit liability is calculated by multiplying the average balance of the liability during the reporting period by the discount rate applied to the defined benefit obligation and is recognised in profit or loss in the period in which it arises as part of finance costs; and
- Remeasurements of the net defined benefit liability (including actuarial gains and losses, the return on plan assets less amounts included in the net interest on the net defined benefit liability, and any changes in the limit on the net defined benefit asset (excluding interest) are recognised in other comprehensive income in the periods in which they occur.

q. Provisions

Provisions for contingent liability and make good obligations are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle that the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The

increase in the provision due to the passage of time is recognised as interest expense.

r. Business combinations

Business combinations are accounted for by applying the acquisition method, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is carried at its acquisition date fair value.

Goodwill is recognised initially at the excess of: (a) the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired, and liabilities assumed.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in the profit or loss.

Acquisition related costs are expensed as incurred.

s. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is

recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

t. Non-current assets held for sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the consolidated statement of financial position.

u. Goods and Services Tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

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.

2. Critical estimates and judgements

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

a. Employee benefits provision

The liability 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 inflation have been considered.

b. Defined benefits superannuation plan

In determining the Group's ultimate cost of its defined benefit superannuation plan, actuarial assumptions are required to be made. The principal actuarial assumptions used are disclosed in Note 17.

c. Provision for workers compensation

The Group participates in a Loss Prevention Recovery (LPR) insurance scheme for workers compensation policies over a number of financial years for its employees who are located in New South Wales.

Estimates of the forecast premium payable at the end of each LPR period are based on actual capped claims costs provided by the insurer and extrapolated for each LPR as they mature over 4 years. The extrapolation is derived by applying:

- i. A weighted average development factor that is calculated based on the triangulation of past 10 years of actual claims costs maintained by the insurer for the second to fourth year respectively of each LPR policy; and

- ii. An adjustment factor provided by the insurer that is applied to the second to fourth year respectively of each LPR policy.

The Group has further incorporated historical claims and policy experience to determine the estimated provision required for all LPR policies that remain open at the end of the financial reporting period.

d. Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or regulatory changes or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives. Technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

e. Valuation of property

The Group engages external, independent and qualified valuers to determine the fair value of the Group's freehold land and commercial buildings which are subject to revaluation at least every three years.

The last independent valuation of these freehold land and commercial buildings was performed as at 30 June 2021. The critical assumptions adopted in determining the valuations included the location of the land and buildings, the demand for land and buildings in the area and recent sales data for similar properties.

f. Expected credit losses (ECL) on trade receivables and accrued income

Loss allowances for trade receivables and accrued income are based on assumptions about risk of default and expected loss rates. The Group has used relevant historical information and loss experience to determine the probability of default and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements, to determine loss allowances.

In determining the ECL of trade receivables, the Group has provided for all trade receivables based on the four year average roll rate of the ageing of trade receivables. The Group prepared an assessment of historical loss data to assess the loss rate on trade receivables to determine expected credit loss.

In determining the ECL of accrued revenue, the Group has provided for all accruals based on a % ranging between 40% to 60% based on risk of non-recoverability.

As at date of consolidated financial statements, the ECL for trade receivables and accrued income are \$6,153,000 (2022: \$4,981,000).

3. Revenue and other income

	2023 \$'000	2022 \$'000
Revenue		
NDIS Funding	362,567	360,092
Government block funding	70,525	65,862
Service revenue	37,916	32,999
Sale of goods	5,710	6,144
Fundraising appeals	940	1,226
Bequest income	1,052	802
Sundry revenue	275	333
Total revenue	478,985	467,458
Other income		
Dividend income	299	484
Interest income	2,631	292
Gain on disposal of property, plant and equipment	200	145
Gain on disposal of right-of-use assets	228	668
Loss on sale of shares	(114)	(66)
Gain/(loss) on investments measured at fair value through profit or loss	459	(777)
Discount on acquisition	2,494	-
Total income	6,197	746
Total revenue and income	485,182	468,204

a. Disaggregation of revenue from contracts with customers and income recognised in accordance with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The Group recognises revenue from NDIS funding, block funding, and service revenue over time as performance obligations are satisfied, which is as services are rendered, primarily on a daily or monthly basis in accordance with AASB 15 Revenue from Contracts with Customers, and recognises at a point in time in accordance with AASB 1058 Income of Not-for-Profit Entities as follows:

	NDIS Funding \$'000	Government block funding \$'000	Service revenue \$'000	Sale of goods \$'000	Other revenue \$'000	Total \$'000
2023						
Timing of revenue recognition						
At a point in time	-	-	18,802	5,710	1,327	25,839
Over time	362,567	70,525	19,114	-	-	452,206
Revenue from external customers	362,567	70,525	37,916	5,710	1,327	478,045
Income recognised in accordance with AASB 1058	-	-	-	-	940	940
Total revenue	362,567	70,525	37,916	5,710	2,267	478,985
2022						
Timing of revenue recognition						
At a point in time	-	-	14,936	6,144	-	21,080
Over time	347,902	65,862	18,063	-	-	431,827
Revenue from external customers	347,902	65,862	32,999	6,144	-	452,907
Income recognised in accordance with AASB 1058	12,190	-	-	-	2,361	14,551
Total revenue	360,092	65,862	32,999	6,144	2,361	467,458

4. Expenses

Loss before income tax includes the following specific expenses:

	2023 \$'000	2022 \$'000
Cost of sales	6,219	5,033
Impairment loss on trade receivables and accrued income	1,154	4,895
Rental expense on operating leases	3,261	3,879
	2023 \$'000	2022 \$'000
Depreciation on property, plant and equipment	4,159	4,927
Depreciation on right-of-use assets	9,725	7,905
Amortisation expense	-	609
Total depreciation and amortisation expense	13,884	13,441
Employee benefits expense		
Wages and salaries	304,419	299,658
Superannuation contribution	34,703	32,063
Employee benefits	43,193	35,917
Workers compensation	16,026	17,570
Other employee related expenses (includes agency costs)	21,552	20,441
Total employee benefits expense	419,893	405,649

5. Cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash on hand	104	24
Cash at bank	58,211	55,466
At call deposits with financial institutions	60,184	58,800
Total	118,499	114,290

a. Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of 3 months or less from the date of acquisition and are repayable within 24 hours' notice with no loss of interest.

6. Trade receivables and accrued income

	2023 \$'000	2022 \$'000
Trade receivables	16,256	24,000
Accrued income	6,110	15,630
Loss allowance	(6,153)	(4,981)
Total	16,213	34,649

a. Classification as trade receivables and accrued income

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current.

Accrued income are unbilled amounts for services delivered in the ordinary course of business. They are generally due to be billed within 30 days of performing the service and are therefore all classified as current.

b. Loss allowance of trade receivables and accrued income

Movements in the loss allowance were:

	2023 \$'000	2022 \$'000
At 1 July	4,981	4,173
Charge for the year	2,659	3,430
Amounts written off	(1,487)	(2,622)
At 30 June	6,153	4,981

7. Inventories

	2023 \$'000	2022 \$'000
Raw materials	357	301
Finished goods	513	545
Total	870	846

a. Assigning costs to inventories

For the inventory accounting policy, refer to note 1(h).

b. Amounts recognised in profit or loss

Inventories recognised in the consolidated

statement of profit or loss and other comprehensive income during the financial year ended 30 June 2023 included an expense of \$6,208,000 (2022: \$5,081,000) recognised as raw materials and consumables used and a credit of \$11,000 (2022: \$48,000) recognised as change in inventories of finished goods.

8. Other financial assets

	2023 \$'000	2022 \$'000
Financial assets at fair value through profit or loss	5,975	5,179

a. Financial assets at fair value through profit or loss

Financial assets mandatorily measured at FVPL include the following:

	2023 \$'000	2022 \$'000
At fair value		
Fixed interest investment	1,028	814
Equity instruments	4,947	4,365
Total	5,975	5,179

	2023 \$'000	2022 \$'000
Reconciliation of FVPL financial assets		
Opening balance at 1 July	5,179	-
Change in financial instrument classification	-	5,899
Additions	1,779	1,015
Disposals	(1,442)	(958)
Change in fair value of investment	459	(777)
Closing balance at 30 June	5,975	5,179

Fair value measurements

The valuation techniques and key assumptions used in measuring the fair value of financial assets measured at FVPL are as follows:

- Fixed interest investments: These are investments in unlisted Australian Funds. Investments are recorded at the redemption value per unit as reported by the investment managers of such funds.

- Equity instruments: The Group's investments in equity instruments are all listed on the Australian Security Exchange (ASX). Fair value measurements are using quoted market prices in active markets.

9. Other current assets

	2023 \$'000	2022 \$'000
Prepayments	4,800	4,449
Investment in term deposits	-	400
Other current assets	635	4,545
Total	5,435	9,394

Included in other current assets is an amount of \$nil (2022: \$4,124,000) that relates to a receivable due from the Victorian State Department of Families, Fairness and Housing relating to leave liabilities for transferred employees.

10. Assets classified as held for sale

	2023 \$'000	2022 \$'000
Non-current assets held for sale		
Land	14,000	-
Accumulated impairment	(1,000)	-
Total	13,000	-

a. Land held for sale

In July 2023, Aruma entered into a contract for the sale of property located at 49 Blackbutts Road, Frenchs Forest NSW 2086 and 21A Warili Road, Frenchs Forest NSW 2086 for \$13m.

While the transaction occurred subsequent to year end, Board approval for the sale was provided in 2023 and the land was actively marketed for sale at balance date. The net book value of the land was \$14m and Aruma has recognised an impairment of \$1m.

11. Biological assets

	2023 \$'000	2022 \$'000
At fair value		
Macadamia and avocado trees	602	602
Accumulated impairment	(602)	-
Total biological assets	-	602

Macadamia and avocado trees at Summerland Farm are held at fair value less costs to sell. The March 2022 Northern NSW floods led to poor produce during 2023. As a result of adverse weather conditions reducing fruit yields and a decrease in market prices, fruit sales have generated less income, forecasting a NPV loss in future years. Management performed a revaluation using the revised discounted cash flow model. After considering 5 year projected cash flow forecast, the total value of Summerland Farm trees was written down from \$602k to \$nil.

a. Significant fair value assumptions

The fair value of avocado and macadamia trees is measured using a financial model

based on the following assumptions:

- Macadamia trees are expected to bear crops from 7 years to 43 years (2022: 7 years to 43 years).
- Avocado trees are expected to bear crops from 3 years to 32 years (2022: 3 years to 32 years).
- Expectations in respect of crop bearing are based on historical observations.
- Selling prices, direct and overhead costs are based on actual results for the last three years.
- Cash flows, expected over five years from existing trees, are discounted at a rate that takes into account the cost of capital plus a suitable risk factor (15%).

12. Intangible assets

	Goodwill \$'000
At 30 June 2022	
Cost	470
Accumulated impairment	(214)
Net book amount	256
Year ended 30 June 2023	
Opening net book amount	256
Impairment charge	(256)
Closing net book amount	-
At 30 June 2023	
Cost	470
Accumulated impairment	(470)
Net book amount	-

The carrying amount of the subsidiaries, have been reduced to their recoverable amounts, through recognition of an impairment loss against goodwill. This loss is included in 'Other expenses' in the consolidated statement of profit or loss and other comprehensive income.

13. Property, plant and equipment

	Freehold land \$'000	Commercial buildings \$'000	Land and buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
At 30 June 2022						
Cost	23,595	10,657	35,538	4,466	40,525	114,781
Accumulated depreciation	-	(2,383)	(5,163)	(3,956)	(26,605)	(38,107)
Net book amount	23,595	8,274	30,375	510	13,920	76,674
Year ended 30 June 2023						
Opening net book amount	23,595	8,274	30,375	510	13,920	76,674
Additions	-	-	-	-	4,388	4,388
Acquisition from business combination	-	235	1,123	-	125	1,483
Disposals	-	-	(228)	-	(55)	(283)
Assets classified as held for sale	(14,000)	-	-	-	-	(14,000)
Depreciation charge	-	(357)	(814)	(344)	(2,644)	(4,159)
Closing net book amount	9,595	8,152	30,456	166	15,734	64,103
At 30 June 2023						
Cost	9,595	10,840	36,577	4,294	44,152	105,458
Accumulated depreciation	-	(2,688)	(6,121)	(4,128)	(28,418)	(41,355)
Net book amount	9,595	8,152	30,456	166	15,734	64,103

Included in land and buildings are:

- i. Land and buildings acquired with capital funding which the funding body may have an interest in the property or any proceeds on disposal. The written down value of these assets is \$23,416,000 (2022: \$23,646,000).
- ii. Buildings with a total carrying value of \$213,000 (2022: \$232,000) on government gazetted land in respect of which no communication has been received of any plans that would prevent the Group's continued use.

a. Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's freehold land and commercial buildings at least every 3 years. As at 30 June 2021, an independent valuation was obtained from PP&E Valuations Pty Ltd for all freehold land and commercial buildings. The valuation

was prepared to meet the requirements of AASB 116 on a highest and best use basis. The independent valuers used a number of approaches to determine market value including market comparison, income, cost and summation. The valuations were undertaken with a combination of Level 2 and Level 3 inputs as defined under AASB 13 Fair Value Measurement. The freehold land and commercial buildings classes of assets were revalued based on the independent valuation. Other residential land and buildings are held at historical cost less depreciation as described in note 1(k).

As at 30 June 2022, the Group had bank facilities secured by a first registered mortgage over certain freehold land and buildings of the Group and by a first registered equitable mortgage over all of the Group's assets and undertakings. Refer to note 20(b) for details of the facilities.

During the current reporting year, the Group has released the registered mortgages over these freehold land and buildings.

14. Leases

This note provides information for leases where the Group is a lessee.

a. Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2023 \$'000	2022 \$'000
Right-of-use assets		
Buildings	21,480	21,186
Vehicles	5,470	6,617
Total	26,950	27,803
Lease liabilities		
Current	7,946	6,886
Non-current	19,383	21,292
Total	27,329	28,178

Future lease payments in relation to lease liabilities as at year end are as follows:

	2023 \$'000	2022 \$'000
Within one year	8,561	7,546
Later than one year but not later than five years	18,725	20,637
Later than five years	6,442	9,498
Total	33,728	37,681

Additions to the right-of-use assets during the 2023 financial year were \$9,444,000 (2022: \$7,008,000) (Note 20(a)).

b. Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2023 \$'000	2022 \$'000
Depreciation charge of right-of-use assets		
Buildings	5,261	4,357
Vehicles	4,464	3,548
Total	9,725	7,905
Interest expense (included in finance cost)	1,487	1,270
Expense relating to short-term leases (included in occupancy and motor vehicle expenses)	3,261	3,879

c. The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, residential properties and motor vehicles. Rental contracts are typically made for fixed periods of 6 months to 10 years but may have extension options as described below.

Extension and termination options, and residual value guarantees are included in a number of property leases of the Group. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Lease payments for short-term leases and leases of low-value assets amount to \$3,261,000 (2022: \$3,879,000) are recognised in profit and loss.

15. Trade and other payables

	2023 \$'000	2022 \$'000
Unsecured liabilities		
Trade payables	2,166	2,462
Sundry creditors and accruals	28,345	22,933
Total	30,511	25,395

Trade payables are unsecured and are usually paid within 30 days of recognition.

The following table shows the carrying amounts of trade and other payables between financial liabilities and non-financial liabilities:

	2023 \$'000	2022 \$'000
Financial liabilities measured at amortised cost	2,166	2,462
Non-financial liabilities	28,345	22,933
Total	30,511	25,395

16. Employee benefit obligations

	2023			2022		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Leave obligations	59,475	1,021	60,496	57,587	2,045	59,632

Leave obligations

The leave obligations cover the Group's liabilities for long service leave, annual leave and sick leave which are classified as either other long-term benefits or short-term benefits, as explained in note 1(p).

17. Provisions

	2023			2022		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Provision for wage obligations (a)	-	-	-	10,959	-	10,959
Defined pension benefits ((b) - (e))	-	298	298	-	842	842
Provision for workers compensation (f)	20,877	-	20,877	23,228	-	23,228
Contingent liability (g)	-	-	-	55	-	55
Restructuring costs (h)	-	-	-	2,724	-	2,724
Make good provision (i)	2,602	-	2,602	704	-	704
Total	23,479	298	23,777	37,670	842	38,512

a. Provision for wage obligations

The Group recognised \$10.9m provision for underpayment of wages under the Victorian Tipping Foundation & VISTA Enterprise Agreement from 1 July 2017 to November 2020. The provision includes superannuation at 10.5% and penalty interest of 4.6% over the cash rate. The provision has been fully utilised during 2023.

b. Defined pension benefits

The Group contributes to pooled post-employment defined benefit plans. These pooled funds are held by SAS Trustee Corporation Pooled Fund (the "Fund") which holds in trust the investments of the following closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS);
- State Superannuation Scheme (SSS);
- Police Superannuation Scheme (PSS); and
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit plans as at least one component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All of the Schemes are closed to new members. As at 30 June 2023, there were 12 members (2022: 12).

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk** - The risk that pensioners live longer than assumed, increasing future pensions.
- **Pensions indexation risk** - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk** - The risk that wages or

salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

- **Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The Fund's assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

An actuarial valuation of the Pooled Fund is performed every three years. The last actuarial valuation was performed as at 30 June 2021.

The next actuarial valuation will be performed as at 30 June 2024.

c. Movement in net defined benefit liability

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one-off contributions. The Group intends to continue to contribute to the defined benefit section of the plan in line with the actuary's latest recommendations.

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

	Defined benefit obligation \$'000	Fair value of plan assets \$'000	Net defined benefit liability \$'000
Balance as at 30 June 2022	10,247	9,405	842
Included in profit or loss	630	465	165
Remeasurement gain included in other comprehensive income	(70)	335	(405)
Contributions paid	80	384	(304)
Benefits paid	(1,806)	(1,806)	-
Balance as at 30 June 2023	9,081	8,783	298

d. Plan assets

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets

are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

Asset Category	Total \$'000	Quoted prices in active markets for identical assets \$'000	Significant observable inputs \$'000	Unobservable inputs \$'000
		Level 1	Level 2	Level 3
Short Term Securities	5,330	2,896	2,434	-
Australian Fixed Interest	100	-	100	-
International Fixed Interest	1,301	-	1,289	12
Australian Equities	9,679	4,353	797	4,529
International Equities	14,138	13,943	155	40
Property	770	-	-	770
Alternatives	6,059	-	1,206	4,853
Total	37,377	21,192	5,981	10,204

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares, listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property, unlisted shares, unlisted infrastructure, distressed debt, hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements

and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

The percentage invested in each class at the reporting date:

	2023 %
As at 30 June	
Short Term Securities	14.3
Australian Fixed Interest	.3
International Fixed Interest	3.5
Australian Equities	25.9
International Equities	37.8
Property	2.1
Alternatives	16.1
Total	100.0

e. Defined benefits obligation

(expressed as weighted average): At 30 June 2023 the duration of the defined benefit obligations was 8.5 years (2022: 8.6 years).

i. (i) Actuarial assumptions

The following are principal actuarial assumptions at the reporting date

	2023	2024 onwards
Discount rate	5.21%	5.52%
Future salary growth	3.15%	4.45%
Future pension growth	5.50%	6.65%

Changes to the above actuarial assumptions could increase or decrease the recognised net defined benefit liability in future periods.

f. Provision for workers compensation

The provision for workers compensation of \$20,877,000 (2022: \$23,228,000) represents workers compensation premiums for a LPR insurance scheme. The Group's participation in a LPR insurance scheme for workers compensation involves the use of estimates as discussed in Note 2(c).

g. Contingent liability

As part of a merger in 2018, the Group recognised a contingent liability of \$2.17m in respect of a prosecution by Worksafe Victoria for breaches of the 2004 Victorian Occupational Health and Safety Act by Victorian Person Centred Services Limited (VPCS) in 2016. The matter has been settled by the County Court with a final settlement of \$55,000 payment to Fines Victoria. The Group paid this fine on 18 August 2022.

h. Restructuring provision

In 2022, the Board of Directors and executive leadership team approved a review of Shared Services team overheads to rightsize the non-customer facing teams estimating a staff restructuring cost to be incurred of

\$2,878,000 and has been fully provided for in the 2022 financial reporting period. The provision has been fully utilised during 2023.

i. Make good provision

The Group is required to restore leased premises to their original condition at the end

of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the lease term and the useful life of the assets.

j. Movement of provisions

Movements in each class of provision during the financial year are set out below:

	Provision for wage obligations \$'000	Defined pension benefits \$'000	Provision for workers compensation \$'000	Contingent liability \$'000	Restructuring costs \$'000	Make good provision \$'000	Total \$'000
2023							
Carrying amount at start of year	10,959	842	23,228	55	2,724	704	38,512
Charged/ (credited) to profit or loss							
Additional provisions recognised	-	-	964	-	-	2,000	2,964
Amounts used during the year	(10,959)	(544)	(3,315)	(55)	(2,724)	(102)	(17,699)
Carrying amount at end of year	-	298	20,877	-	-	2,602	23,777

18. Contract liabilities

	2023 \$'000	2022 \$'000
Unexpended government funding	5,041	6,823

Unexpended government funding represents government funds that have been received where the delivery of services in accordance

with the funding agreements have not been delivered or are not scheduled to be delivered until the next financial year.

19. Other reserves and retained surplus

a. Other reserves

The following table shows a breakdown of the consolidated statement of financial position line item other reserves and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	2023 \$'000	2022 \$'000
Revaluation surplus - property, plant and equipment	5,810	5,810
Defined benefit liability fair value reserve	5,387	4,982
FVOCI reserve	690	690
Total	11,887	11,482

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

The defined benefit liability fair value reserve is used to record movements in fair values of defined benefits liability.

The financial assets at FVOCI reserve is used to record movements in fair values of financial

assets classified as FVOCI. From 1 July 2021, the Group has elected to reclassify its investment in fixed interest investment and equity securities as financial assets at FVPL due to changes in business operations. Movements in fair values of financial assets is recognised in profit or loss..

b. Retained surplus

Movements in retained surplus were as follows:

	2023 \$'000	2022 \$'000
Balance 1 July	99,671	103,315
Net loss for the year	(7,667)	(3,644)
Balance 30 June	92,004	99,671

20. Cash flow information

a. Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

	2023 \$'000	2022 \$'000
Overdraft facility	4,000	4,000
Amounts utilised	-	-
Unused credit facility	4,000	4,000
Corporate card facility	600	600
Amount utilised	(380)	(90)
Unused credit facility	220	510

As at 30 June 2022, the Group had bank facilities secured by a first registered mortgage over certain freehold land and buildings of the Group and by a first registered equitable mortgage over all of the Group's assets and undertakings.

During the current reporting year, the Group

	2023 \$'000	2022 \$'000
Contingent liability facility	500	500
Amount utilised	(355)	(323)
Unused liability facility	145	177

• Acquisition of right-of-use assets (Note 14(a))

b. Credit standby arrangements with banks

has released the registered mortgages over these freehold land and buildings.

The corporate card facility is secured by a term deposit.

c. Contingent liability arrangements with banks

21. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, Aruma Services Limited:

	2023 \$	2022 \$
PricewaterhouseCoopers Australia		
Audit and other assurance services		
Audit and review of financial statements	288,600	327,047
Other services		
Consulting services	125,240	38,244
Other services	15,660	15,000
Total remuneration for PricewaterhouseCoopers Australia	429,500	380,291

22. Related party transactions

a. Subsidiaries

Interests in subsidiaries are set out in Note 24.

	2023 \$	2022 \$
Compensation received by key management personnel of the Group		
Short-term employee benefits	2,442,971	2,621,472
Post-employment benefits	166,733	153,192
Other long-term benefits	(140,335)	(9,229)
Termination benefits	302,074	360,057
Total	2,771,443	3,125,492

The non-executive Directors of the Company are all unpaid volunteers. The remuneration figures above reflect the benefits applicable to the senior executive team which consists of the most senior management roles, of which there were 8 senior management roles during the year, and 6 as at 30 June 2023

b. Transactions with key management personnel of the entity or its parent and their personally related entities

Compensation received by key management personnel of the Group.

(2022: 6), including the CEO.

Other than remuneration disclosed above, there were no transactions with key management personnel (including directors, close family members of key management personnel or entities controlled by key management personnel

or close family members) during the year ended 30 June 2023 (2022: one transaction).

During FY23, there were no agreements between its directors and Aruma Services Limited. During FY22, there was a services agreement executed between Candice Charles and Aruma Services Limited. The agreement was for the provision of specialist consulting services from March to June 2022. The amount paid for the services was \$31,500. The transaction was made on normal commercial terms and conditions and at market rates.

There were no loans to key management personnel (including directors, close family members of key management personnel or entities controlled by key management personnel or close family members) during the year ended 30 June 2023 (2022: \$nil).

c. Transactions with other related parties

There were no transactions with related parties during the year.

23. Business combination

a. Summary of acquisition - Irabina Autism Services

Aruma Services Limited entered into a merger agreement with Irabina Autism Services (Irabina) on 29 May 2023 to transfer the business, including assets and assumed liabilities as detailed below.

	\$'000
Details of the paid consideration	
Purchase consideration	
Cash paid	-
Total purchase consideration	-

The assets and liabilities recognised as a result of the business combination are as follows:

	Recognised on acquisition at fair value \$'000
Cash	1
Trade receivables	178
Prepayments	55
Other current assets	4
Trade payables	(202)
Sundry creditors and accruals	(249)
Employee benefit obligations	(355)
Contract liabilities	(18)
Net identifiable liabilities acquired	(586)
Add: Loss on acquisition	586
Total consideration	-

b. Summary of acquisition - ACES Incorporated and Obtain Ability Incorporated

Aruma Services Limited entered into a merger agreement with ACES Incorporated and Obtain Ability Incorporated on 23 June 2023 to transfer the business, including assets and assumed liabilities as detailed below.

	\$'000
Details of the paid consideration	
Purchase consideration	
Cash paid	-
Total purchase consideration	-

The assets and liabilities recognised as a result of the business combination are as follows:

	Recognised on acquisition at fair value \$'000
Cash	1,707
Trade receivables	123
Prepayments	37
Other current assets	2
Property, plant and equipment	1,483
Trade payables	(31)
Sundry creditors and accruals	(32)
Employee benefit obligations	(211)
Contract liabilities	2
Net identifiable assets acquired	3,080
Less: Discount on acquisition	(3,080)
Total consideration	-

24. Interests in other entities

The Group's principal subsidiaries at 30 June 2023 are set out below. Unless otherwise stated,

they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal activities	Place of business/ country of incorporation	Ownership interest held by the Group	
			2023 %	2022 %
Aruma Services NSW Limited	Provision of disability services	Australia	100	100
Victorian Person Centred Services Limited	Provision of disability services	Australia	100	100
Aruma Foundation Limited	Provision of disability services	Australia	100	100
Aruma Services Victoria Limited	Provision of disability services	Australia	100	100

25. Contingent liabilities

The Group voluntarily elected to participate in the National Redress Scheme for Survivors of Institutional Child Sexual Abuse. As at the balance sheet date, the Group was unable to determine a sufficiently reliable estimate of potential liability arising from any future claims

that may be made against the Group under the Scheme. The Group is not aware of any claims that have been made against it under the Scheme as at the date of this report.

Other than the matters noted in Notes 17(g) and 20(c), the Group has no other material contingent liabilities.

26. Fundraising appeals conducted during the year

The Group has authority to raise funds under the provisions of section 16 of the NSW Charitable Fundraising Act 1991. That authority (CFN 13051) remains in force until 11 November 2025.

The Group also has authority to raise funds under the provisions of the Victorian Fundraising Act 1998. That authority FR0015060 expired on 28 November 2021.

The Charitable Fundraising Act 1991 and associated regulations prescribe the manner in which fundraising appeals are conducted and reported in NSW. The disclosures below are in accordance with Authority Condition 7, which is issued to the Group under section 19 of the Act.

Fundraising appeals conducted during the financial year included email appeals, and community fundraising activities (including miscellaneous community fundraisers and corporate donations).

The Group also operates regular giving and a gift-in-wills program.

	2023 \$'000	2022 \$'000
Results of Fundraising Appeals - Net Profit		
Gross proceeds from fundraising appeals	1,992	2,043
Less: Direct costs of fundraising appeals	(264)	(801)
Total	1,728	1,242

	2023	2022
Comparative Percentages		
Direct costs of fundraising appeals / Gross proceeds from fundraising appeals (%)	13.2%	39.2%
Net profit obtained from fundraising appeals / Gross proceeds from fundraising appeals (%)	86.8%	60.8%

Cost of fundraising

Only direct costs of fundraising, as required under the Act and associated guidance, have been deducted from gross proceeds to determine the net profit from fundraising appeals.

The Group operates in accordance with the Australian Charities and Not-for-profits Commission (ACNC) Governance Standards, the Fundraising Institute of Australia (FIA) Code of Practice, and the Charitable Fundraising Act 1991.

27. Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

Directors' declaration

In the directors' opinion:

- a. The financial statements and notes set out on pages 52 to 91 are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012, including:
 - i. Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- b. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not for profits Commission Regulation 2022.



Candice Charles
Chair

Declaration by CEO in respect of Fundraising Appeals

I, Dr Martin Lavery CEO of Aruma Services Limited (the "Company"), declare in my opinion:

- a. The consolidated statement of profit or loss and other comprehensive income and accompanying notes gives a true and fair view of all income and expenditure of the Group with respect to fundraising appeal activities for the financial year ended 30 June 2023;
- b. The consolidated statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2023;
- c. The provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the Company's authority have been complied with during the year ended 30 June 2023; and
- a. The internal controls exercised by the Group are appropriate and effective in accounting for all income received.



Dr Martin Lavery
CEO



Candice, Chair of the Board and Martin, Aruma's CEO.



Independent auditor's report

To the members of Aruma Services Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Aruma Services Limited (the Company) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2023
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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

Independence

We are independent of the Group in accordance with 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.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are 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 *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors 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 directors are 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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.



Report on the Requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2021

We have audited the financial report of Aruma Services Limited as required by Section 24 of the Charitable Fundraising Act 1991. The directors of the Company are responsible for the preparation and presentation of the financial report in accordance with the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2021. Our responsibility is to express an opinion on the financial report based on our audit.

In our opinion:

- a) The financial report and associated records have been properly kept, during the financial year ended 30 June 2023, in accordance with Sections 20 (1) and 22 (1-2) of the Charitable Fundraising Act 1991 and sections 14(2) and 11 of the Charitable Fundraising Regulation 2021.
- b) Money received as a result of fundraising appeals conducted during the financial year ended 30 June 2023 has been properly accounted for and applied in accordance with the above-mentioned Act and Regulation.

PricewaterhouseCoopers

PricewaterhouseCoopers

EPenny

Eliza Penny
Partner

Sydney
25 October 2023

here's to
another
year,
with you.

arUma.