

Unison Housing Limited and controlled entities

ABN: 73 076 581 112

Consolidated Financial report

For the year ended 30 June 2025

Pitcher Partners

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UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
ABN: 73 076 581 112

DIRECTORS' REPORT

The directors present their report together with the financial report of the group, being the Company and its controlled entities, for the year ended 30 June 2025 and auditor's report thereon.

Directors' names

The names of the directors in office at any time during or since the end of the year are:

Lou Panaccio (Chair)

Barry Shepherd (Deputy Chair)

Daniel Carter

Yvonne Turner

Peter Weatherby

Bettina Sheeran

Alice Hanna

Efim Thatcher (resigned 28 April 2025)

Ian McHutchison (resigned 21 November 2024)

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Company Secretary

Sheri Johnston was appointed to position of company secretary on 31 August 2021.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT

Results

The accompanying financial statements include the full year of operations of Unison Housing Ltd and controlled entities ("the Unison Group").

Over the financial year, the Unison Group was able to meet all operating costs and pay the interest on its loan obligations.

The Unison Group achieved a total comprehensive surplus of \$2,277,852 (2024: \$1,149,868 deficit). In 2025, the Unison Group revenues were \$49,538,364 (2024: \$44,445,016). The increase in revenues is primarily due to the sale of the final low amenity rooming house within the portfolio in line with Unison's long term strategy, partially offset by funding for new programs and rental revenue.

The key measure used by management to assess the performance of the Unison Group is Underlying Earnings Before Interest, Tax, Depreciation and Amortisation and other specific items ("Underlying EBITDA"). Underlying EBITDA is used primarily because of the impact of depreciation, which is a significant non-cash expense, and capital grants, which are recorded as income upon satisfaction of performance conditions, whereas the cost of operating the properties will be incurred in the future. Underlying EBITDA is reconciled to the result in the consolidated statement of profit or loss and other comprehensive income below.

	2025	2024
	\$	\$
Underlying EBITDA	2,290,653	4,236,292
Depreciation	(9,060,640)	(9,092,771)
Non-recurring expenses	(24,600)	(22,172)
Interest income	1,092,960	967,739
Borrowing costs	(1,301,265)	(1,287,989)
Capital grants	2,506,652	4,796,384
Profit on sale of fixed assets	4,313,495	-
Reverse impact of AASB 16: Leases standard	263,069	300,687
Building impairment	-	(1,694,373)
Gain on asset acquisition	1,696,351	-
Gain on fair value adjustment of the investments	392,857	427,475
Dividend and other portfolio income	108,320	218,800
Surplus / (deficit)	2,277,852	(1,149,868)

Underlying EBITDA is lower than the prior year. This decrease is due to the completion of funded programs in the first half of the year, finalisation of NRAS program allocations across approved buildings and higher responsive maintenance expenses within the portfolio. This was partially offset by the delivery of 50 new properties at the Make Room project, the impact of higher rental income levels and cost savings achieved.

Capital grants have directly funded the construction of a property development during 2025, with ongoing works into the next financial year. The impact of the AASB 16 leases standard has been reversed for both Underlying EBITDA and interest rate coverage ratio calculations. Nonrecurring expenses include IT system implementation costs.

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DIRECTORS' REPORT

As at 30 June 2025 the Unison Group had net assets of \$270,868,576 (2024: \$268,590,128). The amount allocated to the Lifecycle Replacement Maintenance (LRM) Reserve on 30 June 2025 totaled \$7,127,147 (2024: \$6,510,439). The LRM Reserve represents monies quarantined for mid-term (3-15 years) future expenditure of replacing various elements of a building as each element reaches the end of its economic life. By upgrading and replacing these building elements the Unison group will ensure that the portfolio of properties continues to provide amenity to tenants and retain their value into the future.

In June 2021, the Unison Group refinanced its borrowings arrangement with the National Housing Finance and Investment Corporation (NHFIC) with a 10 year fixed interest loan facility.

Review of operations

During the current year the operations of the Unison Group were focused on the provision of affordable housing and homelessness assistance services to low income households and private rental management and owners corporation services.

As at 30 June 2025 the Unison Group managed 2,556 (2024: 2,591) units across Victoria and during the year provided homelessness assistance to 2,898 (2024: 2,854) households.

Significant changes in state of affairs

There were no significant changes to the state of affairs in 2025, other than those disclosed separately in this financial report.

Company objectives

The Unison Group is focused on providing housing and housing related services to people on low income and particularly, those who are homeless or at risk of homelessness. The focus of the Unison Group remains centred on housing the vulnerable in our community and providing support and pathways from disadvantage.

Under the Unison Group's 2024-2027 Strategic Plan, the three key strategic goals are as follows:

1. Unison is an employer of choice, and our staff are valued and supported to collaborate, realise their potential and deliver positive outcomes.
2. We are known for excellence in service delivery and our renters are proud of their homes and are engaged in their communities.
3. Sustainably grow the organisation to support 6,000 dwellings.

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DIRECTORS' REPORT

Principal activities

To carry out the company's strategies and to achieve its short-term and long-term objectives, the Unison Group engaged in the following principal activities during the year:

- ownership and management of long-term affordable housing.
- provision of a range of services to assist homeless households including transitional housing and information and referral services.
- management of owners' corporation services.
- design and development of social and affordable housing projects.
- a social enterprise delivering grounds and cleaning works.

Company performance

As a registered housing organisation, Unison is required to meet the performance standards established by the Office of the Registrar of Housing Agencies and report annually on performance against these Standards.

The Unison Group also monitors its performance and legal obligations through an additional set of internal Key Performance Measures and compliance registers.

After balance date events

There has been no matter or circumstance, which has arisen since 30 June 2025 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2025, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2025, of the Group.

Likely developments

The Unison Group continues to review strategic opportunities to expand its operations and identify new developments.

Environmental regulation

The Unison Group's operations are not impacted by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid, recommended and declared

The Company's Constitution precludes the payment of dividends.

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DIRECTORS' REPORT

Information on directors

Lou Panaccio	Appointed director April 2013 Appointed chair November 2024 Appointed director of Urban Communities Ltd November 2015
Qualifications	Bachelor of Economics, Chartered Accountant, Member of the Australian Institute of Company Directors.
Experience	Lou is a chartered accountant with strong management experience in business and healthcare services.
Special responsibilities	Finance, Audit and Risk Committee
Daniel Carter	Appointed director December 2018
Qualifications	Master of Business Administration, University of Melbourne, Bachelor of Geomatic Engineering (Honours) and Bachelor of Science (Geography) from the University of Melbourne
Experience	Daniel offers contemporary strategic planning and IT skills tailored to the social services sector.
Peter Weatherby	Appointed director May 2021
Qualifications	Bachelor of Science (Urban Land Economics), Licensed Estate Agent, Associate of the Real Estate Institute of Victoria, Fellow of the Royal Institution of Chartered Surveyors, Member of the Australian Institute of Company Directors
Experience	Peter is passionate about the community housing sector and brings a solid real estate skillset, commercial acumen and a strong strategic focus to Unison.
Special responsibilities	Development Committee
Alice Hanna	Appointed director June 2024
Qualifications	Bachelor of Psychology (Honours), Organisational Coaching (Level 1), CertIV Human Resources management
Experience	Alice contributes a wealth of organisational capability experience through 20 years in Human Resources Management. Alice is the Founder and Head Coach at The Culture Beacon.
Special responsibilities	Development Committee
Yvonne Turner	Appointed director December 2014
Qualifications	Bachelor of Commerce and Administration (Victoria University of Wellington, NZ), Master of Business Administration (Monash), Master of Marketing (Monash), Graduate Diploma, Australian Institute of Company Directors
Experience	Yvonne shares her board experience in healthcare and NFPs. Her expertise includes business management, strategic planning, and strategic marketing and in public sector, commercial and NFPs.
Special responsibilities	Finance, Audit and Risk Committee

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DIRECTORS' REPORT

Information on directors (Continued)

Barry Shepherd	Appointed director May 2016 Appointed director of Urban Communities Ltd September 2009
Qualifications	Licensed Real Estate Agent, Project Marketing Diploma - American Home Builders Association, Previous Lecturer Melbourne University
Experience	Barry has over 40 years' experience in the property industry and is critical in guiding Unison's asset management and developments.
Special responsibilities	Development Committee Finance, Audit and Risk Committee
Bettina Sheeran	Appointed director February 2023
Qualifications	Bachelor of Arts, Bachelor of Laws (Law/Criminology), Keele University, admitted in Victoria in 2005 Member of Property Council Australia and Urban Development Institute of Australia
Experience	Having worked as property lawyer for over 20 years, Bettina brings a finely tuned legal and commercial perspective as well as extensive industry knowledge to Unison
Special responsibilities	Development Committee
Ian McHutchison OAM	Appointed director November 2015, resigned November 2024 Appointed director of Urban Communities Ltd October 2008; Appointed Chair December 2018
Qualifications	B. Juris. LLB
Experience	Ian has legal expertise and was awarded the Order of Australia Medal for services to the community in 2009.
Special responsibilities	Development Committee Finance, Audit and Risk Committee
Efim Thatcher	Appointed director June 2024, resigned April 2025
Qualifications	Master of Business Administration, Exec (Australian Graduate School of Management), Bachelor of Commerce (University of NSW), Chartered Accountant, GAICD
Experience	Efim brings extensive financing and transformation experience within the sector, as well as senior finance and Board roles
Special responsibilities	Finance, Audit and Risk Committee

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DIRECTORS' REPORT

Meetings of directors

Directors	Director's Meetings		Development		Finance, Audit and Risk	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Lou Panaccio	7	6	-	-	4	4
Daniel Carter	7	7	-	-	1	-
Peter Weatherby	7	6	5	3	-	-
Alice Hanna	7	6	5	3	-	-
Yvonne Turner	7	7	-	-	4	4
Barry Shepherd	7	6	5	5	-	-
Bettina Sheeran	7	5	5	4	3	3
Ian McHutchison	3	3	-	-	1	-
Efim Thatcher	5	3	-	-	3	2

Indemnification of officers

Directors and Officers of Unison Housing Limited are covered by insurance provided by the Department of Human Services through the Victorian Managed Insurance Authority (VMIA). The cover indemnifies Directors and Officers for third party claims for wrongful acts including alleged or actual breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission, breach of warranty or authority or other act wrongfully committed. The cover is for the Board as a whole, including new Directors during the year and past Directors. Indemnity limits are \$20 million per any one claim.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Proceedings on behalf of the group

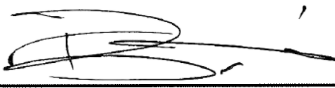
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings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

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DIRECTORS' REPORT

Signed on behalf of the Board of Directors.

Director: 
Lou Panaccio

Director: 
Barry Shepherd

Dated this 16th day of October 2025

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF UNISON HOUSING LIMITED

In accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare to the best of my knowledge and belief in relation to the audit of the financial report of Unison Housing Limited for the year ended 30 June 2025, there have been:

- no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.



M J HARRISON

Partner



PITCHER PARTNERS

Melbourne

Date: 16 October 2025

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Revenue and other income			
Grant income	2	14,905,991	18,075,708
Interest and other revenue	2	1,460,028	1,351,510
Management income	2	1,983,633	1,866,436
Rental income		24,786,009	22,723,887
Profit from sale of property		4,313,495	-
Gain on fair value adjustment of the investment portfolio		392,857	427,475
Gain on asset acquisition		<u>1,696,351</u>	<u>-</u>
		<u>49,538,364</u>	<u>44,445,016</u>
Less: Operating expenses			
Bad and doubtful debts expense	3	(691,516)	(104,385)
Borrowing costs	3	(1,301,265)	(1,287,989)
Building impairment expense	3	-	(1,694,373)
Depreciation and amortisation expense	3	(9,060,640)	(9,092,711)
Employee benefits expense	3	(14,414,810)	(12,941,911)
Housing program expenses		(14,803,166)	(13,217,428)
Organisational operating expenses		(4,465,371)	(4,015,308)
Brokerage program expenses		<u>(2,523,744)</u>	<u>(3,240,779)</u>
		<u>(47,260,512)</u>	<u>(45,594,884)</u>
Surplus / (deficit)		2,277,852	(1,149,868)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive surplus / (deficit)		<u><u>2,277,852</u></u>	<u><u>(1,149,868)</u></u>

The accompanying notes form part of these financial statements.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents	5	30,624,398	21,165,724
Receivables	6	1,317,245	4,206,047
Other financial assets	7	7,126,551	6,510,439
Other assets	8	1,781,086	2,483,729
Assets classified as held for sale	9	<u>595,354</u>	<u>4,612,984</u>
Total current assets		<u>41,444,634</u>	<u>38,978,923</u>
Non-current assets			
Receivables	6	-	2,281
Lease assets	10	401,573	225,991
Property, plant and equipment	11	<u>300,475,558</u>	<u>304,146,684</u>
Total non-current assets		<u>300,877,131</u>	<u>304,374,956</u>
Total assets		<u>342,321,765</u>	<u>343,353,879</u>
Current liabilities			
Payables	12	7,115,935	6,088,378
Lease liabilities	10	184,879	159,409
Provisions	13	2,092,838	1,881,312
Other liabilities	14	<u>8,528,690</u>	<u>13,289,452</u>
Total current liabilities		<u>17,922,342</u>	<u>21,418,551</u>
Non-current liabilities			
Lease liabilities	10	233,340	81,616
Borrowings	15	53,000,000	53,000,000
Provisions	13	<u>297,507</u>	<u>263,584</u>
Total non-current liabilities		<u>53,530,847</u>	<u>53,345,200</u>
Total liabilities		<u>71,453,189</u>	<u>74,763,751</u>
Net assets		<u>270,868,576</u>	<u>268,590,128</u>
Equity			
Reserves	16	7,127,147	6,510,439
Accumulated surplus	17	<u>263,741,429</u>	<u>262,079,689</u>
Total equity		<u>270,868,576</u>	<u>268,590,128</u>

The accompanying notes form part of these financial statements.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Contributed equity \$	Reserves \$	Accumulated Surplus \$	Total equity \$
Balance as at 1 July 2023	-	5,867,195	263,872,801	269,739,996
Deficit for the year	-	-	<u>(1,149,868)</u>	<u>(1,149,868)</u>
Total comprehensive income for the year	-	-	<u>(1,149,868)</u>	<u>(1,149,868)</u>
Transfer to LRM Reserve	-	<u>643,244</u>	<u>(643,244)</u>	-
Balance as at 30 June 2024	-	<u>6,510,439</u>	<u>262,079,689</u>	<u>268,590,128</u>
Balance as at 1 July 2024	-	6,510,439	262,079,689	268,590,128
Surplus for the year	-	-	<u>2,277,852</u>	<u>2,277,852</u>
Total comprehensive income for the year	-	-	<u>2,277,852</u>	<u>2,277,852</u>
Transfer to LRM reserve	-	<u>616,708</u>	<u>(616,112)</u>	<u>596</u>
Transactions with owners in their capacity as owners:				
Total transactions with owners in their capacity as owners	-	-	-	-
Balance as at 30 June 2025	-	<u>7,127,147</u>	<u>263,741,429</u>	<u>270,868,576</u>

By virtue of Unison Housing Limited being a company limited by guarantee, there is no contributed equity.

The accompanying notes form part of these financial statements.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Cash flow from operating activities			
Receipts from clients and government		42,606,005	39,992,368
Payments to suppliers and employees		(36,475,941)	(33,068,628)
Borrowing costs		(1,301,265)	(1,287,989)
Payments for repairs		-	(599,100)
		<u>1,186,757</u>	<u>-</u>
Net cash provided by operating activities		<u>6,015,556</u>	<u>5,036,651</u>
Cash flow from investing activities			
Cash obtained from acquisition		1,186,757	-
Proceeds from sale of properties		9,458,674	-
Payment for property, plant and equipment		(2,178,687)	(1,475,614)
Payment for work in progress		<u>(3,575,529)</u>	<u>(4,395,463)</u>
Net cash provided by / (used in) investing activities		<u>4,891,215</u>	<u>(5,871,077)</u>
Cash flow from financing activities			
Principal portion of lease payments, net of reimbursements		<u>(261,340)</u>	<u>(820,588)</u>
Net cash used in financing activities		<u>(261,340)</u>	<u>(820,588)</u>
Reconciliation of cash			
Cash at beginning of the financial year		21,165,724	22,820,738
Net increase / (decrease) in cash held		<u>10,645,431</u>	<u>(1,655,014)</u>
Cash at end of financial year	18(a)	<u><u>31,811,155</u></u>	<u><u>21,165,724</u></u>

The accompanying notes form part of these financial statements.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: BASIS OF PREPARATION

General information

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial report covers Unison Housing Limited and its controlled entities. Unison Housing Limited is a Company limited by guarantee, incorporated and domiciled in Australia. Unison Housing Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the Directors at the date of the Directors' report.

Historical Cost Convention

The 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 accounting policies.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 23 to the financial statements.

Accounting policies

The following accounting policies have been applied in the preparation and presentation of the financial report.

(a) Revenue

The group derives revenue from grant income and rental income. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the group expects to be entitled in exchange for the goods or services.

Revenue from the provision of services

Revenue from the provision of services comprises revenue derived from the delivery of various Department of Health and Human Services programs. These services are provided under contractual arrangements that contain enforceable and sufficiently specific performance obligations. Revenue from the provision of services is recognised over time, as performance obligations are satisfied, based on either costs incurred or service hours performed, consistent with the manner in which services are provided.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(b) Income arising from capital grants

The group derives income from the transfer of assets when the group provides no consideration in exchange for the asset received, or the consideration provided by the group is significantly less than the fair value of the asset received, principally to enable the group to further its objectives, and the arrangement does not satisfy the criteria to be accounted for as a 'contract with a customer'.

Capital grants

A transfer of a financial asset, including cash, to enable the group to acquire or construct a recognisable non-financial asset to identified specifications to be controlled by the group, such as an item of property, plant and equipment, is referred to in the financial statements as a 'capital grant'. Capital grants are initially recognised as a liability (unspent capital grants liability), and subsequently recognised as income as, or when, the group satisfies its obligation to acquire or construct the specified asset to which the capital grant relates. For the acquisition of specified assets, income is recognised when the asset is acquired and controlled by the group. For the construction of specified assets, income is recognised as the construction progresses on the basis of costs incurred relative to expected costs.

(c) Income tax

No provision for income tax has been raised as the group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, short-term deposits with an original maturity of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(e) Financial instruments

Financial assets

Financial assets are measured at either amortised cost or fair value on the basis of the group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Payables

Payables are measured at amortised cost.

Borrowings

Borrowings are measured at amortised cost.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(e) Financial instruments (Continued)

Impairment of financial assets

The group recognises an allowance for expected credit losses in respect of receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset, reflecting credit losses that are expected to result from default events over the life of the financial asset.

The group recognises an allowance for expected credit losses for all other financial assets subject to impairment testing on the basis of:

- the lifetime expected credit losses of the financial asset, for those other receivables for which a significant increase in credit risk has been identified, reflecting credit losses that are expected to result from default events over the life of the financial asset; and
- the 12-month expected credit losses of the financial asset, for those other receivables for which no significant increase in credit risk has been identified, reflecting the portion of lifetime expected credit losses that are expected to result from default events within twelve months after the end of the reporting period.

The group determines expected credit losses based on the group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the group. Recoveries, if any, are recognised in profit or loss.

(f) Property, plant and equipment

Property

Freehold land and buildings are measured at cost, less accumulated depreciation and any accumulated impairment losses. The cost of properties contributed by the Government for nil consideration are initially recognised at market value at the date of acquisition.

Plant and equipment

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
ABN: 73 076 581 112

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(f) Property, plant and equipment (Continued)

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings at cost	2.5%	Straight line
Plant and equipment at cost	2.5-40%	Straight line
Motor vehicles at cost	15%	Straight line

(g) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are tested annually for impairment, or more frequently if events or circumstances indicate that the asset may be impaired.

All other non-financial assets, including property, plant and equipment, lease assets and other intangible assets, are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

(h) Leases

Lease assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset.

Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

Each lease is classified as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating leases

Property subject to operating leases is presented as investment property in the statement of financial position. Other assets subject to operating leases are presented as property, plant and equipment in the statement of financial position.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
ABN: 73 076 581 112

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(h) Leases (Continued)

Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis (if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished).

Government supported finance leases

The group has recognised lease receivables in relation to residential leases under head leasing arrangements. While the group is the lessee for these head leasing leases, the group acts as a sub-lessor and leases these properties to tenants. The group has contractual rights with certain counterparties to receive cashflow for any shortfalls that arise between the tenants payments and payments payable to the lessor. At the commencement date of such a finance lease, the group recognises a receivable (for assets held under the finance lease) at an amount equal to the net investment in the lease. The net investment in finance leases is the sum of the lease payments receivable by the group under the finance lease and the estimated unguaranteed residual value of the underlying asset at the end of the lease term, discounted at the interest rate implicit in the lease.

Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in finance leases.

(i) Employee benefits

Short-term employee benefits

Provisions for short-term employee benefits, including annual leave that are expected to be settled wholly within twelve months after the end of the reporting period, are measured at the (undiscounted) amount of the benefit expected to be paid.

Long-term employee benefits

Provisions for other long-term employee benefits, including long service leave and annual leave that are not expected to be settled wholly within twelve months after the end of the reporting period, are measured at the present value of the expected benefit to be paid in respect of the services provided by employees up to the reporting date.

(j) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
NOTE 2: REVENUE AND OTHER INCOME			
Management Income			
Owners Corporation management fees		403,643	379,155
Property management fees		989,943	989,719
Cleaning and maintenance fees		<u>590,047</u>	<u>497,562</u>
		<u>1,983,633</u>	<u>1,866,436</u>
Grant Income			
Operating grants - operational		6,724,964	8,454,874
Operating grants - brokerage		5,003,340	4,179,231
Capital grants		2,506,652	4,796,384
Other grants		<u>671,035</u>	<u>645,219</u>
		<u>14,905,991</u>	<u>18,075,708</u>
Interest and other revenue			
Interest income - bank and investment portfolio		1,092,958	956,616
Interest income - lease receivables in relation to headleasing arrangements		2	11,123
Dividend and other portfolio income		108,320	218,800
Donations		-	3,530
Other revenue		<u>258,748</u>	<u>161,441</u>
		<u>1,460,028</u>	<u>1,351,510</u>
Rental Income		24,786,009	22,723,887
Profit on sale of property, plant and equipment		4,313,495	-
Gain on fair value adjustment of the investment portfolio		<u>392,857</u>	<u>427,475</u>
		<u>29,492,361</u>	<u>23,151,362</u>

Operating grants - brokerage relates to funding for the Housing Establishment Fund (HEF) and Private Rental Brokerage (PRB) Programs.

Capital grants directly supported the constuction property developments at 2-12 Marshall Street, Newtown and cladding rectification program.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
NOTE 3: OPERATING SURPLUS / (DEFICIT)			
Surplus / (deficit) has been determined after:			
Finance costs			
- Borrowing costs		1,268,848	1,255,242
- Lease interest expenses - commercial and motor vehicles		32,415	22,492
- Lease interest expenses - headleasing arrangements		<u>2</u>	<u>10,255</u>
		1,301,265	1,287,989
Depreciation			
- property, plant and equipment		8,829,988	8,824,305
- lease assets		<u>230,652</u>	<u>268,406</u>
		9,060,640	9,092,711
Bad and doubtful debts		691,516	104,385
Building impairment expense		-	1,694,373
Employee benefits		14,414,810	12,941,911

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Total compensation paid or payable to key management personnel	<u>1,090,510</u>	<u>919,981</u>
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Directors of the Company are not paid fees or any other form of remuneration, as required by the Company Constitution.

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	4,596	3,790
Cash at bank	22,000,632	9,273,004
Cash at bank, held in trust	3,619,170	3,888,930
Cash at bank, held on deposit	<u>5,000,000</u>	<u>8,000,000</u>
	<u>30,624,398</u>	<u>21,165,724</u>

As at 30 June 2025, \$3,619,170 of the cash on hand is held in a bank account in trust for the 150 Brunswick Street maintenance fund (30 June 2024: \$3,888,930). The Group has a contractual obligation to use the cash for the purposes of funding the maintenance of 150 Brunswick Street, Fitzroy.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
NOTE 6: RECEIVABLES			
CURRENT			
Trade debtors		1,484,129	1,649,555
Provision for doubtful debts		<u>(1,011,613)</u>	<u>(1,212,013)</u>
		472,516	437,542
Net GST receivable		-	652,323
Other receivables			
- Other debtors		<u>844,729</u>	<u>3,116,182</u>
		<u>1,317,245</u>	<u>4,206,047</u>
NON CURRENT			
Other receivables			
- Lease receivables		<u>-</u>	<u>2,281</u>

Receivables from contracts with customers

A receivable from a contract with a customer represents the group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due).

Lease receivables

Lease receivables represent the group's net investment in finance leases, being the sum of the lease payments receivable by the group under the finance lease and the estimated unguaranteed residual value of the underlying asset at the end of the lease term, discounted at the interest rate implicit in the lease. Refer to Note 10 for further information about the group's leasing activities.

NOTE 7: OTHER FINANCIAL ASSETS

CURRENT

Financial assets at fair value through profit and loss

Investment portfolio	<u>7,126,551</u>	<u>6,510,439</u>
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The investment portfolio is measured at fair value through profit and loss.

Interest and other portfolio income received is recognised through profit and loss.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
ABN: 73 076 581 112

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
NOTE 8: OTHER ASSETS			
CURRENT			
Prepayments		947,251	1,083,247
Accrued income		<u>833,835</u>	<u>1,400,482</u>
		<u><u>1,781,086</u></u>	<u><u>2,483,729</u></u>

NOTE 9: ASSETS CLASSIFIED AS HELD FOR SALE

Facts and Circumstances of the sale:

The sale is part of the organisation's long term plan to phase out many of its remaining low-amenity rooming houses and contribute to the supply of affordable housing across Melbourne. The gradual replacement of rooming houses with self contained apartments is part of the vision to provide some of the most vulnerable people in the State with safer and more secure accommodation.

Unit 2, 57 Lloyd Street, Moe:

On 14 August 2025, a contract of sale was signed for Unit 2 at 57 Lloyd Street, Moe, with final settlement on 22 September 2025.

Unit 6, 14 Manly Street, Werribee:

On 18 September 2025, a contract of sale was signed for Unit 6, 14 Manly Street, Werribee with final settlement due on 31 October 2025.

(a) Carrying amounts of assets and liabilities

Assets

38-44 Nicholson Street, Fitzroy (Residential Property)	-	4,612,984
Unit 2, 57 Lloyd Street, Moe (Commercial Property)	296,281	-
Unit 6, 14 Manly Street, Werribee (Residential Property)	<u>299,073</u>	<u>-</u>
	<u><u>595,354</u></u>	<u><u>4,612,984</u></u>

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$	2024 \$
NOTE 10: LEASE ASSETS AND LEASE LIABILITIES		
(a) Lease assets		
Commercial leases		
Lease of office property	623,485	324,913
Accumulated depreciation	<u>(385,735)</u>	<u>(268,544)</u>
	237,750	56,369
Motor vehicles		
Lease of motor vehicles	802,016	694,355
Accumulated depreciation	<u>(638,193)</u>	<u>(524,733)</u>
	<u>163,823</u>	<u>169,622</u>
Total carrying amount of lease assets	<u><u>401,573</u></u>	<u><u>225,991</u></u>
Reconciliations		
Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:		
<i>Commercial leases</i>		
Opening carrying amount	56,369	164,673
Additions	298,572	-
Depreciation	<u>(117,191)</u>	<u>(108,304)</u>
Closing carrying amount	<u><u>237,750</u></u>	<u><u>56,369</u></u>
<i>Motor vehicles</i>		
Opening carrying amount	169,622	251,865
Adjustments	-	(8,570)
Additions	107,662	86,429
Depreciation	<u>(113,461)</u>	<u>(160,102)</u>
Closing carrying amount	<u><u>163,823</u></u>	<u><u>169,622</u></u>
(b) Lease liabilities		
CURRENT		
Motor vehicles	80,714	103,318
Commercial leases	104,165	53,810
Residential property leases under headleasing arrangements	<u>-</u>	<u>2,281</u>
	<u>184,879</u>	<u>159,409</u>
NON CURRENT		
Motor vehicles	89,345	73,323
Commercial leases	<u>143,995</u>	<u>8,293</u>
	<u>233,340</u>	<u>81,616</u>
Total carrying amount of lease liabilities	<u><u>418,219</u></u>	<u><u>241,025</u></u>

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 10: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)

For the year ended 30 June 2025, the lease liability is in excess of the lease asset by \$16,646 (2024: \$15,034). In addition to the lease asset, a corresponding lease receivable is recognised against the lease liability in relation to residential properties under leasing arrangements. The total lease receivable balance, including amounts classified in current and non-current, is \$NIL (2024: \$2,281). Please refer to Note 6: Receivables.

	2025 \$	2024 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
At cost	390,192,812	386,127,767
Accumulated depreciation	<u>(96,703,189)</u>	<u>(88,066,155)</u>
	<u>293,489,623</u>	<u>298,061,612</u>
Plant and equipment		
Plant and equipment at cost	2,276,644	2,186,899
Accumulated depreciation	<u>(2,219,710)</u>	<u>(2,169,381)</u>
Total plant and equipment	56,934	17,518
Motor vehicles at cost	30,000	-
Accumulated depreciation	<u>(2,232)</u>	<u>-</u>
	27,768	-
Capital work in progress	<u>6,901,233</u>	<u>6,067,554</u>
Total property, plant and equipment	<u>300,475,558</u>	<u>304,146,684</u>

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

<i>Land and buildings</i>		
Opening carrying amount	298,061,612	289,144,719
Additions	2,056,710	1,454,760
Depreciation expense	(8,775,195)	(8,820,969)
Impairment	-	(1,694,373)
Transfers from work in progress	2,741,850	17,977,475
Transfer to assets held for sale	<u>(595,354)</u>	<u>-</u>
Closing carrying amount	<u>293,489,623</u>	<u>298,061,612</u>

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
ABN: 73 076 581 112

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)			
(a) Reconciliations (Continued)			
<i>Plant and equipment</i>			
Opening carrying amount		17,518	-
Additions		91,977	20,854
Depreciation expense		<u>(52,561)</u>	<u>(3,336)</u>
Closing carrying amount		<u><u>56,934</u></u>	<u><u>17,518</u></u>
<i>Motor vehicles</i>			
Opening carrying amount		-	-
Additions		30,000	-
Depreciation expense		<u>(2,232)</u>	<u>-</u>
Closing carrying amount		<u><u>27,768</u></u>	<u><u>-</u></u>
<i>Capital work in progress</i>			
Opening carrying amount		6,067,554	19,649,566
Additions		3,575,529	4,395,463
Transfers to property, plant and equipment		<u>(2,741,850)</u>	<u>(17,977,475)</u>
Closing carrying amount		<u><u>6,901,233</u></u>	<u><u>6,067,554</u></u>
<i>Total property, plant and equipment</i>			
Carrying amount at 1 July		304,146,684	308,794,285
Additions		5,754,216	5,871,077
Depreciation expense		(8,829,988)	(8,824,305)
Impairment		-	(1,694,373)
Transfer to assets held for sale		<u>(595,354)</u>	<u>-</u>
Carrying amount at 30 June		<u><u>300,475,558</u></u>	<u><u>304,146,684</u></u>

The Directors engaged Jones Lang LaSalle to provide an assessment of fair value of the property portfolio owned by the entity at 30 June 2025. The fair value has been determined by application of a market approach for land (the amount determined referencing similar assets for which transaction process are available) and a cost approach for the buildings (the amount required to replace the service capacity of the asset, often referred to as depreciated replacement cost). All properties are physically inspected over a three-year cycle valuation program, with the remainder via external kerbside inspections in line with industry standards or indexed. The Directors view the total property market value as \$448,337,074.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Property, plant and equipment pledged as security

The Director of Housing has a registered interest in the title of several freehold land and buildings of Unison Housing Ltd. Unison Housing Ltd cannot dispose of, use as security for borrowings, or otherwise transact using its property holdings without the prior consent of the Director of Housing.

As at 30 June 2025, several properties had been pledged as security for the borrowing identified in Note 15.

(c) Contributions in property, plant and equipment (contingent liability)

The Commonwealth of Australia and the Director of Housing have made contributions in multiple land and buildings of Unison Housing Ltd. In the event that Unison is wound up, or in some instances if the asset is disposed of, Unison may be liable to repay a portion of the contribution to both the Director of Housing and the Commonwealth of Australia.

	2025 \$	2024 \$
NOTE 12: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	3,645,703	3,732,262
Other payables	613,289	236,697
Accrued expenses	<u>2,856,943</u>	<u>2,119,419</u>
	<u><u>7,115,935</u></u>	<u><u>6,088,378</u></u>
NOTE 13: PROVISIONS		
CURRENT		
Employee benefits	1,692,838	1,481,312
Repairs	<u>400,000</u>	<u>400,000</u>
	<u><u>2,092,838</u></u>	<u><u>1,881,312</u></u>
NON-CURRENT		
Employee benefits	<u><u>297,507</u></u>	<u><u>263,584</u></u>

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
NOTE 13: PROVISIONS (CONTINUED)			
(a) Description of provisions			
In prior years, properties were identified in which cladding repair was required. Unison is obligated to rectify these defects, which is reflected in the provision for repairs.			
The provision relates to the property 2 Flockhart Street, Abbotsford.			
(b) Reconciliations			
Reconciliation of the carrying amounts of provisions at the beginning and end of the current financial year			
<i>Repairs (current)</i>			
Opening balance		400,000	999,100
Amounts used		<u>-</u>	<u>(599,100)</u>
Closing balance		<u>400,000</u>	<u>400,000</u>
NOTE 14: OTHER LIABILITIES			
CURRENT			
Deferred income		5,505,496	10,242,111
Maintenance funds		<u>3,023,194</u>	<u>3,047,341</u>
		<u>8,528,690</u>	<u>13,289,452</u>
NOTE 15: BORROWINGS			
NON CURRENT			
<i>Secured liabilities</i>			
Bank loans		<u>53,000,000</u>	<u>53,000,000</u>

(a) Assets pledged as security

The loans are secured in full by a registered mortgage debenture over several properties within the Company's property portfolio.

(b) Debt refinancing

On 27 October 2020, the company entered into a \$53 million Facility Agreement, General Security Agreement and Loan Common Terms with the National Housing Finance and Investment Corporation (NHFIC). The NHFIC finalised its 10 year fixed interest rate bond issuance on 15 June 2021 with a due date of 1 July 2031 and the company was required to fully drawn down on the facility on this date.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
NOTE 16: RESERVES			
LRM reserve	16(a)	<u>7,127,147</u>	<u>6,510,439</u>

(a) LRM reserve

The Lifecycle Replacement Maintenance (LRM) Reserve represents monies quarantined for mid term (3-15 years) future expenditure of replacing various elements of a building as each element reaches the end of its economic life. The Unison Group allocates funds to the LRM Reserve to ensure sufficient funds are set aside to meet future LRM costs and maintain the properties to an acceptable standard.

During the year \$616,708 (2024: \$643,244) was transferred to the LRM Reserve from accumulated surplus to quarantine monies for future building maintenance costs.

Movements in reserve

Opening balance	6,510,439	5,867,195
Transfers	<u>616,708</u>	<u>643,244</u>
Closing balance	<u>7,127,147</u>	<u>6,510,439</u>

NOTE 17: ACCUMULATED SURPLUS

Accumulated surplus at beginning of year	262,079,689	263,872,801
Net surplus / (loss)	2,277,852	(1,149,868)
Transfers to LRM reserves	<u>(616,112)</u>	<u>(643,244)</u>
	<u>263,741,429</u>	<u>262,079,689</u>

NOTE 18: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	4,596	3,790
Cash at bank	22,000,632	9,273,004
Cash at bank, held in trust	3,619,170	3,888,930
Cash at bank, held on deposit	<u>5,000,000</u>	<u>8,000,000</u>
	<u>30,624,398</u>	<u>21,165,724</u>

NOTE 19: RELATED PARTY TRANSACTIONS

No transactions with related parties were entered into during the year ended 30 June 2025.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
ABN: 73 076 581 112

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 20: BUSINESS ACQUISITION

On 8 July 2024, Unison Housing Ltd acquired the organisational assets and liabilities of Eastcoast Housing, excluding general lease of state owned properties.

Details of the purchase consideration

	\$
Consideration paid	<u>1</u>

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business combination were:

	Recognised on acquisition at fair value \$
Assets and liabilities held at acquisition date:	
- Cash	1,186,757
- Land and buildings	650,000
- Property, plant and equipment	30,000
- Trade creditors	(69,980)
- Employee benefits	(15,829)
- Other liabilities	<u>(84,597)</u>
Net identifiable assets acquired	<u><u>1,696,351</u></u>

NOTE 21: MEMBERS' GUARANTEE AND SUBSIDIARIES

Unison Housing Ltd

The parent entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the parent entity is wound up, the Constitution states that each member is required to contribute to a maximum of \$2 each towards meeting any outstandings and obligations of the parent entity. At 30 June 2025, the number of members was 64 (5 organisational and 59 individual members (2024: 66)).

Unison Property Corporation Pty Ltd

The entity is incorporated under the Corporations Act 2001 and is a proprietary company limited by shares. If the entity is wound up, the Constitution states that any property remains after satisfaction of all its debts and liabilities, this property must be given or transferred only to:

- A Charitable Beneficiary – provided at the time of the winding-up, dissolution or revocation the Charitable Beneficiary is a Charity that has objects similar to those of Unison and is a Deductible Gift Recipient; or
- Otherwise – a company, fund, institution or authority: which is a Charity that has objects similar to those of Unison which is a Deductible Gift Recipient; and whose constitution prohibits distributions or payments to its members or former members.

Unison Development Co Ltd

The entity was registered with ASIC on 7 June 2023 as a public company limited by guarantee.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
NOTE 22: REMUNERATION OF AUDITORS			
Remuneration of auditors for:			
<i>Pitcher Partners (Melbourne)</i>			
Audit and assurance services			
- Audit or review of the financial report		86,300	90,600
- Other assurance services		-	14,100
Other non-audit services		<u>11,200</u>	<u>4,900</u>
		<u>97,500</u>	<u>109,600</u>

NOTE 23: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the group's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The following outlines the major judgements made by management in applying the group's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) Impairment of financial assets

The group recognises an allowance for expected credit losses in relation to debt instruments, receivables from contracts with customers, contract assets and lease receivables. The measurement of expected credit losses reflects the group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected to be received based on the group's exposure at default, discounted at the financial asset's original effective interest rate. The assessment of expected credit losses includes consideration of the group's historical credit loss experience, adjusted for factors that are specific to the financial asset, as well as current and future expected economic conditions relevant to the financial asset.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 23: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Leases assets and lease liabilities

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In order to measure a lease asset and corresponding lease liability, the group is required to make a determination of the lease term. This determination includes an assessment of whether the group is reasonably certain to exercise an option to extend the lease or to purchase the underlying asset, or not to exercise an option to terminate the lease. In making this judgement, the group considers all relevant facts and circumstances that create an economic incentive for the group to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date of the lease until the exercise date of the option.

NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2025 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2025, of the group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2025, of the group.

NOTE 25: ENTITY DETAILS

The registered office of the group is:

Unison Housing Limited
117 Berkeley Street
Melbourne VIC 3000

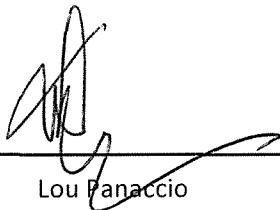
UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
ABN: 73 076 581 112

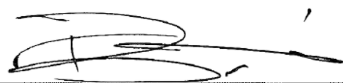
DIRECTORS' DECLARATION

The directors of the Company declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 10 - 31, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (a) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
 - (b) giving a true and fair view of the financial position as at 30 June 2025 and performance for the year ended on that date of the Company.
2. In the directors' opinion there are reasonable grounds to believe that the Company 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 Regulations 2022*.

Director: 
Lou Panaccio

Director: 
Barry Shepherd

Dated this 16th day of October 2025

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
ABN: 73 076 581 112

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNISON HOUSING LIMITED

Opinion

We have audited the financial report of Unison Housing Limited ("the company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, and the directors' declaration.

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act") and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, 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.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
ABN: 73 076 581 112

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNISON HOUSING LIMITED

Other Information (Continued)

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, 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 Management and the Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as management determines 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, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

UNISON HOUSING LIMITED AND CONTROLLED ENTITIES
ABN: 73 076 581 112

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNISON HOUSING LIMITED

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Independence

We confirm that the independence declaration required by the ACNC Act, which has been given to the directors, would be in the same terms if given to the directors as at the time of this auditor's report.



M J HARRISON

Partner

Date 16 October 2025



PITCHER PARTNERS

Melbourne