Australian Unity Childcare Property Fund

ARSN 652 919 885

Annual report
for the year ended 30 June 2025

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Directors' report

The directors of Australian Unity Funds Management Limited (ABN 60 071 497 115), the Responsible Entity of Australian Unity Childcare Property Fund ("the Scheme"), present their report together with the financial statements of the Scheme for the year ended 30 June 2025 and the auditor's report thereon.

Directors
The following persons were directors of the Responsible Entity during the whole of the year and up to the date of this report (unless otherwise stated):

Adam Vise, Group Executive Wealth & Capital Markets (Acting) (Appointed 29 August 2025)
Darren Mann, Group Executive, Finance & Strategy and Chief Financial Officer
Esther Kerr, Group Executive, Wealth & Capital Markets (Resigned 29 August 2025)
Rohan Mead, Chairman and Group Managing Director

Principal activities
The Scheme primarily invests in a diversified portfolio of childcare properties including established properties and development assets. Exposure to childcare properties may include direct property, unlisted managed funds, property syndicates or companies that mainly hold childcare property. The Scheme may invest in property assets related to its childcare assets. The Scheme may also, from time to time, provide loans, for example to childcare operators to assist them with funding the fitting out of the Scheme's childcare properties and hold liquid assets such as cash and Real Estate Investment Trusts (REITs).

Review and results of operations

Property valuations

The current reporting period valuations were greater than the revalued properties' carrying values resulting in a net revaluation fair value gain of $2,030,000 (2024: loss of $561,000).

Property disposals
On 28 May 2025, the Scheme exchanged a contract to sell 174-194 Maryborough-Hervey Bay Road, Urraween 4655. Settlement occurred on 25 June 2025 for $5,815,000, excluding selling costs.

Results

For the year, the Scheme's units posted a total return of 5.05%, (split between a distribution return of 2.97% and a growth return of 2.08%)*.

*The reported performance numbers and reported unit prices (which are not audited) have been derived based on the declared unit prices calculated in accordance with the Responsible Entity's unit pricing policy, and are not based on the net assets of these IFRS compliant financial statements.

Unit price (ex distribution) as at 30 June 2025 was $1.0419

The performance of the Scheme, as represented by the results of its operations, was as follows:

	30 June 2025 $'000	30 June 2024 $'000
Profit for the year	**3,173**	543
Distribution paid and payable	**1,650**	1,373

Review and results of operations (continued)
Results (continued)

Significant changes in the state of affairs

In the opinion of the directors of the Responsible Entity, there were no significant changes in the state of affairs of the Scheme that occurred during the year ended, except those mentioned elsewhere in the report.

Events occurring after end of the year

On 19 August 2025 the Scheme paid a redemption of $2,880,000 to the investors.

Esther Kerr resigned as a director of the Responsible Entity on 29 August 2025.

Adam Vise was appointed as a director of the Responsible Entity on 29 August 2025.

No other matters or circumstance have arisen since 30 June 2025 that have significantly affected, or may significantly affect the operations of the Scheme, the result of operations, or the state of the Scheme's affairs for the year ended on that date

Likely developments and expected results of operations
The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Constitution.

Further information on likely developments in the operations of the Scheme and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Scheme.

Indemnification and insurance of officers and auditors
No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of Australian Unity Funds Management Limited or the auditors of the Scheme. So long as the officers of Australian Unity Funds Management Limited act in accordance with the Constitution, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

Fees paid to and interests held in the Scheme by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Scheme property during the year are disclosed in note 17 to the financial statements.

No fees were paid out of Scheme property to the directors of the Responsible Entity during the year.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the year ended are disclosed in note 17 to the financial statements.

Units in the Scheme

The movement in units on issue in the Scheme during the year is disclosed in note 9 to the financial statements.

The value of the Scheme's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

The development operations of the Scheme are subject to environmental regulations under Australian law. There have been no known reportable breaches of these regulations.

Rounding of amounts

The Scheme is of a kind referred to in ASIC *Corporations Instrument 2016/191* issued by the Australian Securities & Investment Commission relating to the "rounding off" of amounts in the directors report and financial statements. Amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the directors of Australian Unity Funds Management Limited.

Rohan Mead
Director

Darren Mann
Director

16 September 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Australian Unity Funds Management Limited as Responsible Entity for Australian Unity Childcare Property Fund

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

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

David Kells

Partner

Sydney

17 September 2025

Statement of comprehensive income

	Notes	**30 June 2025 $'000**	30 June 2024 $'000
Income			
Rental income	3	**5,516**	5,035
Property expenses	6	**(665)**	(599)
Net property income		**4,851**	4,436
Interest income		**19**	11
Net fair value gain/(loss) on investment properties	12(b)	**1,950**	(561)
Other income		**-**	14
Total income net of property expenses		**6,820**	3,900
Expenses			
Management fees	17	**672**	657
Borrowing costs		**2,007**	2,115
Other expenses	8	**968**	585
Total expenses		**3,647**	3,357
Profit for the year		**3,173**	543
Other comprehensive income		**-**	-
Total comprehensive profit attributable to unitholders		**3,173**	543

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

	Notes	**2025 $'000**	2024 $'000
Assets			
Cash and cash equivalents		**6,083**	157
Receivables	11	**115**	155
Investment properties	12	**84,054**	87,148
Other assets		**30**	760
Total assets		**90,282**	88,220
Liabilities			
Payables	13	**574**	753
Distributions payable	10	**503**	336
Borrowings	14	**31,729**	30,828
Total liabilities		**32,806**	31,917
Net assets attributable to unitholders - equity	9	**57,476**	56,303

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

Statement of changes in equity

	30 June 2025 $'000	30 June 2024 $'000
Balance at the beginning of the year	**56,303**	56,554
Comprehensive income for the financial year		
Profit for the year	**3,173**	543
Total comprehensive income attributable to unitholders	**3,173**	543
Transactions with unitholders		
Applications of units	**23**	579
Redemption of units	**(373)**	-
Distributions paid and payable	**(1,650)**	(1,373)
Total transactions with unitholders	**(2,000)**	(794)
Balance at the end of the year	**57,476**	**56,303**

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

Statement of cash flows

	Note	30 June 2025 $'000	30 June 2024 $'000
Cash flows from operating activities			
Rental income received		**5,479**	5,121
Payments to suppliers		**(1,756)**	(2,130)
Interest received		**19**	11
Net cash inflow from operating activities	18	**3,742**	3,002
Cash flows from investing activities			
Payments for additions to investment properties		**(324)**	(2,901)
Payments for potential acquisitions		**-**	(54)
Purchase of investment properties		**(377)**	(270)
Proceeds from sale of investment property		**5,815**	-
Net cash inflow/(outflow) from investing activities		**5,114**	(3,225)
Cash flows from financing activities			
Proceeds from applications by unitholders		**34**	648
Payments for redemption by unitholders		**(373)**	-
Distributions paid		**(1,483)**	(1,437)
Proceeds from borrowings		**913**	3,015
Interest paid		**(2,021)**	(1,924)
Capital raising costs paid		**-**	(26)
Net cash (outflow)/inflow from financing activities		**(2,930)**	276
Net increase in cash and cash equivalents		**5,926**	53
Cash and cash equivalents at the beginning of the year		**157**	104
Cash and cash equivalents at the end of the year		**6,083**	157

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

Notes to the financial statements

1 General information

These financial statements cover Australian Unity Childcare Property Fund ('the Scheme') as an individual entity. The Scheme was constituted on 12 August 2021 and will terminate in accordance with the provisions of the Scheme's Constitution.

The Responsible Entity of the Scheme is Australian Unity Funds Management Limited (ARSN 60 071 497 115), a wholly owned subsidiary of Australian Unity Limited (ABN 23 087 648 888). The Responsible Entity's registered office is Level 15, 271 Spring Street, Melbourne, VIC 3000.

The Responsible Entity is incorporated and domiciled in Australia.

The financial statements are for the year 1 July 2024 to 30 June 2025.

2 Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements comply with the International Financial Reporting Standards adopted by the International Accounting Standards board.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within 12 months, except for investment properties where the amount expected to be recovered or settled within 12 months after the end of the year cannot be reliably determined.

(i) New accounting standards and amendments adopted by the Scheme
The Scheme has adopted AASB *2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants* from 1 July 2024.

The amendments apply retrospectively. They require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

The application of these accounting standards did not have a material impact on the Scheme.

(ii) New accounting standards, amendments and interpretations
A number of new accounting standards are effective for annual reporting periods beginning after 1 July 2024 and earlier application is permitted. However, the Scheme has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

AASB *18 Presentation and Disclosure in Financial Statements*

AASB 18 will replace AASB *101 Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

• Entities are required to classify all income and expenses into five categories in the statement of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
• Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
• Enhanced guidance is provided on how to group information in the financial statements.

2 Basis of preparation (continued)

(ii) New accounting standards, amendments and interpretations (continued)
In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Scheme is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Scheme's statement of comprehensive income, the statement of cash flows and the additional disclosures required for MPMs. The Scheme is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Scheme's consolidated financial statements.

• Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

3 Functional and presentation currency

Items included in the financial statements of each of the Scheme's operations are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the Scheme's functional and presentation currency.

The Scheme is an entity of the kind referred to in ASIC *Corporations Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars.

4 Use of judgements and estimates

The preparation of the Scheme's financial statements requires it to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements are made by the Scheme in respect of the fair values of investment properties. These investments are reviewed regularly by reference to external independent property valuations and market conditions, using generally accepted market practices.

5 Rental income

The following table details the rental income earned by the Scheme during the year:

	30 June 2025 $'000	30 June 2024 $'000
Rental income	**5,034**	4,506
Outgoings income	**560**	598
Amortisation of lease commissions & lease incentives	**(78)**	(69)
	5,516	5,035

5 Rental income (continued)

Rental Income
Rental income is recognised on a straight line basis over the lease term.

Contingent rentals, such as turnover rent and market rent adjustments, are recognised as income in the financial year ended in which they are earned.

Outgoing income is recongnised in the statement of comprehensive income on an accrual basis with it's lease agreements, the scheme provides certain services to tenants (such as utilities, cleaning maintance etc) which are accounted for within AASB *15 Revenue from contracts with customers*. A portion of the consideration within the lease arrangement is therefore allocated to the provision of these services.

6 Property expenses

	30 June 2025 $'000	30 June 2024 $'000
Recoverable outgoings	**621**	591
Non recoverable outgoings	**44**	8
	665	599

Recoverable outgoings are expenses incurred in the operation and maintenance of the properties that are contractually recoverable from tenants under lease agreements. These may include items such as utilities, cleaning and repairs.

Non-recoverable outgoings are property-related expenses that cannot be passed on to tenants and must be borne by the Scheme. These typically include leasing commissions, certain legal fees, marketing costs, and other owner-specific expenditures.

7 Auditor's remuneration

During the year ended the following fees were paid or payable for services provided by the auditor of the Scheme:

	30 June 2025 $	30 June 2024 $
Audit services - KPMG		
Audit of financial statements	**25,297**	21,889
Audit of compliance plan	**3,000**	3,000
Total auditor's remuneration	**28,297**	24,889

8 Other expenses

	30 June 2025 $'000	30 June 2024 $'000
Capital raising fees	**-**	11
Disposal costs	**148**	-
Administration fees	**115**	231
Sundry	**705**	343
	968	585

All expenses, including Responsible Entity's fees and custodian fees, are recognised in statement of comprehensive income on an accruals basis

9 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

Contributed equity	**30 June 2025 No. '000**	30 June 2024 No. '000	**30 June 2025 $'000**	30 June 2024 $'000
Opening balance	**55,446**	54,897	**55,646**	55,067
Wholesale units				
Applications	**22**	549	**23**	579
Redemption	**(369)**	-	**(373)**	-
	(347)	549	**(350)**	579
Closing balance	**55,099**	55,446	**55,296**	55,646

Undistributed income		
Opening balance	**657**	1,487
Increase / (Decrease) in net assets attributable to unitholders	**1,523**	(830)
Closing balance	**2,180**	657

	2025 $'000	2024 $'000
Net assets attributable to unitholders	**57,476**	56,303
Total net assets attributable to unitholders	**57,476**	56,303

The Scheme will not be liquid and is intended to be open-ended. Subject to market conditions, the Responsible Entity expects to offer a limited liquidity facility during the financial year ending 30 June 2026, or more or less frequently as advised by the Responsible Entity and anticipate paying a redemption facility within three months of any liquidity application time frame closing.

The Scheme classifies the net assets attributable to unitholders as equity as they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation:*

9 Net assets attributable to unitholders (continued)

- the puttable financial instruments entitles the holder to a pro-rata share of net assets in the event of the Scheme's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial instrument, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Scheme and it is not a contract settled in the Scheme's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

Capital risk management

At balance date, the Scheme is illiquid and the Responsible Entity does not intend to offer a liquidity facility during the investment term of the Scheme.

Withdrawals are not currently available from the Scheme. Any withdrawal opportunity will, subject to the Corporations Act, be at the absolute discretion of the Responsible Entity. Subject to market conditions, the Responsible Entity expects to offer a limited liquidity facility during financial year ending 30 June 2026, or more or less frequently as advised by the Responsible Entity. Any such withdrawal opportunity would be subject to any liquidity constraints on the Scheme at the time. The Scheme's Constitution allows the Responsible Entity to suspend withdrawals for up to 180 days in certain circumstances. Funding withdrawals may involve the full or partial sale of the Scheme's asset portfolio or other funding mechanisms relevant at the time

Applications received for units in the Scheme are recorded net of any entry fees payable prior to the issue of units in the Scheme. Redemptions from the Scheme are recorded gross of any exit fees payable after the cancellation of units redeemed. Unit redemption prices are determined in accordance with the Constitution by reference to the net assets of the Scheme divided by the number of units on issue.

10 Distributions to unitholders

The distributions for the financial year were as follows:

	30 June 2025 $'000	**30 June 2025 CPU**	30 June 2024 $'000	30 June 2024 CPU
30 September	**220**	**0.399**	383	0.697
31 December	**466**	**0.846**	448	0.808
30 September	**461**	**0.837**	206	0.371
31 December (payable)	**503**	**0.913**	336	0.606
	1,650		1,373	

The Scheme distributes its distributable income in accordance with the Constitution, to unitholders by cash or reinvestment.

The distribution amount payable to unitholders as at the end of each year ended is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income under the Constitution.

11 Receivables

	2025 **$'000**	2024 $'000
Applications receivable	**-**	11
Trade receivables	**68**	16
GST receivables	**47**	128
	115	155

Receivables includes amounts for rental income arrears. Amounts are generally received within 30 days of being recorded as receivables.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for expected credit losses. Trade receivables are required to be settled within 30 days and are assessed on an ongoing basis for impairment. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for expected credit losses is recognised for expected credit losses on trade and other receivables. The provision for expected credit losses is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial.

The calculation of expected credit losses relating to rent and other receivables require significant judgement to assess the future uncertainty of tenants' ability to pay their debts. Expected credit losses have been estimated with reference to the Scheme's historical credit loss experience, general economic conditions and forecasts, assumptions around rent relief that may be provided to tenants and tenant risk factors such as size, industry exposure and the Scheme's understanding of the ability of tenants to pay their debts. Accordingly, expected credit losses include both the part of the rent receivable that is likely to be waived and any additional amount relating to credit risk associated with the financial condition of the tenant.

Rent not received in cash at the end of the year is reflected in the statement of financial position as a receivable or if paid in advance, as a liability.

12 Investment properties

(a) Property details

	Ownership	Acquisition	Independent valuation date	Independent valuation amount	Valuer	**Carrying value**	Carrying value
						2025	2024
	%	Date		$'000		**$'000**	$'000
Unit 5, 341 Harvest Home Road, Epping, VIC	100	26/10/2022	31/12/2024	8,700	CBRE	**8,700**	7,957
97-99 Rowley Rd, Aldinga Beach, SA	100	02/12/2022	31/12/2024	7,600	CBRE	**7,600**	7,356
260 Margaret Street, Toowoomba, QLD	100	22/10/2021	31/12/2024	6,900	CBRE	**6,900**	7,060
42-44 Camberwell St, East Victoria Park, WA	100	25/01/2023	23/01/2025	6,650	Colliers	**6,704**	6,803
5 Gatty Street, Scullin, ACT	100	16/12/2022	31/12/2024	6,500	CBRE	**6,500**	6,104
345 Gorge St, Athelstone, SA	100	29/05/2023	30/06/2025	6,300	JLL	**6,300**	6,300
529-531 Kalamunda Rd, High Wycombe, WA	100	05/12/2022	30/06/2025	6,250	Colliers	**6,250**	5,537
18 and 20 Pine Street, Runcorn, QLD	100	21/12/2021	31/12/2024	6,100	CBRE	**6,100**	5,910
1-3 Lokan Street, Redwood Park, SA	100	28/10/2022	31/12/2024	5,900	CBRE	**5,900**	6,107
4 Milview Drive, Oakdowns, TAS	100	11/02/2022	29/01/2025	5,150	Colliers	**5,150**	4,875
156 Aberdeeb Street Northbridge, WA	100	31/01/2022	23/01/2025	4,950	Colliers	**4,950**	4,750
1/255 Herries Street, Newtown, QLD	100	28/01/2022	31/12/2024	4,900	CBRE	**4,900**	4,500
1 Blackheath Drive, Tewantin, QLD	100	09/05/2022	31/12/2024	4,700	CBRE	**4,700**	4,635
14 Evans Street, Pittsworth, QLD	100	22/10/2021	31/12/2024	3,400	CBRE	**3,400**	3,280
174-194 Maryborough-Hervey Bay Rd, Urraween, QLD	100	22/06/2023	04/09/2024	5,815	JLL	**-**	5,974
Total				**75,610**		**84,054**	87,148

12 Investment properties (continued)

(a) Property details (continued)

Investment properties include childcare properties comprising established properties and development assets.

The carrying value of an investment property, may vary from the most recent independent valuation of the property (as set out in the table above) due to capital expenditure and the capitalisation of leasing commissions and lease incentives during the current period.

Where the carrying value is not supported by an independent valuation at the balance date, the carrying value at the reporting date reflects the directors of the Responsible Entity's best estimate of the fair value of each property based on internal valuations.

Initially investment properties are measured at the cost of acquisition. Subsequent to initial recognition.

Investment properties are stated at fair value being the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. In accordance with the investment property valuations policy approved by the Board, independent valuations of investment properties are obtained from suitably qualified valuers once in any 12 month period from the date of the last valuation or in exceptional circumstances once in a financial year or calendar year as determined necessary or as soon as practicable, but not later than within two months after the directors of the Responsible Entity form a view that there is reason to believe that the fair value of the investment property is materially different from its current carrying value.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount because the Scheme does not expect to be ultimately liable for capital gains tax in respect of the assets.

Gains or losses arising from changes in the fair value of investment properties are included in the statement of comprehensive income in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the statement of comprehensive income in the year of derecognition.

(b) Movements in carrying amount

Reconciliations of the carrying amounts of investment properties are set out below:

	30 June 2025 $'000	30 June 2024 $'000
Opening balance	**87,148**	84,492
Acquisitions	**377**	260
Additions	**472**	3,026
Disposal	**(5,815)**	-
Amortisation of lease commissions & lease incentives	**(78)**	(69)
Change in fair value	**1,950**	(561)
Closing balance	**84,054**	87,148

Disposal

On 28 May 2025, the Scheme exchanged a contract to sell 174-194 Maryborough-Hervey Bay Road, Urraween 4655. Settlement occurred on 25 June 2025 for $5,815,000, excluding selling costs.

12 Investment properties (continued)

(c) Contractual obligations

Capital expenditure contracted for at the reporting date but not recognised as liabilities:

	2025 $'000	2024 $'000
Within one year	**2,616**	797
Later than one year but not later than 5 years	**-**	4,265
	2,616	5,062

The Scheme capital commitments will be funded using the Scheme's cash and cash equivalents and debt facility.

(d) Leasing arrangements

Leasing costs
Lease costs are costs that are directly associated with negotiating and arranging an operating lease (including commissions, legal fees and costs of preparing and processing documentation for new leases). These costs are capitalised and are amortised on a straight-line basis over the term of the lease as a reduction of rental income or an increase in property outgoings. The carrying amount of the leasing cost is reflected in the fair value of investment properties.

Lease incentives
Incentives such as cash, rent-free periods, lessee or lessor owned fitouts may be provided to lessees to enter into an operating lease. These incentives are capitalised and are amortised on a straight-line basis over the term of the lease as a reduction of rental income or an increase in property outgoings. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

The Scheme leases out its investment properties to tenants under operating leases with rentals payable monthly. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2025 $'000	2024 $'000
Within one year	**4,979**	5,127
Later than one year but not later than 5 years	**27,748**	24,034
Later than 5 years	**45,871**	54,753
	78,598	83,914

13 Payables

	2025 $'000	2024 $'000
Accrued expenses	**418**	594
GST Payables	**131**	120
Rent received in advance	**25**	39
	574	753

13 Payables (continued)

Payables include liabilities and accrued expenses owed by the Scheme which are unpaid as at the end of the year. These payables, which are generally settled on 30-90 day terms and are unsecured, are carried at amortised cost.

Liabilities for trade creditors are carried at original invoice amount which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Scheme.

Payables to related parties are recognised and carried at the nominal amount due. They are carried at the nominal amount due to the short term nature of the payable. Interest is taken up as an expense on an accrual basis.

14 Borrowings

	2025 $'000	2024 $'000
Bank loan	**31,863**	30,950
Unamortised borrowing costs	**(134)**	(122)
	31,729	30,828

The bank loan facility consists of one facility. The facility commitment for $35,000,000 was due to expire on 1 July 2025 and has been extended and is due to mature on 19 November 2027.

The facility is secured by a first registered mortgage over the Scheme's property, and is non-recourse to unitholders.

The Scheme had access to:

	2025 $'000	2024 $'000
Credit facilities		
Cash advance facilities	**35,000**	35,000
Drawn balance	**(31,863)**	(30,950)
Undrawn balance	**3,137**	4,050

Reconciliations of the net debt are set out as below:

	2025 $'000	2024 $'000
Analysis of changes in net debt		
Opening balance	**30,793**	27,830
Proceeds from borrowings	**913**	3,015
Other cash movements	**(5,926)**	(52)
Closing balance	**25,780**	30,793

14 Borrowings (continued)

Bank loan	**31,863**	30,950
Cash and cash equivalents	**(6,083)**	(157)
Net debt	**25,780**	30,793

All loans are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with borrowings.

After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains and losses are recognised in the statement of comprehensive income when liabilities are derecognised or impaired.

	Loans and borrowings $'000	Unitholder Capital $'000	Total $'000
Balance at 1 July 2024	**30,828**	**56,303**	**87,131**
Changes from Financing cash flows			
Proceeds from issue of units	-	34	34
Proceeds from loans and borrowings	913	-	913
Distributions paid	-	(1,483)	(1,483)
Redemptions Paid		(373)	(373)
Borrowing costs paid	(2,021)	-	(2,021)
Total changes from financing cash flows	***(1,108)***	***(1,822)***	***(2,930)***
Changes in fair value			
Liability related			
Borrowing costs expense	2,007	-	***2,007***
Movement in borrowing costs payable	2	-	***2***
Total liability related other changes	**2,009**	-	***2,009***
Total equity related other changes	-	3,075	3,075
Balance at 30 June 2025	***31,729***	***57,556***	***89,285***

14 Borrowings (continued)

	Loans and borrowings $'000	Unitholder Capital $'000	Total $'000
Balance at 1 July 2023	**27,757**	**56,554**	**84,311**
Changes from Financing cash flows			
Proceeds from issue of units	-	648	648
Proceeds from loans and borrowings	3,015	-	3,015
Distributions paid	-	(1,437)	(1,437)
Borrowing costs paid	(1,924)	-	(1,924)
Capital Raising Cost	-	(26)	(26)
Total changes from financing cash flows	***1,091***	***(815)***	***276***
Changes in fair value			
Liability related			
Borrowing costs expense	2,115	-	***2,115***
Movement in borrowing costs	(135)		***(135)***
Total liability related other changes	**1,980**		***1,980***
Total equity related other changes	-	564	564
Balance at 30 June 2024	***30,828***	***56,303***	***87,131***

15 Financial risk management

(a) Objectives, strategies, policies and processes

The Scheme’s activities expose it to a variety of financial risks: market risk, interest rate risk and liquidity risk.

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's disclosure documents and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed. Financial risk management is carried out by the Investment Manager ("the Investment Manager") under policies approved by the Board of Directors of the Responsible Entity ("the Board").

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: price risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look through basis for investments held in the Scheme.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme is exposed to interest rate risk predominantly through borrowings. The Scheme does not currently utilise interest rate swaps to manage its interest rate risk.

The below table summarises the Scheme's overall interest rate risk exposure:

15 Financial risk management (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

	2025	2024
	$'000	$'000
Floating rate		
Cash and cash equivalents	**6,083**	157
Borrowings	**(31,863)**	(30,950)
Net exposure	**(25,780)**	(30,793)

The Scheme had exposure to interest rate risk on its monetary assets and liabilities.

The table below demonstrates the sensitivity to reasonably possible changes in year end interest rates, with all other variables held constant. A negative amount in the table reflects a potential net reduction in profit and net assets attributable to unitholders, while a positive amount reflects a potential net increase.

	Impact on profit and net assets attributable to unitholders	
	2025	2024
Sensitivity	**$'000**	$'000
Interest rate + 1.03% (2024: + 0.76%)	**(266)**	(234)
Interest rate - 1.03% (2024: - 0.76%)	**266**	234

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Scheme is exposed to the applicable withdrawal offer put in place by the Responsible Entity. Under the terms of its Constitution, the Scheme has the ability to manage liquidity risk by delaying withdrawals to unitholders, if necessary, until the funds are available to pay them. Withdrawal from this Scheme is currently not made available.

Investors will not be able to redeem from the scheme unless or until a withdrawal opportunity is offered by the Responsible Entity. Responsible Entity is expecting to offer a limited withdrawal opportunity to investors in the Scheme at the end of the scheme's fourth and fifth year (financial year ending 30 June 2026 and financial year ending 30 June 2027, or more or less frequently as advised by us). However, at that time, there may be limited or no liquidity in the scheme such that the Responsible Entity may be unable to offer a withdrawal opportunity.

Maturities analysis of financial liabilities

The table below analyses the Scheme's financial liabilities into relevant maturity groupings based on the remaining period at the end of the year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Financial liabilities such as trade payables, where there are no specific contractual settlement dates, have been grouped into the 'less than 1 year' maturity grouping as such liabilities are typically settled within 30 days.

15 Financial risk management (continued)

(c) Liquidity risk (continued)

Maturities analysis of financial liabilities (continued)

2025	**Less than 1 year $'000**	**1-2 years $'000**	**2-3 years $'000**	**3+ years $'000**
Distributions payables	**503**	**-**	**-**	**-**
Payables	**574**	**-**	**-**	**-**
Borrowings	**-**	**31,863**	**-**	**-**
Total financial liabilities	**1,077**	**31,863**	**-**	**-**

2024	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3+ years $'000
Distributions payables	336	-	-	-
Payables	753	-	-	-
Borrowings	-	30,950	-	-
Total financial liabilities	1,089	30,950	-	-

As disclosed above, the Scheme manages its liquidity risk by investing predominantly in liquid assets that it expects to be able to liquidate within seven days or less. Liquid assets include cash and cash equivalents. As at 30 June 2025, these assets amounted to $6,083,059 (2024: $157,200).

(d) Estimation of fair values of financial assets and financial liabilities

The carrying amounts of the Scheme's assets and liabilities other than borrowings at the end of each reporting period approximate their fair values.

The Scheme values its investment properties in accordance with the accounting policies set out in note 14.

16 Fair value hierarchy

The Scheme measures and recognises investment properties and capitalised development costs at fair value on a recurring basis.

(a) Fair value hierarchy

The Scheme is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

16 Fair value hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Scheme's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

30 June 2025	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Non-financial assets				
Investment properties	**-**	**-**	**84,054**	**84,054**
Total non-financial assets	**-**	**-**	**84,054**	**84,054**

30 June 2024	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Non-financial assets				
Investment properties	-	-	87,148	87,148
Total non-financial assets	-	-	87,148	87,148

The Scheme's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the year ended . There are no transfers between levels 1, 2 and 3 for fair value measurements during the year.

(b) Valuation techniques

(i) Investment properties

The investment property valuation policy is to have independent valuations conducted regularly, typically annually, to aid with the determination of the assets fair value. In determining the fair value of an investment property, the primary appropriate method of assessment is considered to be via reconciliation between the discounted cash flow and income capitalisation methods. Direct comparison may also be used as a secondary assessment method.

- Discounted cash flow method - this methodology involves formulating a projection of net income over a specified time horizon, normally 10 years, and discounting this cash flow including the projected terminal value at the end of the projection period at an appropriate market-derived discount rate. The present value of this discounted cash flow provides a guide to the fair value of the property;
- Income capitalisation method - this methodology involves the assessment of a net market income for the various components of the subject property. The net market income is capitalised at a rate derived from the analysis of comparable sales evidence to derive a capital value. Appropriate capital adjustments are then made where necessary to reflect the adopted cash flow profile and the general risk characteristic of the property; and
- Direct comparison method - this methodology identifies comparable sales on a dollar per square metre of lettable area and compares the equivalent rates to the subject property to establish the property’s market value. This approach is somewhat subjective given the fact that specific items of income and expenditure are difficult to directly reflect and compare when adopting a rate per metre.

16 Fair value hierarchy (continued)

At each reporting date the appropriateness of those valuations is assessed by the Responsible Entity.

(c) Fair value measurements using significant unobservable input (level 3)

(i) Valuation inputs and relationship to fair value
The following are the key valuation assumptions used in the determination of the investment properties fair value using the discounted cash flows and income capitalisation valuation methodologies:

• Current net market rental the estimated amount for which a property or space within a property should be leased between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction,

• Proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In the calculation of net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable);

• Adopted capitalisation rate - the rate at which net market income is capitalised to determine the value of the property. This rate is determined with regards to market evidence.

Valuation inputs	**2025**	2024
Current net market rental ($ per sqm)	**3,000 - 4,250**	2,737 - 4,244
Adopted capitalisation rate (%)	**5.00 - 6.50**	5.00 - 6.00

The changes in fair value of investment properties for the year are set out in note 12(b).

The directors of the Responsible Entity assess the carrying value of each investment property at each reporting date to ensure that its carrying value does not materially differ from its fair value.

(ii) Valuation Process
Independent valuations of investment properties are obtained from suitably qualified valuers generally at least once in every 18 months if the property is in a construction phase; otherwise once in any 12 month period from the date of the last valuation; or in exceptional circumstances once in a financial year or calendar year as determined necessary; or as soon as practicable, but not later than within two months after the directors of the Responsible Entity form a view that there is reason to believe that the fair value of the investment property is materially different from its current carrying value.Notwithstanding, the directors of the Responsible Entity determine the carrying value of each investment property at each reporting date to ensure that its carrying value does not materially differ from its fair value. Where the carrying value differs from fair value, that asset is adjusted to its fair value.

(iii) Sensitivity information
The table below details the movement in the fair value when each of the significant inputs either increase or decrease, with all other inputs remaining constant:

Significant inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Current net market rental	Increase	Decrease
Adopted capitalisation rate	Decrease	Increase

It is often the case that multiple significant inputs change simultaneously, on these occasions the impact of the changes in the individual inputs can be reduced or vice versa can magnify the movement in the fair value.

When calculating the income capitalisation, the net market rent has a strong interrelationship with the adopted capitalisation rate. This is because the methodology involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value. In theory, an increase in the net market rent and an increase (softening) in the adopted capitalisation rate could potentially offset the impact to the fair value. The same can be said for a decrease in the net market rent and a decrease (tightening) in the adopted capitalisation rate. The impact on fair value may be magnified if the net market rent is increasing while the capitalisation rate is decreasing (or vice versa).

16 Fair value hierarchy (continued)

Valuation inputs	**2025**	2024
Adopted capitalisation rate +0.25% (2024: +0.25%)	**(3,499)**	(3,451)
Adopted capitalisation rate -0.25% (2024: -0.25%)	**3,818**	3,769

(d) Fair value of other financial instruments

Due to their short-term nature, the carrying amounts of the receivables and payables are assumed to approximate their fair values.

17 Related party transactions

Responsible Entity

The Responsible Entity of Australian Unity Childcare Property Fund is Australian Unity Funds Management Limited (ABN 60 071 497 115)

Key management personnel

(a) Directors

Key management personnel includes persons who were directors of Australian Unity Funds Management Limited at any time during the year ended as follows:

Adam Vise, Group Executive Wealth & Capital Markets (Acting) (Appointed 29 August 2025)
Darren Mann, Group Executive, Finance & Strategy and Chief Financial Officer
Esther Kerr, Group Executive, Wealth & Capital Markets (Resigned 29 August 2025)
Rohan Mead, Chairman and Group Managing Director

The Directors are compensated by Australian Unity Funds Management Limited, which charges a management fee to the Scheme. Refer below.

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Scheme, directly or indirectly during the year ended.

Other transactions within the Scheme

From time to time directors of Australian Unity Funds Management Limited, or their director related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme unitholders.

Management fees and other transactions

The Responsible Entity is entitled to receive management fees calculated monthly at 0.75% per annum of the gross asset value of the Scheme.

Should the Scheme meet certain criteria, the Responsible Entity is entitled to a performance fee. The performance fee will be equal to 15% of the out performance of the Scheme over a pre-tax internal rate of return (IRR) of 10% from the date of financial close to the date of the crystallisation event. The performance fee will be calculated on an annual basis each financial period year end being 30 June. Performance fee for the year ended 30 June 2025 was Nil (2024 : Nil). The IRR is the annualised compound rate of return received by the unitholders taking into account all income and capital cash flows.

Administration expenses incurred in the day to day running of the Scheme are reimbursed in accordance with the Constitution.

The Responsible Entity is entitled to receive an equity raising fee calculated at 0.75% of equity raised.

The transactions during the year between the Scheme and the Responsible Entity and its related parties were as follows:

17 Related party transactions (continued)

Management fees and other transactions (continued)

	30 June 2025 $	30 June 2024 $
Management fees for the year paid/payable by the Scheme to the Responsible Entity	**671,848**	657,320
Administration expenses incurred by the Responsible Entity which are reimbursed in accordance with the Constitution	**168,110**	330,283
Equity raising fees incurred by the Responsible Entity which are reimbursed in accordance with the Scheme's Constitution	**253**	11,473
Aggregate amounts payable to the Responsible Entity at the end of the year	**121,529**	400,103

Fees incurred by the Scheme for the provision of key management personnel services are included in the management fees paid to the Responsible Entity.

(a) Other related party transactions
Australian Unity Property Management Pty Ltd ("AUPML") (ABN 76 073 590 600) has been appointed to provide a number of property related services to the Scheme. These services include:

- Leasing and Agency Services;
- Market Rent Reviews;
- Property Management Services;
- Project Management Services;
- Development Management Services; and
- Debt Arrangement Services

No fees were paid/payable to Australian Unity Property Management Pty Limited for the financial year.

Related party unitholdings
Parties related to the Scheme (including Australian Unity Funds Management Limited, its related parties and other schemes managed by Australian Unity Funds Management Limited), held units in the Scheme as follows:

2025 **Unitholders**	**No. of units held opening '000**	**No. of units held closing '000**	**Fair value of investment* $'000**	**Interest held %**	**No. of units acquired '000**	**No. of units disposed '000**	**Distributions paid/payable by the Scheme $'000**
Australian Unity Health Limited	**20,000**	**20,000**	**20,986**	**36.30**	**-**	**-**	**599**
Total	**20,000**	**20,000**	**20,986**	**36.30**	**-**	**-**	**599**

17 Related party transactions (continued)

Related party unitholdings (continued)

2024

Unitholders	**No. of units held opening '000**	**No. of units held closing '000**	**Fair value of investment* $'000**	**Interest held %**	**No. of units acquired '000**	**No. of units disposed '000**	**Distributions paid/payable by the Scheme $'000**
Australian Unity Health Limited	20,000	20,000	20,430	36.07	-	-	195
Australian Unity Property Income Fund**	5,000	5,000	5,108	9.02	-	-	161
Total	25,000	25,000	25,538	45.09	-	-	356

*Fair value of investment includes accrued distribution at the end of the year ended .
**Australian Unity Property Income Fund ceased being a related party on 27 June 2025 and is therefore excluded from the FY2025 table.

18 Reconciliation of profit to net cash inflow from operating activities

	30 June 2025 $'000	30 June 2024 $'000
Profit for the year	**3,173**	543
Net change in fair value of the investment properties	**(1,950)**	561
Add back fund establishment and capital raising costs	**-**	11
Adjustments to net lease incentives and straight line rental	**(66)**	-
Net change in receivables	**29**	69
Net change in accounts payable/liabilities	**(181)**	(336)
Net change in other assets	**754**	-
Add back interest expenses and debt establishment costs	**2,007**	2,115
Net change in prepayment	**(24)**	39
Net cash inflow from operating activities	**3,742**	3,002

19 Events occurring after end of the year

On 19 August 2025 the Scheme paid a redemption of $2,880,000 to the investors.

Esther Kerr resigned as a director of the Responsible Entity on 29 August 2025.

Adam Vise was appointed as a director of the Responsible Entity on 29 August 2025.

No other matters or circumstance has arisen since 30 June 2025 that have significantly affected, or may significantly affect the operations of the Scheme, the result of operations, or the state of the Scheme's affairs for the year ended on that date

20 Contingent assets and liabilities and commitments

There are no outstanding contingent assets or liabilities as at 30 June 2025 and 30 June 2024.

Commitments arising from contracts in relation to investment property under development which are contracted for at reporting date but not recognised in the statement of financial position are $2,615,754 (2024: $5,062,124)

Directors' declaration

In the opinion of the directors of Australian Funds Management Limited the Responsible Entity of Australian Unity Childcare Property Fund (the Scheme):

(a) the financial statements and notes set out on pages 6 to 30 are in accordance with the *Corporations Act 2001,* including:

 (i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

 (ii) giving a true and fair view of the Scheme's financial position as at 30 June 2025 and of its performance, as represented by the results of its operations and cash flows for the year ended on that date.

(b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable,

(c) the financial statements are in accordance with the Scheme's Constitution, and

(d) Note 2 confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of the Responsibility Entity.

Rohan Mead
Director

Darren Mann
Director

16 September 2025

KPMG

Independent Auditor's Report

To the unitholders of Australian Unity Childcare Property Fund

Opinion

We have audited the ***Financial Report*** of Australian Unity Childcare Property Fund (the Scheme).

In our opinion, the accompanying Financial Report of Scheme gives a true and fair view, including of the Scheme's financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at June 2025;
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- Directors' Declaration.

Basis for opinion

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

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

We are independent of the Scheme in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Australian Unity Childcare Property Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Australian Unity Funds Management Limited (the Responsible Entity) are responsible for the Other Information.

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors of Australian Unity Funds Management Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

David Kells

Partner

Sydney

17 September 2025