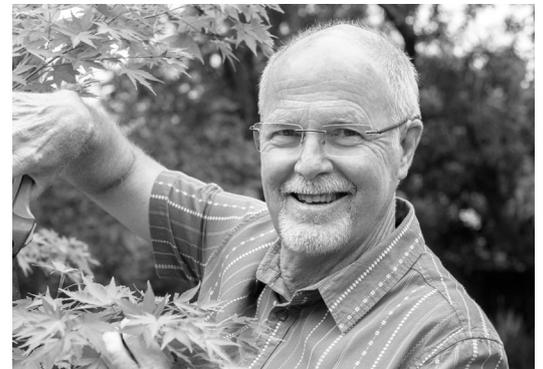


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Financial report 2024



Annual comprehensive financial report

—for the year ended 31 December 2024



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Statement of profit or loss and other comprehensive income

—for the year ended 31 December 2024

		2024	Restated 2023 (Note 1)
	Note	\$	\$
REVENUE AND INCOME			
Revenue from contracts with customers	2	23,648,263	24,191,370
Not for profit income	2	11,737,435	26,592,714
Other income	8	4,835,828	-
Investment income	2	12,486,099	10,514,308
TOTAL REVENUE AND INCOME		52,707,625	61,298,392
EXPENDITURE			
Fundraising and Bequests		(3,138,519)	(3,334,522)
Marketing and Communications		(2,006,839)	(1,709,978)
Administration	3a	(5,775,220)	(5,357,742)
Investment Management		(614,830)	(467,499)
Student and Client Services	3b	(40,416,085)	(36,973,099)
Strategic Initiatives		(5,280,380)	(3,902,783)
TOTAL EXPENDITURE		(57,231,873)	(51,745,623)
NET OPERATING (LOSS) / INCOME		(4,524,248)	9,552,769
FAIR VALUE CHANGES			
Impairment of investment property		-	(100,000)
Gain on sale of investment property		182,220	-
Gain on sale of property, plant and equipment		13,409	95,135,623
Fair value gain on financial assets		18,144,203	7,817,899
NET SURPLUS FOR THE YEAR		13,815,584	112,406,291
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		13,815,584	112,406,291

These financial statements should be read in conjunction with the accompanying notes.

Statement of financial position

—for the year ended 31 December 2024

		2024	Restated 2023 (Note 1)
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	19	9,563,001	10,997,731
Trade and other receivables	4	3,106,002	3,093,739
Assets held for sale	5c	-	1,530,000
Other current assets	5a	1,140,279	3,044,190
Financial Assets	6	4,799,844	2,756,983
TOTAL CURRENT ASSETS		18,609,126	21,422,643
NON-CURRENT ASSETS			
Financial assets	6	250,526,803	236,268,677
Investment property	5b	3,330,000	2,850,000
Property, plant and equipment	7	94,552,658	94,670,473
Right-of-use assets	13e	11,689,049	7,135,067
TOTAL NON-CURRENT ASSETS		360,098,510	340,924,217
TOTAL ASSETS		378,707,636	362,346,860
CURRENT LIABILITIES			
Trade and other payables	9	2,938,019	3,651,896
Contract liabilities	10a	1,061,220	632,041
Provisions	11a	5,962,465	6,039,828
Lease liabilities	13f	1,895,981	1,187,037
Short-term financial liabilities	15a	-	1,500,000
TOTAL CURRENT LIABILITIES		11,857,685	13,010,802
NON-CURRENT LIABILITIES			
Contract liabilities	10b	152,959	1,052,959
Provisions	11b	1,052,573	1,025,363
Lease liabilities	13f	11,768,586	7,197,487
TOTAL NON-CURRENT LIABILITIES		12,974,118	9,275,809
TOTAL LIABILITIES		24,831,803	22,286,611
NET ASSETS		353,875,833	340,060,249
FUNDS			
Reserves			
Elisabeth Murdoch Scholarship Trust		461,964	444,385
Prescribed purpose funds		8,751,864	8,418,827
Total Reserves		9,213,828	8,863,212
Retained Earnings		344,662,005	331,197,037
TOTAL FUNDS		353,875,833	340,060,249

These financial statements should be read in conjunction with the accompanying notes.

Statement of changes in equity

—for the year ended 31 December 2024

	Retained Earnings	Prescribed Purpose Funds	Elisabeth Murdoch Scholarship	TOTAL
	\$	\$	\$	\$
Balance at 1 January 2023	219,681,181	7,559,131	413,646	227,653,958
Total comprehensive income for the year (restated)	112,406,291	-	-	112,406,291
Subtotal	332,087,472	7,559,131	413,646	340,060,249
Prescribed purpose funds	(905,435)	859,696	45,739	-
Transfers to and from reserves	15,000	-	(15,000)	-
Balance at 31 December 2023 (restated)	331,197,037	8,418,827	444,385	340,060,249
Total comprehensive income for the year	13,815,584	-	-	13,815,584
Subtotal	345,012,621	8,418,827	444,385	353,875,833
Prescribed purpose funds - Note 12(b)	(350,616)	333,037	17,579	-
Balance at 31 December 2024	344,662,005	8,751,864	461,964	353,875,833

These financial statements should be read in conjunction with the accompanying notes.

Statement of cash flows

—for the year ended 31 December 2024

		2024	Restated 2023 (Note 1)
	Note	\$	\$
Cash flow from operating activities			
Receipts from operations		40,281,783	50,121,084
Dividends and Distributions		12,419,292	10,514,308
Payments to suppliers and employees		(54,075,764)	(48,434,113)
<i>Net cash (outflows) inflows from operating activities</i>	19a	(1,374,689)	12,201,279
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		21,364	100,000,000
Proceeds from sale of investment property		1,260,000	-
Interest payment on loan		-	(1,268,390)
Payments for property, plant and equipment	7	(2,552,729)	(47,933,711)
Loan drawdowns from St George		-	37,520,558
Repayment of loan to St George	10b	-	(47,677,243)
Disbursements in relation to discharge of loan		-	(59,170)
Receipts from sale of investment securities		29,657,941	34,202,957
Payments for investment securities		(25,500,000)	(87,500,000)
Payments for Bank Guarantees		(2,067,815)	(17,942)
<i>Net cash inflows / (outflows) from investing activities</i>		818,761	(12,732,941)
Cash flows from financing activities			
Lease payments (principal)		(878,802)	(1,258,385)
<i>Net cash (outflows) from financing activities</i>		(878,802)	(1,258,385)
Net (decrease) in cash held		(1,434,730)	(1,790,047)
Cash at the beginning of the financial year		10,997,731	12,787,778
Cash at the end of the financial year	19b	9,563,001	10,997,731

These financial statements should be read in conjunction with the accompanying notes.

Notes to the financial statements

—for the year ended 31 December 2024

Note 1 – Statement of Significant Accounting Policies

The financial report covers the entity NextSense domiciled in Australia and governed by the provisions of the NextSense Act 1998 (NSW).

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Charitable Fundraising Act 1991, and the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012.

NextSense was automatically registered as a charity with the ACNC when its registration details transferred across from the Australian Taxation Office (ATO) having been previously endorsed by the ATO as a charity.

The Annual Information Statement and an Annual Financial Statement for 2023 was duly submitted to the ACNC on 19 June 2024.

The financial report of NextSense for the year ended 31 December 2024 was authorised for issue in accordance with a resolution of the Directors on 11 April 2025.

The following is a summary of the material accounting policies adopted by NextSense in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

Reporting basis and conventions

The general-purpose financial report has been prepared on the accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial report is presented in Australian dollars, which is NextSense's functional and presentation currency. All values are rounded to the nearest dollar (\$) unless otherwise stated.

Statement of compliance

The financial report complies with Australian Accounting Standards. A statement of compliance with International Financial Reporting Standards cannot be made due to NextSense applying the not-for-profit sector specific requirements contained in the Australian Accounting Standards.

Restatement of the 2023 Annual Financial Report

On 28 April 2023, NextSense entered into a funding agreement with the Commonwealth of Australia (the 'Commonwealth') whereby the Commonwealth provided \$12.5m of funding towards the construction of the centre for innovation at Macquarie University. Under the

funding agreement, NextSense is required to operate the centre for the Prescribed Purpose, being a centre of excellence for vision and hearing, for five years from the completion of the facility. In 2023, the \$12.5m grant was apportioned between 1) the obligation to use these funds to contribute to the construction of the centre. This amount is recognised as income over the construction period; and 2) the obligation to operate the centre for the Designated Purpose. This would have been recognised as income over five years from FY2024.

In FY2024, the accounting treatment for this grant was amended. Under the amended accounting treatment, the entire \$12.5m grant is recognised over the construction period. Given the material impact on the 2023 financial statements, the 2023 comparatives in these financial statements have been restated to reflect the amended accounting treatment. The impact on the 2023 financial statements is outlined below. Note that there is no impact on any financial years prior to 2023:

2023	As previously reported	Adjustment	Restated
<i>Statement of profit or loss and other comprehensive income</i>			
Not for profit income	18,750,714	7,842,000	26,592,714
Total revenue and income	53,456,392	7,842,000	61,298,392
Net surplus for the year	104,564,291	7,842,000	112,406,291
<i>Statement of financial position</i>			
Other current assets	919,190	2,125,000	3,044,190
Contract liability – current	(3,090,041)	2,458,000	(632,041)
Contract liability – non-current	(4,311,959)	3,259,000	(1,052,959)
Net assets	332,218,249	7,842,000	340,060,249

Revenue for Commonwealth Government funding has been recognised as follows:

	Prior Year	Adjustment	2024	Total
2023	4,283,000	7,842,000	-	12,125,000
2024	-	-	375,000	375,000
	4,283,000	7,842,000	375,000	12,500,000

Note 1 – Statement of Significant Accounting Policies (cont.)

There were no applicable new or amended accounting standards issued by the Australian Accounting Standards Board (AASB) that were mandatory and required adoption in this current reporting period.

(a) Income Tax

NextSense is exempt from Income tax under section 50-5 of the Income Tax Assessment Act 1997. It holds endorsements as an Income Tax Exempt Charity and as a Deductible Gift Recipient.

(b) Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date. The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

(c) Goods and Services Tax (GST)

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

(d) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(e) Critical Accounting Estimates and Judgments

NextSense evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within NextSense. Refer to Note 21 around key events and activities which impacted the operations during the year.

Key estimates – Impairment

NextSense assesses impairment at each reporting date by evaluating conditions specific to the organisation that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined using the higher of fair value less cost of disposal and value in use.

Note 1 – Statement of Significant Accounting Policies (cont.)

Key estimates – Judgement applied in determining the amount of revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions. Grants received by NextSense have been accounted for under both *AASB 15 Revenue from contracts with customers* and *AASB 1058 Income for not-for-profits* depending on the performance obligations, terms and conditions and decisions made.

NextSense believe that there are no other key estimates or judgements.

Note 2 – Revenue and Income

	2024	Restated 2023 (Note 1)
	\$'000	\$'000
Revenue recognised under AASB 15 Revenue from contracts with customers		
Rendering of services – at a point of time	18,068	19,188
Rendering of services – over a period of time	5,580	5,003
	23,648	24,191
Income recognised under AASB 1058 Income of not-for-profit entities		
Federal Government Funding *	375	12,125
Bequests	5,947	8,398
Donations	3,486	3,494
Lottery	-	470
Grant income	1,179	886
Macquarie Comprehensive Campaign	750	1,220
	11,737	26,593
TOTAL REVENUE & INCOME	35,385	50,784

* Funding agreement in relation to new premises at Macquarie Park

(a) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated based on the type of services provided and source of funds:

Cochlear Implant Program	1,915	2,080
Education	5,580	5,003
Medicare	4,000	4,699
National Disability Insurance Scheme (NDIS)	10,772	10,734
Other	1,381	1,675
	23,648	24,191
Income recognised under AASB 1058	11,737	26,593

Note 2 – Revenue and Income (cont.)**Source of funds**

2024	Revenue under AASB 1058	Revenue under AASB 15	Total
	\$'000	\$'000	\$'000
Clients	-	1,397	1,397
Fee for service	-	14,772	14,772
Government	375	3,850	4,225
Organisations	-	2,013	2,013
Philanthropic	11,362	-	11,362
Schools	-	789	789
University	-	771	771
Other	-	56	56
	11,737	23,648	35,385

Source of funds

2023 Restated (Note 1)	Revenue under AASB 1058	Revenue under AASB 15	Total
	\$'000	\$'000	\$'000
Clients	-	842	842
Fee for service	-	15,433	15,433
Government	12,125	3,495	15,620
Organisations	-	2,858	2,858
Philanthropic	14,468	-	14,468
Schools	-	631	631
University	-	747	747
Other	-	185	185
	26,593	24,191	50,784

(a) Revenue recognition policy under AASB 15 Revenue from Contracts with customers

Revenue is recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

Note 2 – Revenue and Income (cont.)

The timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations. Revenue can be recognised over a period of time or at a point in time depending on when the performance obligation is satisfied.

- **Over a period of time** – if the performance obligation is satisfied over a period of time, revenue will be recognised by being spread over this period.
- **At a point in time** – if the performance obligation is satisfied at a point in time, for example, services are delivered, or goods are transferred to customers, revenue is recognised at this point.

Where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

- **Services:** revenue is recognised at both a point in time and over a period of time within the calendar year, the performance obligation being linked to the purpose of the government funding and/or third party.
- **Medicare:** revenue is recognised at a point in time, the performance obligation being the completion of the appointment with the client.
- **National Disability Insurance Scheme (NDIS):** revenue is recognised at a point in time, the performance obligation being the completion of the service to the client.

(b) Income recognition policy under AASB 1058

The timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset received by an entity.

- **Donations:** donations collected are recognised as income when NextSense gains control of the asset. There are no enforceable or sufficiently specific performance obligations linked to donations.
- **Bequests:** Income from legacies comprising bequests of shares, real property and cash are recognised at fair value, being the market value of the shares or property at the time NextSense becomes legally entitled to the share or property. There are no enforceable or sufficiently specific performance obligations linked to bequests.
- **Grant income:** is recognised as Income when NextSense gains control of the asset. There are no enforceable or sufficiently specific performance obligations linked to grant income.

Note 2 – Revenue from Operating Activities (cont.)

(c) Income recognition policy under AASB 1058

- Capital grants received under an enforceable agreement to enable NextSense to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by NextSense are recognised as income as and when the obligations under the contract are completed.

Volunteer Services

No amounts are included in the financial report for services donated by volunteers.

	2024	2023
	\$	\$
INVESTMENT INCOME		
Interest	254,738	242,364
Distributions	12,072,092	10,071,340
Dividends	159,269	200,604
TOTAL OTHER INCOME	12,486,099	10,514,308

Note 3 – Expenditure

(a) ADMINISTRATION

General and Financial Management	4,085,060	4,057,841
Human Resources Management	1,690,160	1,299,901
TOTAL ADMINISTRATION EXPENDITURE	5,775,220	5,357,742

(b) STUDENT AND CLIENT SERVICES

Preschool Services	1,689,004	1,792,189
Schools Services		
Blind and DeafBlind Program	626,514	1,132,543
Sign Bilingual Program	1,151,441	1,050,085
Spoken Language Program	1,851,489	1,487,552
Schools Support Services	2,656,401	2,264,562
Paediatric Audiology Services	812,157	819,769
NextSense Institute	1,775,362	1,699,139
All Other Client Services	29,853,717	26,727,260
TOTAL STUDENT AND CLIENT SERVICES EXPENDITURE	40,416,085	36,973,099

Note 3 – Expenditure (cont.)

	2024	2023
	\$	\$
(c) The expenditure include the following		
Depreciation of non-current assets	2,661,366	1,053,993
Depreciation of right-of-use assets	1,604,863	1,200,108
REMUNERATION OF AUDITORS		
Audit services	123,760	116,200
Other services:		
Professional services*	12,360	102,701
TOTAL	136,120	218,901
TOTAL BAD AND DOUBTFUL DEBTS	11,580	8,465
TOTAL EMPLOYEE EXPENDITURE	38,626,989	36,607,260

*Professional services performed by previous auditors

Note 4 – Receivables

	2024	2023
	\$	\$
Receivables from operating activities	263,138	263,476
Less: Allowance for credit losses	(10,110)	(5,160)
	253,028	258,316
Other receivables	48,431	37,733
GST receivable	163,813	260,270
Accrued income	2,640,730	2,537,420
TOTAL RECEIVABLES	3,106,002	3,093,739

(a) Receivables

Trade and other receivables are categorised as financial assets at amortised costs. The carrying value of trade and other receivables are deemed to be materially consistent with their fair values given their short-term nature, and after adjustment for expected future credit losses.

(b) Allowance for credit losses

The allowance for expected credit losses is based on the simplified approach which uses a lifetime expected credit loss allowance for all trade receivables on hand. This remains an area of significant estimation and as such, actual recovery rates may differ. In using this practical expedient, the consolidated entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Management also considers whether any external factors, such as macro-economic changes are expected to have an impact on future credit losses expected and where applicable overlay this into the assessment of future credit losses. Balances are deemed to be in default and therefore written off when reasonable attempts to recover the balances have been exhausted. Trade and other receivable balances are unsecured.

NextSense assesses allowance of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Movements in the allowance of credit losses were as follows:

At 1 January	5,160	27,295
Impairment loss	11,580	8,465
Amounts written off	(6,630)	(30,600)
At 31 December	10,110	5,160

Note 4 – Receivables (cont.)

At 31 December, the ageing analysis of trade receivables is as follows:

	Total	0-30 days	31-60 days	61-90 days PDNI*	+ 91 days PDNI*	+ 91 days CI*
	\$	\$	\$	\$	\$	\$
2024	263,138	215,315	29,584	3,320	4,809	10,110
2023	263,476	226,620	18,712	10,326	2,658	5,160

* Past due not impaired ('PDNI'), Considered impaired ('CI')

Receivables past due but not considered impaired are: \$8,129, (2023: \$12,984). Payment terms on these amounts have not been re-negotiated and NextSense is satisfied that payment will be received in full.

Other balances within receivables from operating activities do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

(c) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it NextSense policy to transfer (on-sell) receivables to special purpose entities.

Note 5a – Other current assets

	2024	Restated 2023 (Note 1)
	\$	\$
Accrued Income	-	2,125,000
Prepayments	1,140,279	919,190
TOTAL OTHER CURRENT ASSETS	1,140,279	3,044,190

Note 5b – Investment property

Investment properties comprise of land and buildings held for capital appreciation and are accounted for using the cost model.

Investment properties are initially included in the Statement of Financial Position at cost. These values are supported by market evidence and are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property.

The carrying amounts are reviewed periodically to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated with the subsequent gain or loss on re-measurement being recognised in the profit or loss.

Any gain or loss resulting from the sale of an investment property is immediately recognised in profit or loss.

	2024	2023
	\$	\$
Neutral Bay	1,800,000	1,800,000
Wollstonecraft	-	1,050,000
Luddenham	1,530,000	-
TOTAL INVESTMENT PROPERTY	3,330,000	2,850,000

The property at Neutral Bay, NSW is an apartment which was donated to NextSense as part of the Donald Boden Memorial Trust (DBMT) in 2022, fair value at balance date \$1,800,000.

The property at Wollstonecraft, NSW was donated to NextSense as part of the estate of the late Jocelyn Brown in 2023. This property was sold in June 2024.

The property at Luddenham, NSW is land which was donated to NextSense in 2014. This property was held for sale in 2023 but in 2024 the option did not settle by the due date and is now held as investment property. NextSense is determining the disposal strategy for the land and the fair value is yet to be determined.

Note 5c - Assets held for sale

	2024	2023
	\$	\$
Luddenham	-	1,530,000
TOTAL ASSETS HELD FOR SALE	-	1,530,000

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

Assets classified as held for sale are not amortised or depreciated.

Assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

Note 6 – Financial Assets

Recognition, initial measurement, subsequent measurement and de-recognition

Financial assets are recognised when NextSense becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Classification

On initial recognition, NextSense classifies its financial assets into the following categories, instruments measured at:

- amortised cost
- fair value through profit or loss – FVTPL
- fair value through other comprehensive income – equity instrument (FVOCI – equity)

Measured at amortised cost

NextSense measures receivables, cash and cash equivalents at amortised cost since these financial assets meet the relevant criteria in AASB 9, being that they are held to collect contractual cash flows which give rise to solely payments of principal and interest on the principal amount outstanding. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through profit or loss

Fixed interest securities, shares and investments in managed funds are measured at fair value through profit and loss with changes in fair value at each reporting period being recognised directly in surplus for the year. Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Fair value measurement of financial assets

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- ❖ 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 or indirectly
- ❖ Level 3: unobservable inputs for the asset or liability.

Note 6 – Financial Assets (cont.)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2024 and 31 December 2023.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2024				
Financial Assets				
Units in managed funds	246,613,627		-	246,613,627
Shares	3,706,855	-	-	3,706,855
Net fair value	250,320,482		-	250,320,482
31 December 2023				
Financial Assets				
Units in managed funds	233,309,929		-	233,309,929
Shares	2,777,380	-	-	2,777,380
Net fair value	236,087,309		-	236,087,309

There were no transfers between Level 1, 2 or 3 in 2024 or 2023.

Financial assets at amortised cost include the following:

	2024 \$	2023 \$
Current		
Term Deposits	4,799,844	2,756,983
CURRENT FINANCIAL ASSETS	4,799,844	2,756,983
Non-Current		
Term Deposits	206,321	181,368
NON-CURRENT FINANCIAL ASSETS	206,321	181,368

Due to the short-term nature of the current term deposits their carrying amount is considered to be the same as their fair value.

The non-current term deposit fair values are also not significantly different from their carrying amounts.

	2024	2023
Term Deposits	206,321	181,368
Financial Assets	250,320,482	236,087,309
TOTAL NON-CURRENT FINANCIAL ASSETS	250,526,803	236,268,677

Note 7 – Property, Plant and Equipment

Freehold land is initially recognised at acquisition cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, plant and equipment are initially recognised at acquisition cost, including costs directly attributable to bringing the assets to the location and condition necessary for it to operate in the manner intended by NextSense. Buildings, plant and equipment are subsequently measured using the cost model; being cost less subsequent depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually, to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use, with value in use being determined as the written-down current cost (depreciated replacement cost) of the asset.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to NextSense commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Buildings	2.5%
Motor vehicles	25%
Plant, equipment, furniture & fittings	10%
Computer equipment	16.67-25%
Leasehold improvements	6.67-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as a gain or loss from non-operating activities.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Note 7 – Property, Plant & Equipment (cont.)

	Land		Buildings and Leasehold Improvements		Plant and Equipment		Motor Vehicles		Work In Progress		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost												
Opening balance	11,900,000	11,900,000	7,993,514	7,244,887	4,861,997	4,881,012	308,014	308,014	76,637,066	30,322,366	101,700,591	54,656,279
Additions	-	-	33,987	883,914	506,173	735,097	-	-	2,012,569	46,314,700	2,552,729	47,933,711
Disposals	-	-	-	(135,287)	(218,235)	(754,112)	(209,785)	-	-	-	(428,020)	(889,399)
Transfers	-	-	72,779,197	-	5,857,678	-	-	-	(78,636,875)	-	-	-
Closing balance	11,900,000	11,900,000	80,806,698	7,993,514	11,007,613	4,861,997	98,229	308,014	12,760	76,637,066	103,825,300	101,700,591
Accumulated depreciation												
Opening balance	-	-	3,950,153	3,581,849	2,792,718	3,016,725	287,247	272,588	-	-	7,030,118	6,871,162
Depreciation	-	-	1,727,341	503,591	919,366	535,743	14,659	14,659	-	-	2,661,366	1,053,993
Disposals	-	-	-	(135,287)	(209,057)	(759,750)	(209,785)	-	-	-	(418,842)	(895,037)
Closing balance	-	-	5,677,494	3,950,153	3,503,027	2,792,718	92,121	287,247	-	-	9,272,642	7,030,118
Written down value	11,900,000	11,900,000	75,129,204	4,043,361	7,504,586	2,069,279	6,108	20,767	12,760	76,637,066	94,552,658	94,670,473

Work In Progress (WIP) relating to the Macquarie Park premises was capitalised in 2024 when the asset first came into use.

Note 8 - Other income

In September 2024, the settlement of the put & call option arrangement for the property at Luddenham did not proceed as the contracted buyer failed to settle by the due date. Due to a default in the contract, the option fees totalling \$1.5M less the agency fees of \$0.125M which were previously held on the balance sheet have been recognised as other income (\$1.375M).

Practical Completion (PC) for the Macquarie Park building was obtained on 30 April 2024 which enabled occupancy of the site whilst defects work continues in parallel with operations of the site.

In October, discussions between NextSense and the builder did not resolve the outstanding issues regarding liquidated damages arising from the delay in completing the build at Macquarie Park. The contractual liquidated damages were quantified at \$5.232M. Consequentially based on the legal advice we received, NextSense cashed in the two Bank Guarantees that were being held to the value of \$3.461M.

	2024	2023
Luddenham site	1,375,000	-
Macquarie Park	3,460,828	-
TOTAL OTHER INCOME	4,835,828	-

Note 9 – Trade and Other Payables

Trade creditors and accrued expenses	1,847,054	1,606,354
Employee accruals	1,090,965	2,045,542
TOTAL TRADE AND OTHER PAYABLES	2,938,019	3,651,896

NextSense measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of NextSense comprise trade creditors and other payables.

Note 10 – Contract liabilities

Contract liabilities (revenue in advance) generally represent the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant/fees.

Where the monies are received for the entity to acquire or construct an item of property, plant and equipment which will be controlled by NextSense then the funds are recognised as a contract liability and amortised to revenue as and when the obligations are satisfied.

Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

Note 10a – Current - Contract liabilities

	2024	Restated 2023 (Note 1)
	\$	\$
Funding Liability	900,000	450,000
Revenue in advance	161,220	182,041
TOTAL CONTRACT LIABILITY	1,061,220	632,041

Note 10b – Non- Current - Contract liabilities

	2024	Restated 2023 (Note 1)
	\$	\$
Funding Liability	152,959	1,052,959
TOTAL CONTRACT LIABILITY	152,959	1,052,959

Note 10c - Current liability – Borrowings

	2024	2023
	\$	\$
Total facilities	-	60,000,000
Total Drawdown		
2022	-	10,156,685
2023	-	37,520,558
Repayment	-	47,677,243
Bank Loan	-	(47,677,243)
	-	-

The loan facility from St George Bank to the value of \$60M to finance the majority of the facility at Macquarie Park was paid back in full in September 2023 following the finalisation of the sale of the North Rocks property. This concluded all obligations in relation to the loan.

Note 11 - Provisions

Provisions are made recognising NextSense's liabilities for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee benefits payable later than one year has been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash outflows are discounted using market yields on high quality corporate bond rates published by G100 and Milliman Australia.

Note 11a – Current

Annual leave	3,182,100	3,199,598
Long service leave	2,780,365	2,840,230
TOTAL CURRENT PROVISIONS	5,962,465	6,039,828

Note 11b – Non-current

Long service leave	1,052,573	1,025,363
TOTAL NON-CURRENT PROVISIONS	1,052,573	1,025,363

Full time equivalent employees at balance date	310	296
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Note 12 – Reserves

(a) Elisabeth Murdoch Scholarship Trust

As part of the acquisition of Taralye on 1 February 2018 the Elisabeth Murdoch Scholarship Trust was transferred to NextSense. Donations to and income earned are brought to account in the statement of income and expenditure.

(b) Prescribed Purpose Funds

Donations to and income earned upon prescribed purpose funds are brought to account in the statement of income and expenditure and are transferred to each prescribed purpose.

Note 13 – Leases

NextSense has leases over land, buildings, vehicles and office equipment. A right-of-use asset and a lease liability are recognised at the lease commencement date if the right to control the use of an asset for a period of time arises after the assessment. Information relating to the leases in place and associated balances and transactions are provided below:

13(a) Land

The Macquarie Park facility though owned by NextSense, has been built on land which is owned by Macquarie University. This has been leased to NextSense effective May 2024 with an initial term of 40 years followed by three 10-year options. It was considered prudent to recognise a right-of-use asset and a lease liability for the initial 40-year term.

There are \$23,531,269 potential future lease payments relating to the Macquarie ground lease which are not included in the lease liabilities as it is assessed that the exercise of the option (three 10-year renewal options) is not virtually certain as at 31 December 2024.

13(b) Buildings

Commercial Leases

NextSense leases 17 office buildings/spaces in New South Wales, Victoria, Australian Capital Territory, Queensland and Northern Territory. The lease terms vary from 1 - 40 years with 10 of the leases including renewal options. Among the 10 lease options, 4 are fully included and 3 are partially included in 13(f) Lease Liabilities, the remaining 3 lease options are not included in 13(f) due to the uncertainty of exercising them.

There are \$3,614,820 potential future lease payments which are not included in the lease liabilities as it is assessed that the exercise of the option is not virtually certain as at 31 December 2024.

The leases contain annual rent reviews where the lease payments are adjusted at each anniversary date.

Concessionary Leases

NextSense has the right to use the office space in Gladesville NSW under a peppercorn lease agreement. The lease has expired and the renewal lease is currently under negotiation.

NextSense has elected to measure the right-of-use asset arising from the concessionary leases at NIL cost.

Note 13 – Leases (cont.)

13(c) Vehicles

NextSense leases vehicles which are predominantly used by health professionals to visit patients in regional and metropolitan areas. Total new leases signed with SupaLease in 2024 is 4 and total number of leases is 20 as at 31 December 2024. 15 of the 20 lease agreement terms have ended and are on a month-by-month renewal hence treated as a short-term lease.

13(d) Office Equipment

The lease terms for office equipment such as photocopiers and printers vary from 2 – 5 years. There are four leases in total. One of the leases has been treated as a low-value asset, another as a short-term lease after the lease expired on 30 April 2024 and is now on a monthly rollover basis.

13(e) Right of use assets

	Properties	Vehicles	Office Equipment	Total
	\$	\$	\$	\$
Balance at 1 January 2024	6,930,182	60,171	144,714	7,135,067
Depreciation charge	(1,500,847)	(57,977)	(46,039)	(1,604,863)
Additions	5,915,659	243,652	-	6,159,311
Reductions due to changes in lease liability	(466)	-	-	(466)
Balance at 31 December 2024	11,344,528	245,846	98,675	11,689,049

13(f) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in the Statement of Financial Position
	\$	\$	\$	\$	\$
2024	1,895,981	6,080,476	18,372,667	26,349,124	*13,664,567
2023	1,187,037	4,056,901	5,662,223	10,906,161	8,384,524

*The discounted value is significantly lower than the undiscounted, due to the commencement in 2024, of a long term 40 year ground lease for the Macquarie Park facility.

Note 13 – Leases (cont.)

13(g) Lease impact in the Statement of Comprehensive Income

The amounts recognised in the Statement of Comprehensive Income relating to leases where NextSense is a lessee are shown below:

	2024	2023
	\$	\$
Interest on lease liabilities	891,527	207,011
Depreciation of right-of-use assets	1,604,863	1,200,108
Expenses relating to leases of low-value assets	685	742
Expenses relating to short-term leases	379,889	283,364

Statement of Cash Flows

Total cash outflow for leases	2,058,830	1,705,707
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Lease accounting policies

The right-of-use asset is measured at the asset's carrying value as if the Standard had been applied since the commencement date of the lease and the carrying value is discounted using the incremental borrowing rate at the date of initial application.

The lease liability is measured at the present value of the remaining lease payment and the estimated make good provision at the end of lease, discounted using the incremental borrowing rate provided by the bank at the date of initial application.

Exceptions are applied to short-term leases of 12 months or less and leases of low-value assets (such as small office equipment) where lease payments are expensed to income and expenses as incurred.

13(h) Provisions

The make good provision has been calculated as an estimate of future costs and discounted to a present value. The value of future costs is based on NextSense's experience with similar premises and estimates of likely restoration costs.

Make-good provision under leases	496,700	363,450
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Note 14 – Capital commitments

	2024	2023
	\$	\$

Capital expenditure commitments include:

Construction of new building at Macquarie Park	-	1,936,722
Other miscellaneous capital items	34,235	-
TOTAL CAPITAL COMMITMENTS	34,235	1,936,722

Note 15a – Short term financial liability

Option fee on forward contract	-	1,500,000
TOTAL SHORT TERM FINANCIAL LIABILITY	-	1,500,000

Note 16 – Related party information

Members of the Board of NextSense who held office during the year

President:

D Dinte, BEc, LLB, MAICD

Vice Presidents:

B Stone, AM, BA, DipEd, MEd, MAICD, FACE, FACEL (retired in 2024)

The Honourable R Parker DipEd, DipTeach, GAICD

M Pearce

Directors:

Clinical Professor C Birman, MBBS, PhD, FRACS

C Cowper, BA LLB FAICD

R Jackson, MBA, BEc, GAICD, FCPA, FFIN

J Simmons PSM BMus, MEd (Admin) (joined in 2024)

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the year donations were received from several Directors and key management personnel.

It should be noted that NextSense have acted in an agency capacity for Associate Professor C Birman where patient fees are collected on her behalf and passed through to her at the same value. The value of these transactions in the 2024 financial year was \$15,389 (2023: \$8,610) and has no impact on the financial statements of NextSense. There was no Medicare and private billed paediatric audiology services in 2024 (2023: \$8,395).

No Directors of NextSense or parties related to the Directors received any remuneration or benefit from their position.

Note 16 – Related party information (cont.)

Key management personnel

During the 2024 year, the management structure and roles were revised however the number of key management personnel remained at 8 at year end.

	Short-term employee benefits	Other long-term employment benefits	Post- employment benefits	Termination Benefits	Total Compensation
	\$	\$	\$	\$	\$
2024	2,291,217	50,311	249,196	115,903	2,706,627
2023	2,164,933	153,846	243,676	88,906	2,651,361

Note 17 – Limit of Members' Liability

Members are not liable as a consequence of their memberships, for the debts of NextSense in the event of it being wound up.

Note 18 – Fundraising Activities Conducted

Information & Declarations to be Furnished Under the Charitable Fundraising Act 1991

Under this Act, NextSense holds multiple authorities to fundraise for NextSense centres.

(a) Details of income and aggregate expenditure of appeals conducted jointly with traders

NextSense conducts all its appeals in-house. We do not use third party traders.

Note 18 – Fundraising Activities Conducted (cont.)

(b) Forms of fundraising appeals conducted in 2024

Details of aggregate income and expenditure from fundraising are as follows:

	2024 Total Income \$	2024 Direct Expenses \$	2024 Net Income \$	2023 Net Income \$
Community Partnerships	92,423	147,991	(55,568)	(211,950)
Committees & Events	364,697	250,716	113,981	152,577
Corporate Partnerships	112,404	293,557	(181,153)	(85,974)
Mid-value	353,685	117,602	236,083	164,407
Individual Giving	1,206,180	971,686	234,494	318,358
Major Donors	1,356,650	253,980	1,102,670	1,030,922
Trusts and Foundations	1,179,384	404,390	774,994	496,053
Macquarie Comprehensive Campaign	750,000	183,476	566,524	970,107
Total	5,415,423	2,623,398	2,792,025	2,834,500

	2024	2023
	\$	\$
Net surplus from fundraising appeals	2,792,025	2,834,500

The net surplus generated from fundraising activities has been applied to the shortfall in funding of Student and Client Services of NextSense.

Note 19 – Cash Flow Information

	2024	2023
	\$	\$
(a) Reconciliation of net cash provided by operating activities to net surplus		
Surplus for the year	13,815,584	112,406,291
<i>Non-cash flows in surplus</i>		
(Gain)/Loss on sale of non-current assets	(195,629)	(95,135,623)
Bequests received in shares (non-cash item)	(273,466)	(1,689,507)
Depreciation / Amortisation	4,266,229	2,254,101
Impairment of property, plant and equipment	-	100,000
Luddenham – default in contract	(1,375,000)	-
Fair value (gain)/loss on financial assets	(18,144,203)	(7,383,229)
Interest payment on loan	-	1,268,390
<i>Changes in assets and liabilities</i>		
(Increase) / Decrease in trade debtors	(12,263)	335,775
Decrease / (Increase) in prepayments	1,778,911	(1,782,190)
(Decrease) / Increase in trade creditors/accruals	(713,878)	1,080,664
(Decrease) in other provisions	(50,153)	(735,561)
(Decrease) / Increase in contract liabilities	(470,821)	1,482,168
NET CASH PROVIDED BY OPERATING ACTIVITIES	(1,374,689)	12,201,279
(b) Reconciliation of cash and cash equivalents		
Cash on hand	1,423	2,280
Cash at bank	3,150,078	4,270,765
Deposits at call	6,411,500	6,724,686
TOTAL CASH AND CASH EQUIVALENTS	9,563,001	10,997,731

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Note 20 – Capital and Financial Risk Management

(a) Capital management

NextSense' objective is to ensure that the organisation continues as a going concern as well as to maintain optimal benefits for stakeholders. NextSense aims to maintain a capital structure that ensures the lowest cost of capital available to the organisation.

(b) Financial risk management

Treasury risk management

An Investment Committee of the Board meet with senior executives of NextSense together with NextSense' investment advisers to discuss and analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Credit risk

NextSense continuously monitors defaults by customers and other counterparties and incorporates this information into its credit risk controls. NextSense does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by NextSense.

(c) Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a period of maturity. Receivables and payables at 31 December 2024 and 31 December 2023 are non-interest bearing. The balance of financial assets and liabilities has been stated at their net fair value.

December 2024	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing within 1 year \$	Fixed Interest Rate Maturing over 1 year to less than 5 years \$
Cash at bank	0.00%	3,151,501	-	-
Deposits at call	1.15%	6,411,500	-	-
Interest bearing deposits 1	3.80%	-	11,037	-
Interest bearing deposits 2	2.50%	-	-	84,197
Interest bearing deposits 3	0.25%	-	15,625	-
Interest bearing deposits 4	1.25%	-	146,617	-
Interest bearing deposits 5	4.05%	-	-	41,046
Interest bearing deposits 6	4.05%	-	-	40,578
Interest bearing deposits 7	4.59%	-	-	40,500
Interest bearing deposits 8	4.30%	-	2,500,000	-
Interest bearing deposits 9	4.30%	-	109,790	-
Interest bearing deposits 10	4.65%	-	16,775	-
Term deposits	4.62%	-	2,000,000	-
TOTAL		9,563,001	4,799,844	206,321



December 2023	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Maturing within 1 year \$	Fixed Interest Rate Maturing over 1 year to less than 5 years \$
Cash at bank	0.00%	4,273,045	-	-
Deposits at call	1.35%	6,724,686	-	-
Interest bearing deposits 1	3.35%	-	11,037	-
Interest bearing deposits 2	2.50%	-	-	84,197
Interest bearing deposits 3	0.25%	-	-	15,625
Interest bearing deposits 4	1.25%	-	146,617	-
Interest bearing deposits 5	4.05%	-	-	41,046
Interest bearing deposits 6	0.30%	-	40,578	-
Interest bearing deposits 7	0.85%	-	40,501	-
Interest bearing deposits 8	4.05%	-	2,518,250	-
Interest bearing deposits 9	4.59%	-	-	40,500
TOTAL		10,997,731	2,756,983	181,368



Note 20 – Financial Risk Management (cont.)

(d) Sensitivity analysis

NextSense has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and funds (equity) which could result from a change in these risks. NextSense is exposed to changes in market interest rates through the cash held at banks which are subject to variable and fixed interest rates. NextSense is also exposed to market risk through its use of financial instruments and specifically to currency, interest rate and other price risks.

Interest rate sensitivity analysis

Interest rate risk is managed with fixed interest rate returns and fixed interest rate returns with a capped variable. As at 31 December 2024, the effect on surplus and funds (equity) as a result of changes in the interest rate, with all other variables remaining constant would be:

	2024	2023
	\$	\$
Change in surplus / (deficit)		
- Increase in interest rate by 0.5%	86,532	84,245
- Decrease in interest rate by 0.5%	(86,532)	(84,245)
Change in funds (equity)		
- Increase in interest rate by 0.5%	86,532	84,245
- Decrease in interest rate by 0.5%	(86,532)	(84,245)

Foreign currency sensitivity

Most of NextSense' transactions are carried out in Australian Dollars. It is NextSense's management opinion that no significant risk exists at balance date.

Other price sensitivity

NextSense is exposed to other price risk in respect of its investment in managed funds as detailed in Note 6. Management monitors other price risk by actively monitoring volatility in managed funds. This volatility figure is considered for estimating how surplus or deficit and funds (equity) would have been affected by changes in market risk that were reasonably possible at the reporting date. The following table illustrates the net result for the year and the effect on funds (equity) resulting from changes in quoted prices. The managed funds are classified as financial assets at fair value through other comprehensive income, therefore no effect on profit or loss would have occurred.

	2024	2023
	\$	\$
Change in surplus / (deficit)		
- Increase by 5%	12,330,681	11,665,496
- Decrease by 5%	(12,330,681)	(11,665,496)
Change in funds (equity)		
- Increase by 5%	12,330,681	11,665,496
- Decrease by 5%	(12,330,681)	(11,665,496)

Note 21 – Key events and activities which impact the operations

- 21 (a) NextSense relocated its registered office and principal place of business from North Rocks to the new premises at Macquarie Park in April 2024 (also refer Note 24)
- 21 (b) In 2022, the Federal Government committed to providing \$12,500,000 in funding to establish a new Centre for Vision and Hearing at Macquarie Park. \$10,000,000 was received in 2023, the balance \$2,500,000 was received in July 2024, following completion of the project.
- 21 (c) Royal assent was received for the NextSense Act on 6 February 2024 which completed the legal name change from the Royal Institute for Deaf & Blind Children to NextSense.

Note 22 – Contingent liabilities

As at balance date, NextSense had 9 bank guarantees totalling \$3,006,165 (2023: \$2,938,351) with maturity dates varying up to 60 months. All the bank guarantees relate to security for our properties.

Note 23 – Events After the Balance Date

Matters or circumstances that have arisen since the end of the financial year which significantly affect or may significantly affect the operations of NextSense, the results of those operations, or the state of affairs of NextSense in future financial years are provided below.

Subsequent to balance date, the following events have occurred or will occur:

In January 2024 we received notification of a bequest from the estate of the late Margaret Brailsford of which NextSense was expected to be the beneficiary of an estimated total of \$7.5M. We would like to acknowledge that in January 2025 we received \$4.45M in real properties and in February 2025 \$0.5M in cash. A parcel of shares is yet to be received in 2025.

Note 24 – Registered office and principal place of business

The registered office of NextSense and its principal place of business is:

2 Gymnasium Road
Macquarie Park, NSW 2131
131 Culloden Road
Macquarie Park, NSW 2131

Note 25 – Economic dependency on government funding

NextSense is dependent on the ongoing receipt of financial assistance from the Commonwealth and State governments to continue delivering its charitable programs as detailed in the following table

	2024	Restated 2023 (Note 1)
	\$'000	\$'000
Government revenue (including grants)		
Commonwealth Government		
• Centre for Vision and Hearing at Macquarie Park	375	12,125
• Department of Education	2,331	1,961
	2,706	14,086
State Government		
• NSW Department of Education	1,261	1,248
• Victorian Department of Education and Training	258	286
	1,519	1,534
TOTAL GOVERNMENT REVENUE	4,225	15,620

In addition to the above, we have fee for service revenue for

• Therapy services as NDIS provider	10,772	10,734
• Cochlear Implant services as Medicare provider	4,000	4,699
TOTAL FEE FOR SERVICE REVENUE	14,772	15,433

Directors' Declaration

In accordance with a resolution of the directors of NextSense, I state that in the opinion of the directors:

- (a) the financial statements and notes of NextSense are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) giving a true and fair view of NextSense's financial position as at 31 December 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulations 2022*;
- (b) there are reasonable grounds to believe that NextSense will be able to pay its debts as and when they become due and payable.

On behalf of the Board



David Dinte
President

11 April 2025



Rod Jackson
Board Member

11 April 2025

Directors' Declaration under the NSW Charitable Fundraising Act 1991

In accordance with a resolution of the directors of NextSense, I state that in the opinion of the directors:

- (a) NextSense has taken reasonable steps to comply with the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulation 2021*;
- (b) the financial statements comply with the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulation 2021*;
- (c) the contents of the financial statements are true and fair;
- (d) there are reasonable grounds to believe that NextSense will be able to pay its debts as and when they become due and payable; and
- (e) the internal controls exercised by NextSense are appropriate and effective in accounting for all income received and applied by NextSense from any of its fundraising appeals.



David Dinte President

11 April 2025



**Shape the future
with confidence**

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Auditor's independence declaration to the directors of NextSense

In relation to our audit of the financial report of NextSense for the financial year ended 31 December 2024, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

Anton Ivanyi
Partner
11 April 2025

Independent auditor's report to the members of NextSense

Opinion

We have audited the financial report of NextSense (the Entity), which comprises the statement of financial position as at 31 December 2024, the statement profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

- a. Giving a true and fair view of the Entity's financial position as at 31 December 2024 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and 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 Entity in accordance with 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.

Responsibilities of the directors for the financial report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Entity'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 the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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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 judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity 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.

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.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2021

We have audited the financial report as required by Section 24(1) of the NSW Charitable Fundraising Act 1991. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2021.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Act and Regulation as an audit is not performed continuously throughout the period and the audit procedures performed in

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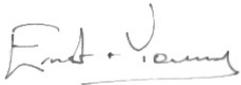
respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a. The financial report of NextSense has been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2024, in all material respects, in accordance with:
 - i. Sections 20(1), 22(1-2), 24(1) of the NSW Charitable Fundraising Act 1991;
 - ii. Sections 14(2) and 17 of the NSW Charitable Fundraising Regulation 2021;

The money received as a result of fundraising appeals conducted by the Entity during the financial year ended 31 December 2024 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Act and Regulation.



Ernst & Young



Anton Ivanyi
Partner
Sydney
11 April 2025

Five year financial history

— for the year ended 31 December 2024

Description	%	2024	Restated 2023 (Note 1)	2022	2021	2020	%
EXPENDITURE							
Student and Client Services Expenditure							
Preschool Services		1,689,004	1,276,288	1,333,858	1,302,614	1,353,328	
Schools Services							
Blind and DeafBlind Program		626,514	1,132,543	1,258,791	1,663,061	2,254,700	
Sign Bilingual Program		1,151,441	1,050,085	1,347,096	1,299,058	1,361,012	
Spoken Language Program		1,851,489	1,487,552	1,513,771	1,538,449	1,501,527	
Schools Support Services		2,656,401	2,264,562	2,376,687	2,275,541	2,710,096	
Paediatric Audiology Services		812,157	819,769	820,408	683,375	699,577	
NextSense Institute		1,775,362	1,699,139	1,883,610	1,809,333	1,990,586	
Remote Services		-	-	-	-	1,619,256	
Early Learning Program and Other Client Services		18,520,062	17,538,542	16,677,663	16,785,012	15,862,736	
Cochlear Implant Program Services		11,333,655	9,704,619	10,156,723	10,231,286	8,626,213	
Total Student and Client Services Expenditure	71	40,416,085	36,973,099	37,368,607	37,587,729	37,979,031	79
Administration	10	5,775,220	5,357,742	4,866,614	4,028,481	3,252,896	7
Investment Management	1	614,830	467,499	391,384	349,348	310,693	
Charitable Fundraising	5	3,138,519	2,810,785	2,935,135	3,098,416	2,410,597	7
Lottery	-	-	523,737	571,996	627,677	560,653	
Strategic Initiatives	9	5,280,380	3,902,783	2,146,458	4,518,863	4,366,713	5
Marketing & Communications	4	2,006,839	1,709,978	1,669,460	1,212,031	936,863	2
Total Expenditure from Operating Activities	100	57,231,873	51,745,623	49,949,654	51,422,545	49,817,446	100
REVENUE & INCOME FROM ORDINARY ACTIVITIES							
Charitable Fundraising Income							
Bequests		5,947,012	8,398,281	7,189,812	11,966,749	4,180,083	
Donations		3,742,213	3,690,164	10,859,606	4,174,793	5,540,868	
Lantern Clubs, Committees and Auxiliaries		923,210	1,159,465	1,039,783	891,907	602,719	
Macquarie Comprehensive Campaign		1,125,000	13,344,804	46,000	747,771	-	
Total Charitable Fundraising Income	22	11,737,435	26,592,714	19,135,201	17,781,220	10,323,670	21
Government funding							
Commonwealth Department of Education		2,330,493	1,960,822	2,898,302	2,763,391	3,104,024	
NSW Ageing, Disability and Home Care		-	-	31,212	147,452	142,978	
NSW Department of Education		1,260,757	1,247,439	1,397,234	1,480,780	1,362,517	
NSW Department of Health		-	-	-	180,875	38,816	
QLD Department of Health		-	-	-	50,000	100,000	
Victorian Department of Education & Training		258,323	286,148	116,372	282,693	3,917	
JobKeeper/JobSaver		-	-	-	3,503,950	7,573,500	
Total Government funding	7	3,849,573	3,494,409	4,443,120	8,409,141	12,325,752	25
Other Income							
Investment income	25	12,486,099	10,514,308	12,345,881	10,170,589	6,881,562	14
Fee for Service as NDIS provider	20	10,772,135	10,734,250	11,192,751	11,094,499	10,460,724	22
Cochlear Implant Program	11	6,059,419	6,925,509	6,640,856	5,611,838	5,338,510	11
Sales, fees and miscellaneous income	6	2,967,136	3,037,202	2,978,171	2,864,237	3,401,072	7
Other Income	9	4,835,828	-	-	-	-	-
Total Other Income	71	37,120,617	31,211,269	33,157,659	29,741,163	26,081,868	54
Total Revenue & Income from Operating Activities	100	52,707,625	61,298,392	56,735,980	55,931,523	48,731,290	100
Operating (Deficit) / Surplus		(4,524,248)	9,552,769	6,786,326	4,508,978	(1,086,156)	
Net gain/(loss) on disposal of property, plant & equipment, investment properties and financial assets		195,629	95,402,026	(5,770)	6,746,665	439,680	
Impairment of right of use asset		-	-	(367,795)	-	-	
Impairment of non-current assets		-	(100,000)	(358,803)	-	-	
Net unrealised (loss) / gain on revaluation of long-term investments held at fair value and net realised (loss) / gain on disposal of investments		18,144,203	7,551,496	(16,536,453)	8,278,031	(4,694,539)	
(Deficit) / Surplus for the year		13,815,584	112,406,291	(10,482,495)	19,533,674	(5,341,428)	
Total comprehensive (loss) / income for the year		13,815,584	112,406,291	(10,482,495)	19,529,268	(5,341,428)	

Government funding

—summary of applicable legislation

Source of Funds	Legislation	Funding Purposes
Commonwealth Department of Education		
Commonwealth Government funding	Australian Education Act 2013 (the Act) amended in 2017 to give effect to the Quality Schools package	Schooling Resource Standard (SRS) to meet students' educational needs with loadings for student priority cohorts and disadvantaged schools. The student with disability loading is based on the Nationally Consistent Collection of Data on school students with disability (NCCD)
State Government funding	Australian Education Act 2013 (the Act)	Aligned with the Commonwealth's funding model. The Commonwealth pays 80% and the NSW Government pays 20% of the funding entitlement. The NSW Departments of Education (DoE) Non-Government Schools Unit manages entitlement.
Australian Sports Commission - Sporting Schools Program	Australian Sports Commission	Grant applied for term by term to support sporting programs with the schools

N.S.W. Department of Education

Early Childhood Education	Start Strong	Start Strong funding for community preschools provides funding for the provision of quality preschool education delivered to 3, 4 and 5 year old children enrolled in community preschools in NSW. The funding supports at least 600 hours per year or 15 hours per week of quality preschool education. Services that have not opted in to Start Strong Free Preschools for 2023, are required to pass through at least 50 percent of the base rate funding for these children.
Early Childhood Education	Disability Inclusion Program	Supports children with a disability and additional needs to participate in a quality early childhood program on the same basis as all children.
Early Childhood Education	Community Grants	The 'quality learning environments' and 'minor capital works' grant are available where services meet the criteria. These grants aim to support preschools to improve their learning environment.

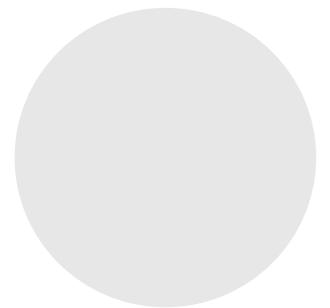
Victoria State Government

Department of Education & Training		Three- and four-year-old Kindergarten programs, Early Intervention – Hearing Services
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