

# 2024 Annual Report











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# FY24 Results Overview



Revenue

**\$41.1m**

↑ 13%

Profit after tax

**\$13.2m**

\$19.2m (FY23)

Underlying EBITDA

**\$15.2m**

↑ 20%





Underlying EBITDA  
margin

**36.9%**

34.6% (FY23)

Earnings per share

**4.37c**

6.97c (FY23)

Dividends per share

**1.40c**

↑ 4%



# Chairman's Report

Eureka's FY24 results reflect the quality of our assets and sustained high demand and occupancy levels across the portfolio. New appointments to the Board and CEO have strengthened Eureka's ability to deliver on its growth strategy and enhances Eureka's value proposition as the pure-play leader in the specialised affordable seniors build to rent sector.

## Financial Review

For the 2024 financial year (the year), Eureka Group Holdings Limited (Eureka) achieved a profit after tax of \$13.2 million. The result includes strong growth in revenue and underlying earnings. The FY24 result is lower than the FY23 profit after tax of \$19.2 million due to lower levels of property revaluations, an increase in finance costs and costs to defend Aspen Group Limited's unsuccessful takeover offer. Although the revaluations were lower than the prior year, they demonstrate continued improvement in maintainable earnings while capitalisation rates remained stable.

### Key financial metrics for the year were:

- ✓ Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) was \$15.2 million, up 20% on the prior year Underlying EBITDA of \$12.6 million.
- ✓ Underlying earnings per share was 3.02 cents, up from 2.93 cents in the prior year.
- ✓ Earnings per share was 4.37 cents, compared with the prior year 6.97 cents.
- ✓ Net operating cash flow was \$8.1 million, down 7% on the prior year due to a \$1.7 million increase in interest payments during the current year.
- ✓ Net tangible assets per share was 48.3 cents, up 7% on the prior year of 45.0 cents.

The strong operating result was driven by ongoing high resident demand, rental growth, improvement in maintainable earnings across the portfolio and asset acquisitions and expansion. During the year, the Group invested \$9 million in the Eureka Villages WA Fund which was established to acquire six villages comprising 321 units in Western Australia. Eureka also completed and fully leased the \$12.6 million, 51-unit expansion of the Brassall, Qld village during the year.

Underlying EBITDA margin has expanded to 36.9% compared to the margin for the previous year of 34.6% due to organic growth and impact of acquisitions. Underlying EBITDA margin will continue to improve through organic growth, acquisitions and economies of scale.

Profit after tax included a net gain on the change in fair value of investment properties of \$14.1 million, including assets held in a joint venture. The valuation uplift was driven by improvements in maintainable earnings while capitalisation rates remained stable. The weighted average capitalisation rate was 8.17% compared with 8.3% in FY23.

More than 90% of the property portfolio has been independently valued on or since 30 June 2023. Acquisitions, developments, capital improvements and revaluations during the year contributed to a \$78 million (31%) increase in assets under management.

During the year, the debt facility with the National Australia Bank increased to \$101.0 million to facilitate the investment in the Eureka Villages WA Fund and the expansion of the Brassall village. The expiry date of the \$96.0 million core facility is 31 March 2026. A \$5.0 million facility expires on 31 October 2025.

Net debt was \$89.1 million and Eureka has fixed interest rate swaps covering 55% of drawn debt at year end with a weighted average expiry of 1.15 years. The gearing ratio, calculated as net debt to net debt plus equity, was 36.6% at 30 June 2024, up from 32.1% in the prior year and remains within the target range.

A growing reliance on the Government age pension coupled with demand for low-cost, quality rental accommodation highlights the increasing importance of the affordable build to-rent sector in which we operate and underpins future demand for Eureka's villages.

Eureka's strong balance sheet is supported by its capital management plan which includes traditional and alternative funding options to support growth across acquisitions and developments.

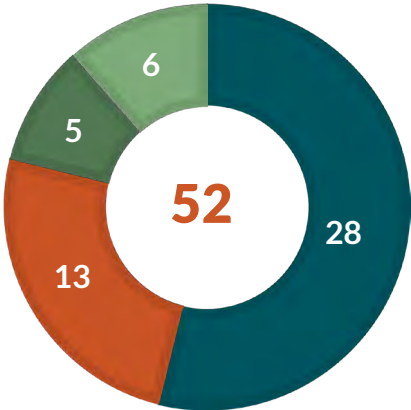
Eureka has demonstrated its ability to access alternative sources of funding to grow the business via a new wholesale property fund, Eureka Villages WA Fund.

# Our Villages

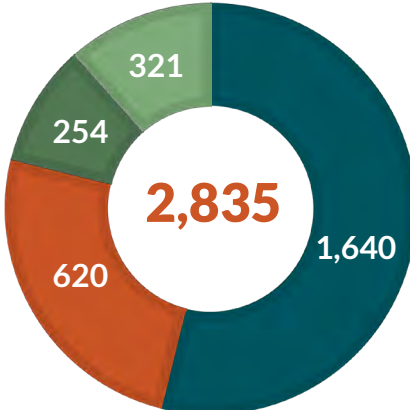


**52**  
Villages

Village Numbers



Unit Numbers



Owned    Managed    Joint Venture    Managed Fund

# Portfolio Highlights

Eureka has more than 2,800 owned and managed units in its portfolio which spans 52 villages across six Australian states. Acquisitions and village expansion resulted in an 11% increase in the total number of units during the year.

## Key portfolio highlights for the year were:

- ✓ Maintained an occupancy rate in excess of 98%.
- ✓ Strong like-for-like organic revenue growth.
- ✓ Invested \$9.0 million in the Eureka Villages WA Fund which was established to acquire six villages comprising 321 units in Western Australia for \$44.0 million with an average occupancy exceeding 98%. This cornerstone investment was reduced to \$8.0 million following year end. Eureka is the manager of the Fund.
- ✓ Completed and fully leased the \$12.6 million, 51-unit expansion of the Brassall, Qld village. Common area facilities were also upgraded.
- ✓ Acquired 14 higher yielding individual units in managed villages for \$1.5 million. Since FY23, the Group has made 51 individual unit acquisitions in key managed villages, with the strategy continuing into FY25.
- ✓ Acquired vacant land in Gladstone, Qld for the purpose of greenfield development for \$1.0 million plus GST. The land is adjacent to an existing village which is managed by Eureka.
- ✓ Progressed planning for the proposed 124-unit Kingaroy greenfield development.

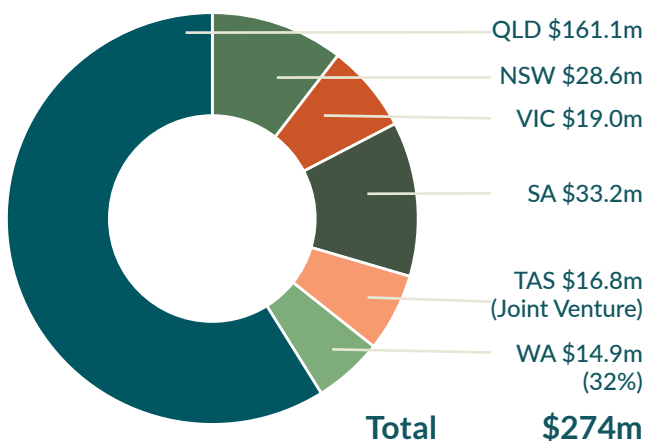
Capital recycling remains part of the Group's capital management and growth strategy. Assets will be recycled where they are non-core or cease to meet target performance levels, risk appetite levels or efficiency metrics. The Group's Whyalla and Mt Gambier villages are currently for sale.

## Portfolio snapshot at 30 June 2024

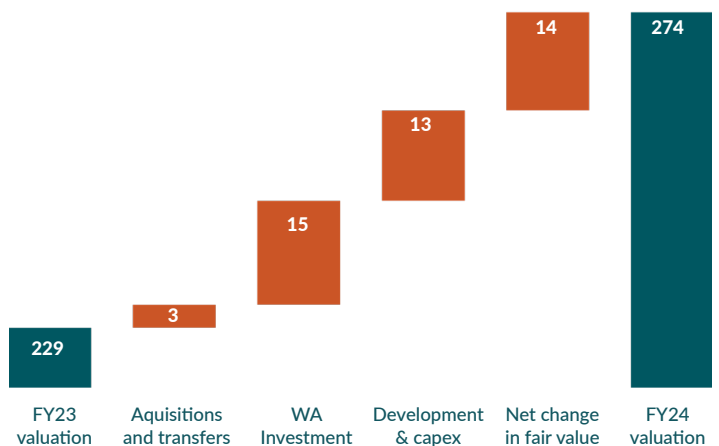


20% growth in portfolio driven by WA Investment, Brassall development and revaluations

## Investment Property Values (\$m) at 30 June 24



## Investment Property Values (\$m)





# Operations

**Eureka's operational strategy continues to be guided by our Five Pillar Operating Platform, which reflects a steadfast commitment to three key areas: our residents, our team, and our assets. By maintaining strong oversight of our risk and compliance obligations, we ensure a well-rounded approach that balances the well-being of our community with operational excellence.**

Our Resident First approach has been instrumental in driving our operational success. It is the cornerstone of our ability to attract and retain new residents and a key factor in recruiting and retaining staff aligned with our core values.

During the year, a key priority was to enhance the resident experience by expanding our activity program to provide a diverse and engaging calendar of social events. Activities targeting cognitive and physical stimulation is a core part of our health and well-being strategy and contributes to extending tenure of our residents.

A focus on team development cultivates a culture of service excellence, enabling staff to deliver on the Resident First philosophy.

Eureka's commitment to creating a supportive environment for

both residents and employees enhances our village communities and has resulted in an 83% intent-to-recommend score in the internal Resident Pulse survey, reinforcing the strength of our value proposition.

We continue to sustain high occupancy through organic local networking efforts building natural connections within the community by collaborating with local businesses and healthcare providers, hosting seniors' forums, and attending community events. These efforts continue to create important relationships that promote the business minimising the need for formal advertising.

The brand repositioning also facilitates a connection, visibility and consistency in service delivery for all stakeholders from investors to residents and the communities we work in.

By fostering a strong safety culture through continuous education and proactive risk management, we have ensured all operations meet regulatory requirements, whilst robust monitoring and reporting systems continue to identify and mitigate potential risks. We prioritise regular audits and compliance checks, alongside investing in staff training to uphold high safety standards and maintain a risk-aware environment.

The implementation of improved technology and digital innovation in FY25, coupled with the delivery of a change management strategy to facilitate adoption of new processes & technologies, will deliver operational efficiencies across procurement, asset lifecycle management and financial oversight.

## Operating Platform



Occupancy and Revenue Initiatives



Team Culture and Engagement



Safety, Risk and Compliance



Technology and Brand



Environmental, Social and Governance





# Environmental, Social and Governance (ESG)

**Eureka is committed to creating sustainable, socially responsible communities and value for all stakeholders.**

Eureka’s ESG framework and 4-year action plan was established to guide a planned and responsible approach to the implementation of environmental standards and social responsibilities. Eureka has in place a well-developed governance framework.

The Board’s ESG Committee is overseeing the implementation of the action plan. During the year a formal sustainability policy and ESG materiality matrix have been developed. During the second year of the action plan, Eureka will:

- Expand the solar power installation program across the portfolio targeting installations in at least 50% of villages by the end of FY25.
- Continue to upgrade energy services in communities and units to improve energy efficiencies and consumption.
- Increase recycled waste in villages, with a target of 40% of volume of waste recycled by end of FY25.
- Foster enhanced employee and resident well-being through the implementation of the Human Rights Policy adopted by Eureka.
- Maintain strong representation in leadership roles in accordance with Eureka’s Diversity, Equity and Inclusion Policy.
- Invest in employee training and development, prioritising continuous learning and upskilling to drive growth and performance across the organisation.
- Reduce environmental risk across the portfolio through continued upgrading of Eureka’s Resilience Plans.

Eureka’s ESG initiatives and focus areas are considered to enhance social responsibility obligations, risk focused management and environmental practices:



### Environmental

- Solar energy
- Energy efficiency
- Waste management and recycling
- Build environment



### Social

- Resident engagement and well-being
- Employee engagement and well-being



### Governance

- Ethical business practices
- Risk mitigation systems
- Safety and compliance

Eureka has set measurable targets for its key initiatives and will also measure performance and impact against recognised standards and frameworks.





# Corporate activity

During the second half of the year, the management of the defence of the unsolicited, under-valued takeover offer launched by Aspen Group Limited in January 2024 was a significant strategic and operational distraction for Eureka.

A number of constraints were placed on Eureka whilst that offer was in progress which meant that planned initiatives such as the recruitment of a new Chief Executive Officer, asset acquisitions and advancement of the systems technology implementation

were placed on hold until the end of May 2024 when the offer lapsed.

Significant Board and management time was also committed to the assessment and response to the offer.

Recruitment of a Chief Executive Officer has now been completed and the Board and management have recommenced actioning those strategic initiatives.



## Dividends

**Your Board is pleased to have declared and paid unfranked dividends of 1.4 cents per share for the year, an increase of 4% over the prior year.**

The Dividend Reinvestment Plan (DRP) remained in operation during the year as a capital management initiative to support our ongoing investment in growth.



# FY25 Priorities

Eureka has a well progressed strategy to drive growth and achieve institutional scale, leveraging its existing resource base.

The growth plan encompasses multiple channels including:

- organic growth
- acquisition of operating villages
- purchase of individual units in managed villages
- brownfield opportunities to expand existing villages
- greenfield developments

We will continue to pursue earnings accretive acquisitions and deliver on development opportunities.

Capital management planning to support growth is fundamental to Eureka achieving its strategic aim of institutional scale which will generate improved returns and value enhancement for shareholders. Access to capital will include traditional and alternative funding sources, driven by growth opportunities and market conditions.

While we are focused on securing scalability in a sustainable way, we are mindful of our operating cost structure. The implementation of preferred technology systems across the business in the coming financial year is a key priority and will underpin efficiency gains in the growth platform.





# Directors and Staff

**As we look forward to FY25, the Board and management team have been strengthened by the appointments of Mr John Whiteman as an Independent Non-Executive Director and Mr Simon Owen as Chief Executive Officer in September 2024.**

As part of our growth strategy, the Board is committed to ensuring the Board's skill set, knowledge and experience is well-balanced and John's broad range of funds management experience will be an asset to the Board and Eureka as the Company embarks on its next stage of growth.

Simon is a highly experienced and respected leader with over 25 years' experience in leading property and retirement living businesses, including most recently 14 years as Chief Executive Officer and Managing Director of Ingenia Communities Group Limited.

Simon is well-known in Australia as a trusted, respected and experienced retirement industry Chief Executive. The Board is confident that he is the right person to lead our people and build upon the growth that the business has achieved to date.

Following Simon's appointment, I have transitioned from executive duties to Non-Executive Chairman of Eureka from 12 September 2024.

On behalf of the Board, I welcome John and Simon and look forward to working with them.

Eureka continues to have a cohesive board with knowledge and experience covering property investment and management, property funds management, finance, healthcare, organisational development, commercial experience and corporate governance including a comprehensive understanding of ESG principles and application.

Eureka has a senior leadership group with the experience and skills across real estate, finance, operations, people and culture and business transformation that are engaged and empowered to drive Eureka's strategic growth plans. This group is aligned with Eureka's cultural values characterised by compassion, respect and trust in the village and support office teams.

I would like to take this opportunity to thank my Board colleagues for their support and contribution throughout the year.

On behalf of the Board, I thank the management team and all our people for their commitment and achievements this year. Attracting and retaining the best people is critical to Eureka's success. Investing in our people to support our future continues to be a priority.

To our shareholders and other stakeholders your continued support is respected and appreciated.



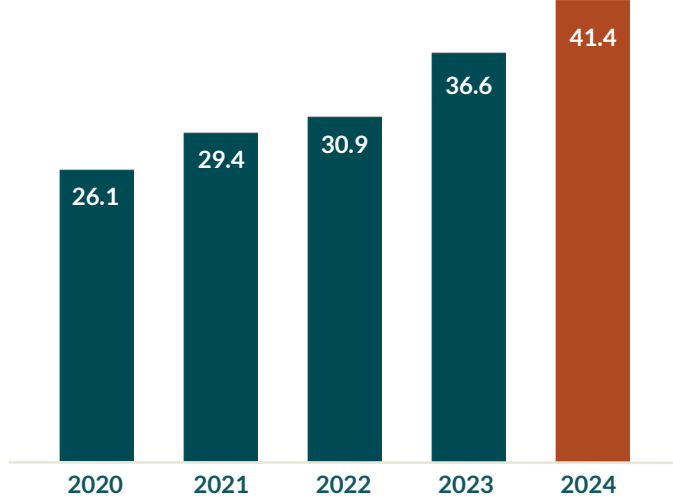
**Murray Boyte**  
Chairman



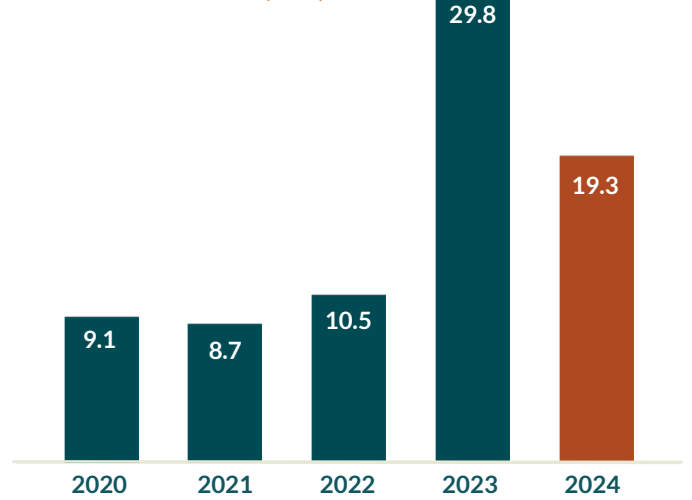


# 5 Year Growth Trends

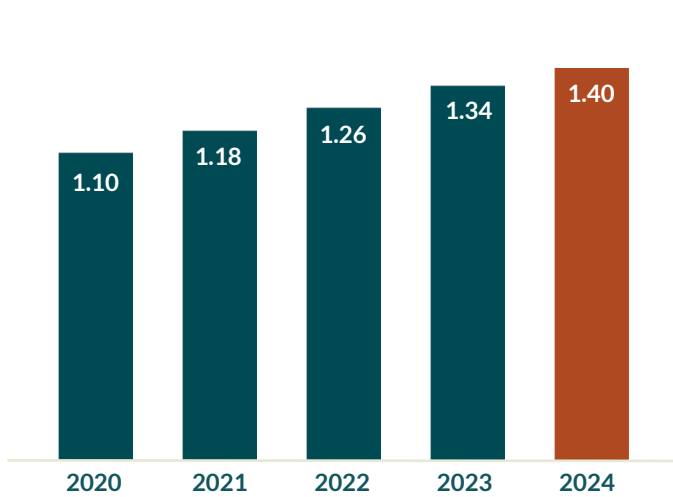
Revenue and Other Income (\$m)



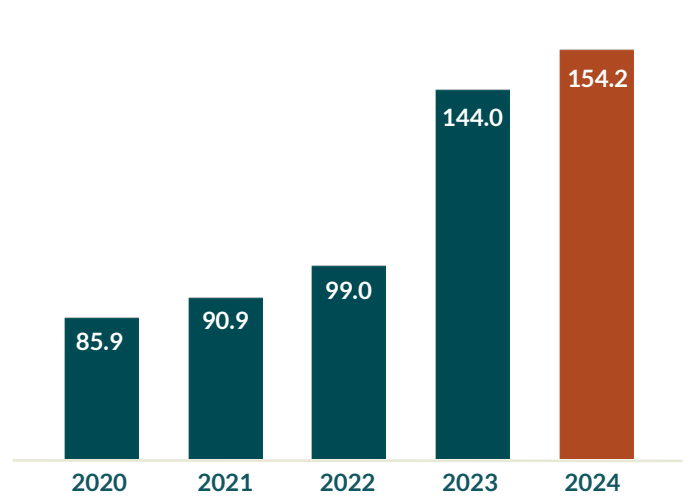
Profit Before Tax (\$m)



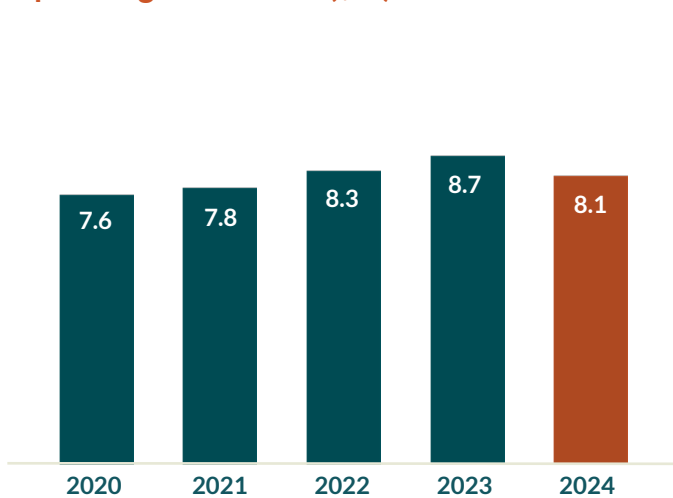
Dividends (cents per share)



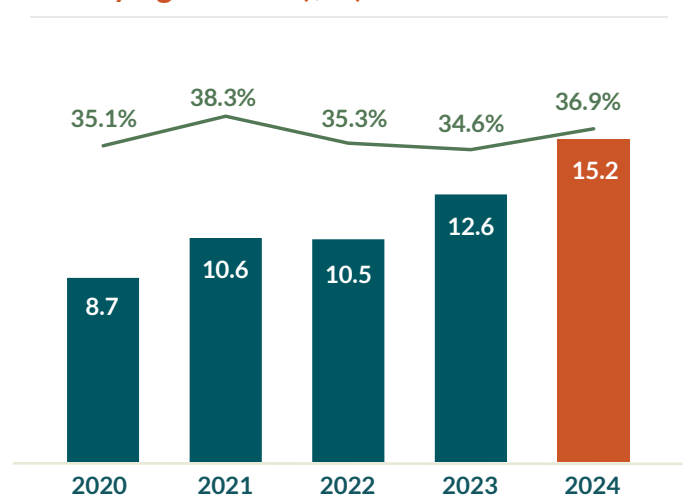
Net Assets (\$m)



Operating Cash Flows (\$m)



Underlying EBITDA (\$m)





eureka

Group



2024

# Financial Report

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# Directors' report

## Directors' report

Your directors present their report on the consolidated entity consisting of Eureka Group Holdings Limited and the entities it controlled at the end of, or during, the year ended 30 June 2024 (the year). Throughout the report, the consolidated entity is referred to as the Group.

### Directors

The following persons were directors of Eureka Group Holdings Limited during the whole of the financial year and up to the date of this report:

Murray Boyte  
Russell Banham  
Sue Renkin  
Greg Paramor

### Principal activities

During the year the principal continuing activities of the Group consisted of:

- Accommodation and services to independent senior residents, and
- Specialist property management and caretaking services for seniors' independent living communities.

### Review of operations and financial review

The Group has reported a profit before tax for the period of \$19.27 million (2023: \$29.75 million) and a profit after tax of \$13.21 million (2023: \$19.16 million). The profit after tax is lower than the prior year due to a lower level of property revaluations, an increase in finance costs and costs of defending the Aspen Group Limited (Aspen) takeover bid. Although lower than the prior year, the revaluations reflect continued improvement in maintainable earnings while capitalisation rates remained stable.

Underlying EBITDA<sup>1</sup> increased by 20.5% to \$15.20 million (2023: \$12.61 million) while underlying profit before tax increased by 13.2% to \$9.11 million (2023: \$8.05 million). Underlying earnings per share<sup>1</sup> was 3.02 cents (2023: 2.93 cents).

Growth in the Group's revenue and underlying results reflects organic growth in existing villages, the impact of current and prior period acquisitions and developments and improved maintainable earnings.

Occupancy remained stable across the portfolio and was 98% at balance date (30 June 2023: 99%). Strategies to increase village revenue, while maintaining affordability for residents, have contributed to the organic revenue growth experienced during the period. The Group achieved a \$14.08 million net gain on change in the fair value of the Group's investment properties, including those of the Tasmanian assets which are owned in a joint venture (2023: \$25.28 million). Improvement in maintainable earnings and the completion of the 51-unit expansion of the village in Brassall, Qld were key drivers of the increase. The weighted average capitalisation rate at balance date was 8.17% (30 June 2023: 8.32%).

The Group invested \$9.00 million in the Eureka Villages WA Fund (the Fund) during the year which acquired a portfolio of six rental villages in Western Australia (WA) for \$44.00 million (excluding transaction costs) in December 2023. Eureka is the manager of the Fund. The Group's investment has reduced to \$7.98 million post balance date.

At balance date, Eureka owned 33 villages (30 June 2023: 33), of which 5 are held in a joint venture. It also has 19 villages under management including the 6 in the Fund (30 June 2023: 13). Total units at balance date were 2,835 (30 June 2023: 2,551 units).

The Group is committed to growth through asset acquisition and development opportunities. Costs of defending the takeover bid by Aspen were \$2.10 million during the year. During the year, the Group progressed its technology improvement project.

The management of the defence of the unsolicited, under-valued takeover offer launched by Aspen in January 2024 was a significant strategic and operational distraction for Eureka during the second half of the year. A number of constraints were placed on Eureka whilst that offer was in progress which meant that planned initiatives such as the recruitment of a new Chief Executive Officer, asset acquisitions and advancement of the systems technology implementation were placed on hold until the end of May 2024 when the offer lapsed. There was significant Board and management time committed to the assessment and response to the offer as shown, for example, by the large number of Board meetings held during the year. The directors have now recommenced actioning those strategic initiatives.

The Group's statutory tax rate is 25% (2023: 25%). Deferred tax balances have been stated at 30% (30 June 2023: 30%), resulting in an effective tax rate of 31% for the year (2023: 36%). No cash income tax will be payable until the Group has utilised its carry forward revenue tax losses.

Net operating cash flow for the year was \$8.14 million (2023: \$8.71 million). Interest payments were \$1.72 million higher than the prior year.

# Directors' report

A summary of the Group's performance and reconciliation to the Group's Underlying EBITDA<sup>1</sup> is shown below:

	2024	2023
	\$'000	\$'000
<b>Performance summary</b>		
Profit before tax	19,267	29,751
Profit after tax	13,207	19,158
Basic earnings per share (cents)	4.37	6.97
Diluted earnings per share (cents)	4.36	6.95
<b>Underlying EBITDA<sup>1</sup> reconciliation</b>		
Profit after tax	13,207	19,158
Income tax expense	6,060	10,593
Depreciation and amortisation	695	846
Finance costs	5,114	3,720
<b>EBITDA<sup>1</sup></b>	<b>25,076</b>	<b>34,317</b>
Net gain on change in fair value of:		
Investment properties	(12,978)	(22,051)
Investment properties held in equity accounted investments	(1,100)	(3,233)
Impairment of:		
Financial assets	-	146
Other assets	564	1,756
(Profit)/loss on sale of assets	(180)	46
	<b>11,382</b>	<b>10,981</b>
Costs to defend Aspen takeover bid	2,102	-
Transaction costs including acquisitions, disposals and asset realisations	754	515
Strategic projects including technology and capital funding	685	895
Other	274	223
<b>Underlying EBITDA<sup>1</sup></b>	<b>15,197</b>	<b>12,614</b>
Underlying profit before tax <sup>2</sup>	9,114	8,049
<b>Underlying earnings per share<sup>3</sup> (cents)</b>	<b>3.02</b>	<b>2.93</b>

- EBITDA (Earnings before interest, tax, depreciation, and amortisation) is an unaudited non-IFRS measure. The Directors believe it is a readily calculated measure that has broad acceptance and is referred to by regular users of published financial statements as a proxy for overall operating performance. EBITDA is calculated from amounts disclosed in the financial statements.

Underlying EBITDA is an unaudited non-IFRS measure that represents the operating performance of the Group and excludes valuation adjustments, asset disposals and certain non-core or non-recurring transactions.

- Underlying profit before tax is an unaudited non-IFRS measure and equals Underlying EBITDA less finance costs, depreciation and amortisation.
- Underlying profit before tax divided by weighted number of shares on issue.



# Directors' report

## Financial position

Summary information in relation to the Group's financial position is shown below:

	2024	2023
Total assets (\$'000)	275,230	237,412
Net assets (\$'000)	154,241	143,956
Cash and cash equivalents (\$'000)	2,257	1,815
Debt – bank loan (\$'000)	91,331	69,724
Shares on issue ('000)	303,859	301,063
Net tangible assets per share (cents)	48.3	45.0
Balance sheet gearing <sup>1</sup> (%)	36.6	32.1

1. Balance sheet gearing is calculated as net debt (being interest-bearing drawn debt net of cash) divided by net debt plus equity.

Significant balance sheet movements during the year are disclosed below.

## Acquisitions and asset management

During the year, the Group made the following investment property acquisitions:

- 14 additional units in its managed strata-titled villages in Qld for a consideration of \$1.49 million, and
- Vacant land in Gladstone, Qld for consideration of \$1.00 million plus GST. This site has been acquired for the purpose of greenfield development and adjoins the existing Gladstone village which is managed by Eureka.

The Group spent \$9.47 million on village developments including:

- the 51-unit Brassall, Qld expansion (\$8.72 million), and
- planning for the proposed 124-unit Kingaroy greenfield development (\$0.74 million).

### Brassall development

Construction commenced in February 2023 on a 51-unit development at Brassall, Qld. The development was completed across four stages during the year. All new units have been fully leased since their completion. In addition to developing the new units, Eureka's investment in the upgrade of the common area facilities was completed in May 2024.

### Kingaroy development

The site was acquired in October 2021 with an existing development approval for a 40-unit village. The Group has incurred the costs of obtaining a development approval for a 124-unit village and preliminary costs associated with the planned construction of the village.

### Other village capital improvements

A further \$3.47 million was spent on enhancing owned villages through capital improvements.

### Investment in Eureka Villages WA Fund

During the year, Eureka invested \$9.00 million in a new Eureka-managed wholesale property fund, Eureka Villages WA Fund (the Fund), which is an unlisted and unregistered fund. The Fund was established for the purpose of owning and operating a portfolio of six seniors' rental villages in Western Australia. These villages were acquired in December 2023 for a purchase price of \$44.00 million excluding transaction costs with an average occupancy exceeding 98%. At balance date, the Group's investment represents 31.61% of the securities issued in the Fund.

There were no other significant acquisitions made during the year.

## Disposals

Capital recycling remains part of the Group's growth strategy. Assets will be recycled where they are non-core or cease to meet target performance levels, risk appetite levels or efficiency metrics.

At balance date, the Group has classified its Whyalla and Mt Gambier villages as held for sale. An expression of interest campaign has been completed and disposal of the assets is expected in the 2025 financial year.

During the year, the Group sold the community centre at its managed village in Caboolture, Qld to the body corporate of that village for \$0.45 million. The Group realised a gain on sale of \$0.18 million. Consideration comprised \$0.07 million in cash and the Company has entered into an 8-year loan agreement with the body corporate for payment of the balance of the purchase price. Contemporaneously with the sale, the Group negotiated a 25-year extension of the caretaking and letting agreement for the village.

# Directors' report

There were no other significant disposals made during the period.

## Capital management – debt & equity

### Debt

During the year, the Group's National Australia Bank (NAB) facilities increased to \$101.00 million (2023: \$83.00 million) to fund the \$9.00 million investment in the Eureka Villages WA Fund and working capital requirements. The Group was in compliance with all banking covenants during the year. Under the terms of its NAB debt facility, Eureka can deposit and withdraw funds in accordance with its working capital needs, subject to satisfaction of the bank covenants.

At balance date, the drawn amount under the facility was \$91.33 million (2023: \$69.72 million) with 55% of the debt being hedged using interest rate swaps (2023: 72%). The core facility of \$96.00 million expires on 31 March 2026. A \$5.00 million facility expires on 31 October 2025.

### Equity

The equity movements and balances for the year are as follows:

- Dividends of \$4.13 million (2023: \$3.51 million) were paid, comprising:
  - cash dividends of \$2.73 million (2023: \$2.60 million), and
  - shares issued to existing shareholders pursuant to the Dividend Reinvestment Plan (DRP) of \$1.40 million (2023: \$0.91 million), resulting in 2,796,000 shares being issued, and
- 226,830 share rights lapsed during the year following the resignation Mr Cameron Taylor, the Group's former Chief Executive Officer. Mr Taylor resigned effective 17 July 2023 following a period of personal leave due to a non-work-related accident. Executive Chairman, Mr Murray Boyte, has been the interim Chief Executive Officer (CEO) during the year.

## Dividends

Dividends paid during the year were as follows:

	2024 \$'000	2023 \$'000
Final dividend for the year ended 30 June 2023 of 0.67 cents (2022: 0.63 cents) per fully paid share	2,018	1,496
Interim dividend for the year ended 30 June 2024 of 0.70 cents (2023: 0.67 cents) per fully paid share	2,112	2,014
<b>Total paid during the year</b>	<b>4,130</b>	<b>3,510</b>

Subsequent to balance date, the Company has declared a final dividend for the year of 0.7 cents per share, amounting to \$2.13 million, to be paid on 14 October 2024. The record date is 23 September 2024. The DRP will be in effect for this dividend. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2024 and will be recognised in subsequent financial reports.

## Sustainability statement

The Company is committed to delivering sustainable, socially responsible communities that benefit our residents, employees and the environment. We envision seniors' living spaces that are comfortable, secure, environmentally conscious and socially inclusive.

Sustainability can be achieved through integration of green practices such as reducing waste, conserving water and increasing energy efficiency, while ensuring that we use eco-friendly materials in our facilities. Sustainability extends beyond environmental stewardship and encompasses social responsibilities. This means creating a positive impact on the lives of our residents, supporting our staff and engaging with the broader community.

We endeavour to foster an inclusive culture that empowers everyone in our community to make choices that support both their well-being and the environment. Through resourceful solutions and strong partnerships, we aim to lead the seniors' living industry in providing homes within a community that lives in harmony with the environment and upholds the highest standards of social responsibility.



# Directors' report

## Likely developments and expected results

Eureka is committed to:

- Implementing its environmental, social and governance framework. The Company's Environmental, Social & Governance (ESG) Committee is responsible for overseeing social, governance and environmental initiatives in accordance with the Group's 'resident-first' philosophy, its social licence to provide affordable rental accommodation to a growing number of seniors and minimising the Group's environmental impact
- Further expanding its core business of providing rental accommodation for independent seniors through the active management of existing assets, the acquisition of additional villages and units, and the realisation of development opportunities, including development of the Group's greenfield sites in Kingaroy, Qld and Gladstone, Qld
- Improving the performance of the existing portfolio with continued focus on maintaining and improving occupancy through the ongoing strengthening of our relationships within our communities
- Implementing operational efficiencies, cost reduction and streamlined support services through process and systems improvements across our villages and support office, and
- Recycling of capital through the divestment of the Group's non-core assets and active portfolio management including the disposal of assets which may cease to meet target performance levels, risk appetite levels or efficiency metrics.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group, other than those addressed in the Directors' Report.

## Material business risks

The Board is committed to monitoring and mitigating business risks faced by the Group, including the following key risks that have the potential to materially impact its financial prospects:

- *Business strategy risk* – Eureka's business strategy is focused on growing its portfolio through earnings accretive acquisitions and identified development opportunities in high demand regional markets. A key element to this strategy is ensuring ongoing capital recycling and strong capital management planning. Eureka's future growth is dependent on the successful execution of this strategy. Any change or impediment to implementing this strategy may adversely impact on Eureka's operations and future financial performance.
- *Acquisition risk* – acquiring villages has and will continue to be a source of growth for the Group. Identifying properties that meet the Group's target performance hurdle rate and sit within the risk appetite set by the Board is critical to the Group's performance. The Group's Board and management is experienced in acquiring and integrating properties and conducts comprehensive analysis and due diligence as part of its acquisition process.
- *Interest rate risk* – interest rate changes may have a material impact on profitability. The Group mitigates this risk through its capital management plan and interest rate hedging.
- *Cyber risk* – the Group recognises the importance of cyber security in safeguarding digital assets, systems, and information from unauthorised access or disruption. The Group mitigates this risk through various security measures and a contingency Cyber Security Incident Response Plan for business continuity.
- *Changes in Government legislation or funding (pension, rent assistance and National Disability Insurance Scheme (NDIS))* – the Group provides affordable rental accommodation predominantly to seniors and many of the villages' residents are reliant on government funding in the form of pensions or rent assistance and NDIS. An adverse change in government legislation or funding may have a direct impact on village occupancy, profitability and asset values. The Group manages its village costs having regard to revenue and occupancy levels.
- *Environmental and insurance risk* – Eureka's properties are subject to environmental risks including loss of property and profits due to bushfires, floods, cyclones, erosion of waterways and other events. These risks and potential losses may increase in future as the climate continues to change. Eureka carries insurance for some of these events, however insurance may not cover all or any of the losses incurred, insurance may prove increasingly difficult to obtain or the cost may become prohibitive.
- *Asset valuation risk* - Assets are assessed for changes in fair value or impairment (as required) whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Factors affecting property valuations include capitalisation and discount rates, occupancy and costs, the economic growth outlook, land resumptions and releases and major infrastructure projects.
- *Operational risk* - Routine village operations require Eureka to manage risks related to maintenance of a safe environment including property condition, food service, building compliance and resident well-being. Compliance and management systems, including third party inspections where appropriate, have been established to manage these risks.

## Environmental regulation

The Group's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory.

# Directors' report

## Events since the end of the financial year

Subsequent to balance date, the following significant transactions have occurred:

- *Dividend* – the Company declared a final dividend in respect of the year of 0.70 cents per share, payable on 14 October 2024 amounting to \$2.13 million. The record date is 23 September 2024. The Group's dividend reinvestment plan is effective for this dividend.
- *Appointment of new Chief Executive Officer* - On 15 August 2024, the Company announced that Mr Simon Owen has been appointed to commence in the role of Chief Executive Officer of Eureka Group Holdings Limited on 12 September 2024.
- *Board changes* - Mr Murray Boyte will transition from executive duties to Non-executive Chairman from 12 September 2024. Mr John Whiteman will commence as an Independent Non-Executive Director from 2 September 2024.

There were no other significant events since the end of the financial year for the Group, other than those addressed in the Directors' Report.



# Directors' report

## Information on directors

The following information is current as at the date of this report.

### **Murray Boyte BCA, MAICD, CMIInstD, CA - Executive Chair and Interim CEO**

Qualifications	Murray holds a Bachelor of Commerce and Administration from the Victoria University in Wellington and is a member of the Australian Institute of Company Directors, the Institute Of Directors of New Zealand and Chartered Accountants Australia & New Zealand.
Experience and expertise	Murray has over 35 years' experience in merchant banking and finance, undertaking company restructures, mergers and acquisitions in Australia, New Zealand, North America and Hong Kong. Murray has held executive positions and directorships in the transport, horticulture, financial services, investment, health services and property industries.
Other current directorships	National Tyre & Wheel Limited (ASX: NTD), Hillgrove Resources Ltd (ASX: HGO) and Eumundi Group Ltd (ASX: EBG).
Former directorships in last 3 years	Abano Healthcare Group Limited (NZX)
Special responsibilities	Chair of the Board, Member of the Audit & Risk Committee, Member of the Nomination & Remuneration Committee, Member of the Environmental, Social & Governance Committee.
Interests in shares and options	1,204,180 ordinary shares – Eureka Group Holdings Limited

### **Sue Renkin RN, MBA, FCDA, Grad Dip Corp Gov, MAICD – Non-executive**

Qualifications	Sue holds a Master of Business Administration from Monash University, a Graduate Diploma in Corporate Governance from UNE and attended Harvard Business School for a course on Competition and Strategy.
Experience and expertise	Sue enjoyed almost thirty years as CEO for private hospitals, emergency services and not for profit entities. She now operates a portfolio career as a non-executive director and executive coach and mentor. Sue is Chair of Executive Growth, a Director of the National Imaging Facility's Governing Board, Chair of the South Eastern Melbourne Primary Health Network and a strategic advisor to McKenzie Aged Care Group. She is also a previous Telstra Businesswoman of the year.
Other current directorships	Nil
Former directorships in last 3 years	Nil
Special responsibilities	Chair of the Nomination & Remuneration Committee, Member of the Environmental, Social & Governance Committee
Interests in shares and options	Nil

### **Russell Banham, B Com, GAICD, FCA – Non-executive**

Qualifications	Russell has a Bachelor of Commerce degree, is a Graduate Member of the Australian Institute of Company Directors and is a fellow of the Institute of Chartered Accountants Australia and New Zealand.
Experience and expertise	Russell is an experienced company director with a demonstrated history of working in Various industries including mining & metals, property development and management, manufacturing and gaming and hospitality. He is skilled in financial management, risk management and corporate governance. He was an audit partner and had functional leadership responsibilities at Deloitte, Ernst & Young and Andersen. Russell is an independent non-executive director of HKSE listed MGM China Holdings Limited and, until May 2023, of LSE listed National Atomic Company Kazatomprom. He is also a member of the Audit and Risk Management Committee of the Queensland Audit Office.
Other current directorships	MGM China Holdings Limited (HKSE)
Former directorships in last 3 years	Nil
Special responsibilities	Chair of Audit & Risk Committee, Member of the Nomination & Remuneration Committee, Member of the Environmental, Social & Governance Committee.
Interests in shares and options	Nil

# Directors' report

## Greg Paramor, AO, FAPI, FAICD, FRICS – Non-executive

Experience and expertise	Greg has extensive property expertise with more than 50 years' experience in the real Estate and fund management industry. He was the co-founder of Growth Equities Mutual, Paladin Australia and the James Fielding Group. He was the CEO of Mirvac Group between 2004 and 2008 before becoming the Managing Director of Folkestone Limited, a specialist property funds management group. Greg is currently a non-executive director of ASX-listed Charter Hall Group, a board member of the Sydney Swans, the Chair of BackTrack Youth Works, a Trustee of The Nature Conservancy (Australia) and a board member of the Garvan Research Foundation. He was awarded an Officer in the General Division (AO) of the Order of Australia in January 2015.
Other current directorships	Charter Hall Group Ltd (ASX: CHC).
Former directorships in last 3 years	Nil
Special responsibilities	Member of Audit & Risk Committee, Chair of the Environmental, Social & Governance Committee
Interests in shares and options	5,748,657 ordinary shares – Eureka Group Holdings Limited

## Joint company secretaries

Mrs Laura Fanning *B Bus, CA, FCG (CS, CGP)*

Ms Fanning is a Chartered Accountant and Fellow of the Governance Institute of Australia with more than 25 years' financial, governance and commercial experience and was appointed to the position of company secretary in 2018. Ms Fanning is Eureka's Chief Financial Officer and was previously the company secretary at National Tyre and Wheel Limited. She has held Chief Financial Officer and Company Secretary roles at National Veterinary Care Limited and Unity Pacific Group Limited, as well as senior management positions in other listed and unlisted companies. She has gained broad financial and secretarial experience across several industries including property funds management, veterinary services, wholesale distribution and franchising.

Ms Stephanie So *BCom, LLB, GradDipCA, FGIA*

Ms So was appointed to the position of company secretary in June 2024. Ms So has over 13 years of governance experience working with private, public and listed companies across a number of industries, and has significant expertise in company secretarial, board and corporate governance matters. Stephanie was previously a principal listings adviser at the ASX where she had extensive involvement in the oversight of listed entities and specialised in ASX Listing Rules compliance including policy and development, initial public offerings, capital raisings and other corporate transactions. Ms So is dual qualified in law and commerce and is a Fellow of the Governance Institute of Australia.

## Meetings of directors

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each director were:

Name	Full meetings of directors		Meetings of committees					
	A	B	Audit & Risk Committee Meetings		Nomination & Remuneration Committee Meetings		Environmental, Social & Governance Committee Meetings	
	A	B	A	B	A	B	A	B
Murray Boyte	31	32	4	4	3	3	2	2
Sue Renkin	32	32	4	4*	3	3	2	2
Russell Banham	32	32	4	4	3	3	2	2
Greg Paramor	30	32	3	4	3	3*	2	2

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

\* Attended by invitation. All directors have a standing invitation to attend Committee meetings, even when they are not a member



# Remuneration report

## Remuneration report (Audited)

The Directors present the Eureka Group Holdings Limited remuneration report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

Section	Contents	Page
(a)	Key management personnel (KMP) covered in this report	11
(b)	Remuneration policy and link to performance	11
(c)	Elements of remuneration	12
(d)	Link between remuneration and performance	14
(e)	Remuneration expenses for executive KMP	16
(f)	Contractual arrangements with executive KMP	17
(g)	Non-executive director arrangements	17
(h)	Additional statutory information	18

### (a) Key management personnel covered in this report

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

*Non-executive and executive Directors (see pages 9 to 10 for details about each Director)*

Murray Boyte – Executive Chair and Interim Chief Executive Officer

Sue Renkin

Russell Banham

Greg Paramor, AO

*Other key management personnel*

Name	Position
Cameron Taylor	Chief Executive Officer <sup>1</sup>
Laura Fanning	Chief Financial Officer and Joint Company Secretary

1. Cameron Taylor resigned from the position of Chief Executive Officer on 17 July 2023.

### (b) Remuneration policy and link to performance

The Nomination and Remuneration committee reviews and determines remuneration policy and structure annually to ensure it remains aligned to business needs and meets market-based remuneration principles. In particular, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent
- aligned to the company's strategic and business objectives and the creation of shareholder value
- transparent and easily understood, and
- acceptable to shareholders.

The Remuneration Framework in place during the year is shown in Figure 1.

# Remuneration report

**Figure 1: Remuneration framework**

Element	Purpose	Performance metrics	Potential value	Changes for FY24
<b>Fixed remuneration (FR)</b>	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at median market rate	No changes
<b>Short term incentive (STI)</b>	Reward for in-year performance	Financial Performance Budgeted underlying EBITDA: 30%  Non-financial performance: 70% 1. Operational performance 2. Strategic initiatives 3. Workplace health and safety 4. Risk mitigation and management	CFO: 30% of TFR	No changes
<b>Long term incentive (LTI)</b>	Alignment to long-term shareholder value	3-year total shareholder return (TSR) compound annual growth rate	CFO: 30% of TFR	Increased percentage of TFR

## **Balancing short-term and long-term performance**

Annual incentives are set to drive annual performance without encouraging undue risk-taking.

Long-term incentives are assessed over a three-year period and are designed to promote retention of key staff as well as alignment with shareholders' interests.

The remuneration mix for the year includes:

- Short-term incentives (STI) opportunity for the current year that will be available if the performance conditions are satisfied, and
- the value of the Long-Term Incentive Program (LTIP) rights granted during the year.

## **Assessing performance and claw-back of remuneration**

The Nomination & Remuneration Committee is responsible for assessing performance against key performance indicators and determining the STI and LTI to be paid. To assist in this assessment, the Committee receives detailed reports on performance from management which are based on independently verifiable data such as financial measures and data from surveys.

### **(c) Elements of remuneration**

#### **(i) Total fixed remuneration (TFR)**

Executives may receive their fixed remuneration as:

- cash, or
- cash with non-monetary benefits such as car allowances, motor vehicle and car parking benefits.

TFR is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The Nomination & Remuneration Committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

For all the executives, superannuation is included in TFR.



# Remuneration report

(ii) Short-term incentives

**Figure 2: Structure of the FY24 STI plan**

Feature	Description																											
<b>Max opportunity</b>	CFO: 30% of Total fixed remuneration																											
<b>Structure</b>	30% of the STI is linked to the achievement of the budgeted Underlying EBITDA financial hurdle (2023: 30%) 70% of the STI is linked to the achievement of non-financial performance objectives (2023: 70%)																											
<b>Performance metrics</b>	For the proportion of the STI linked to financial performance, entitlement is based on a tiered approach, with 100% of the financial portion only being paid if the budgeted Underlying EBITDA is exceeded by a predetermined amount.																											
	<table border="1"> <thead> <tr> <th>Metric</th> <th>Weighting</th> <th>Reason for selection</th> </tr> </thead> <tbody> <tr> <td><b>Company financial performance</b></td> <td>30%</td> <td>Reflects improvements in both revenue and cost control.</td> </tr> <tr> <td colspan="3">Financial gateway</td> </tr> <tr> <td colspan="3">1. Performance against budgeted underlying EBITDA</td> </tr> <tr> <td><b>Non-financial performance</b></td> <td>70%</td> <td>Reflects improvements which will support Eureka's growth strategies. Supports culture and values. Ensures focus on key strategic and operational initiatives.</td> </tr> <tr> <td colspan="3">1. Operational performance</td> </tr> <tr> <td colspan="3">2. Strategic initiatives</td> </tr> <tr> <td colspan="3">3. Workplace health and safety</td> </tr> <tr> <td colspan="3">4. Risk mitigation and management</td> </tr> </tbody> </table>	Metric	Weighting	Reason for selection	<b>Company financial performance</b>	30%	Reflects improvements in both revenue and cost control.	Financial gateway			1. Performance against budgeted underlying EBITDA			<b>Non-financial performance</b>	70%	Reflects improvements which will support Eureka's growth strategies. Supports culture and values. Ensures focus on key strategic and operational initiatives.	1. Operational performance			2. Strategic initiatives			3. Workplace health and safety			4. Risk mitigation and management		
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<b>Delivery of STI</b>	If eligible, 100% of the STI award is paid in cash after the end of the financial year.																											
<b>Board discretion</b>	<p>The size of the STI pool is determined by the Board, upon advice from the Nomination &amp; Remuneration Committee, having regard to individual employment contracts.</p> <p>In consultation with the Nomination &amp; Remuneration Committee, the Board assesses the Group's financial performance and the performance of KMP against agreed performance objectives. Payment of any STI is subject to achievement of the financial gateway.</p> <p>The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero if appropriate) any STI award.</p>																											

# Remuneration report

## (iii) Long-term incentives

During the year, executive KMP participated in the LTIP which included the grant of share rights which are subject to a 3-year service condition and target total shareholder return. Further detail is shown in figure 3 below:

**Figure 3: Structure of the FY24 LTIP**

Feature	Description										
<b>Opportunity/ Allocation</b>	CFO: 30% of total fixed remuneration (excluding superannuation). The opportunity is divided by a Board-determined volume weighted average price (VWAP) of shares to determine the number of instruments.										
<b>Performance hurdle – TSR CAGR</b> (100% weighting)	<p>Total shareholder return (TSR) compound annual growth rate (CAGR) is assessed over 3 years to 30 September 2026.</p> <p>This is designed to focus executives on delivering sustainable long-term shareholder returns.</p> <table border="1"> <thead> <tr> <th>TSR CAGR</th> <th>Proportion to vest</th> </tr> </thead> <tbody> <tr> <td>Less than 7%</td> <td>0%</td> </tr> <tr> <td>Between 7% &amp; 10%</td> <td>50%</td> </tr> <tr> <td>Pro rate vesting occurs between 10% and 15%</td> <td>70% to 100% on a straight-line basis</td> </tr> <tr> <td>At or above 15%</td> <td>100%</td> </tr> </tbody> </table>	TSR CAGR	Proportion to vest	Less than 7%	0%	Between 7% & 10%	50%	Pro rate vesting occurs between 10% and 15%	70% to 100% on a straight-line basis	At or above 15%	100%
TSR CAGR	Proportion to vest										
Less than 7%	0%										
Between 7% & 10%	50%										
Pro rate vesting occurs between 10% and 15%	70% to 100% on a straight-line basis										
At or above 15%	100%										
<b>Service condition</b>	The employee must remain employed by the Group from the Grant Date to the Vesting Date.										
<b>Vesting</b>	Rights are granted under the plan for no consideration. When vested, each right converts into one ordinary share and carry no dividend or voting rights. The number of rights granted is based on the VWAP at which the Company's shares are traded on the ASX on 5 days after the release of the Company's Financial Report in the financial year to which they relate.										
<b>Forfeiture and termination</b>	Rights will lapse if performance conditions are not met. Rights will be forfeited on cessation of employment unless the board determines otherwise, e.g. in the case of retirement due to injury, disability, death or redundancy.										
<b>Board discretion</b>	The Board retains discretion to relax the performance measures if warranted by relevant circumstances at the time of vesting. The Board may also cancel some or all individual share rights on the basis they constitute an inappropriate benefit to the KMP due to any unacceptable conduct, including fraud or dishonesty of acting in manner which brings the Group into disrepute.										

## (d) Link between remuneration and performance

### Current year performance and impact on remuneration

During the year, management delivered an underlying EBITDA result in line with the budgeted underlying EBITDA. As the financial gateway was met, the Board determined to award executive KMP 62% of the maximum short-term incentives.



# Remuneration report

## Statutory performance indicators

The Company aims to align executive remuneration to strategic and business objectives and the creation of shareholder wealth. The Group's current remuneration policy provides executives with a base level of remuneration as well as 'at-risk' components that are aligned with shareholder returns. The STI program is weighted towards Underlying EBITDA and therefore earnings per share. The LTI program is weighted towards total shareholder returns.

Figure 5 below shows measures of the Group's financial performance over the last five years as required by the *Corporations Act 2001*.

There has been steady growth across earnings-based metrics and dividends across the period. Sustainable share price growth remains a focus for the Board and management.

**Figure 4: Statutory key performance indicators of the Group over the last five years**

Metric	Measure	2024	2023	2022	2021	2020
Total revenue and other income <sup>1</sup>	\$'000	<b>41,354</b>	36,564	30,882	29,434	26,068
Underlying EBITDA <sup>1</sup>	\$'000	<b>15,197</b>	12,614	10,620	10,569	8,700
Profit before tax	\$'000	<b>19,267</b>	29,751	10,483	7,742	9,075
Profit after tax	\$'000	<b>13,207</b>	19,158	8,173	6,283	8,095
Basic earnings per share	cents	<b>4.37</b>	6.97	3.48	2.73	3.52
Dividend paid per share	cents	<b>1.37</b>	1.30	1.22	1.14	1.55
Share price at year end	cents	<b>53.5</b>	46.5	61.0	61.0	32.5
Total shareholder return – 1 year	% of share price at start of year	<b>+18.0</b>	-21.6	+2.0	+91.2	+31.0
Total shareholder return – 3 year	% per annum	<b>-2.0</b>	+15.6	+35.7	+31.5	-2.7
KMP remuneration	\$'000	<b>1,482</b>	1,520	1,320	1,446	1,201
KMP remuneration	% of total revenue and other income	<b>3.6</b>	4.2	4.3	4.9	4.6

<sup>1</sup> Refer to page 4 for the definition of Underlying EBITDA. Prior to 2021, EBITDA from core operations was the term used to describe Underlying EBITDA

# Remuneration report

## (e) Remuneration expenses for executive KMP

The following table shows details of the remuneration expense recognised for the group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

Figure 5: Executive remuneration

Name		Fixed remuneration			Other	Variable remuneration		Total	Performance related (%)
		Salary (1)	Annual and long service leave (2)	Post-employment benefits		STI	Share rights granted (3)		
<b>Executive Director</b>									
Murray Boyte <sup>4</sup>	2024	313,415	-	27,500	195,000	-	-	535,915	-
	2023	322,598	-	25,292	-	-	-	347,890	-
<b>Other KMP (group)</b>									
Laura Fanning	2024	320,000	6,911	27,500	-	65,000	25,187	444,598	20%
	2023	250,708	-	25,292	-	60,000	18,798	354,798	22%
Cameron Taylor <sup>5</sup>	2024	18,380	-	6,850	194,170	-	-	219,400	-
	2023	349,708	-	25,292	-	115,000	46,509	536,509	-
<b>Total executive director and other KMPs</b>		2024	651,795	6,911	61,850	389,170	65,000	25,187	1,199,913
		2023	923,014	-	75,876	-	175,000	65,307	1,239,197
<b>Total NED remuneration (see Figure 7 below)</b>		2024	254,299	-	27,972	-	-	-	282,271
		2023	254,299	-	26,701	-	-	-	281,000
<b>Total KMP remuneration expensed</b>		2024	906,094	6,911	89,822	389,170	65,000	25,187	1,482,184
		2023	1,177,313	-	102,577	-	175,000	65,307	1,520,197

(1) Short-term benefits as per *Corporations Regulation 2M3.03 (1) Item 6*

(2) Other long-term benefits as per *Corporations Regulation 2M.3.03(1) Item 16.8*. The amounts disclosed in this column represent the increase in the associated provisions.

(3) Share rights granted under the LTIP are expensed over the performance period, which includes the year to which the rights relate.

(4) Murray Boyte's fixed remuneration includes his chairman's fee of \$121,096 per annum (2023: \$121,096) and an additional \$226,246 per annum for the period he is Executive Chair (2023: \$226,246). He also earned additional director's fees of \$195,000 relating to key transactions including defence of the Aspen takeover bid and the establishment of the Eureka Villages WA Fund which will be paid in cash in FY25. Mr Boyte assumed the duties of the Chief Executive Officer on 24 May 2023 while Mr Taylor was on medical leave. He has continued in this role following Mr Taylor's resignation on 17 July 2023.

(5) Mr Taylor was on medical leave from 24 May 2023 until his resignation on 17 July 2023. He received a gross payment in July 2023 of \$219,400 comprising salary of \$18,380, superannuation of \$6,850 and termination benefits of \$194,170 including unused leave entitlements, payment in lieu of notice and extended personal leave.



# Remuneration report

## (f) Contractual arrangements with executive KMP

Remuneration and other terms of employment for other key management personnel are formalised in service agreements. The details of these agreements for executive key management personnel for the year are as follows:

<b>Murray Boyte</b>	Executive Chair and Interim CEO
Term	As required by the Board
Details	In addition to the director's fees payable for his Chairman role, the Executive Chair has received written confirmation of additional remuneration for the additional responsibility and time required to fulfil the executive chairman role, payable during his time in this role. Mr Boyte assumed the duties of the Chief Executive Officer on 24 May 2023. Mr Boyte did not participate in the STI or LTI programs during the year.
<b>Cameron Taylor</b>	Chief Executive Officer
Commencement	1 July 2021 until 17 July 2023
Term	The agreement has no fixed term and may be terminated by either the Company or Mr Taylor with 2 months' notice or without notice by the Company in the event of a material breach or misconduct by Mr Taylor.
Details	Mr Taylor's remuneration as Chief Executive Officer included total fixed remuneration (TFR) of \$375,000, including a base salary, superannuation and car allowance. Certain benefits such as car parking, mobile phone expenses and use of laptop are also provided. His remuneration also included STI of up to 50% of his TFR and long-term incentives of up to 50% of his TFR in the form of share rights, as determined by the Board from time to time. Mr Taylor was responsible for management of the Group's operations and reported to the Executive Chairman. Mr Taylor was on medical leave from 24 May 2023 until his resignation on 17 July 2023.
<b>Laura Fanning</b>	Chief Financial Officer and Company Secretary
Commencement	1 December 2020
Term	The agreement has no fixed term and may be terminated by either the Company or Ms Fanning with 2 months' notice or without notice by the Company in the event of a material breach or misconduct by Ms Fanning.
Details:	Ms Fanning's remuneration includes a TFR of \$347,500, including a base salary and superannuation. Certain benefits such as car parking, mobile phone expenses and use of laptop are also provided. Her remuneration also comprises additional STI of up to 30% of her TFR and long-term incentives of up to 30% of her TFR in the form of share rights, as determined by the Board from time to time. Ms Fanning is responsible for the accounting and finance functions of the Company and its associated companies. Ms Fanning reports to the Chief Executive Officer.

## (g) Non-executive Director arrangements

Non-executive Directors receive a board fee only, see table below. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation. The Chairman does not receive additional fees for participating in or chairing committees.

Fees are reviewed annually by the Board taking into account comparable roles. The current base fees were reviewed with effect from 1 July 2023. A Director may also be remunerated for additional or special duties undertaken.

The maximum annual aggregate directors' fee pool limit is \$600,000 and was approved by shareholders at the 2021 annual general meeting on 5 November 2021.

	2024 \$	2023 \$
<b>Base fees (including superannuation)</b>		
Chairman	121,096	121,096
Other non-executive directors	81,407	81,000
<b>Additional fees</b>		
Audit and Risk Committee - Chair	20,000	20,000
Remuneration and Nomination Committee - Chair	9,000	9,000
Environmental, Social and Governance Committee - Chair	9,000	9,000
Annualised Board and Committee fees	403,317	402,096

There are no additional fees payable for being a member of a Board committee.

All non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

Directors may also be reimbursed for travelling and other expenses incurred in connection with their Company duties.

# Remuneration report

**Figure 6: Non-executive Director remuneration**

Name	Year	Base fee \$	Super-annuation \$	Total \$
Russell Banham	2024	91,403	10,054	101,457
	2023	91,403	9,597	101,000
Sue Renkin	2024	81,448	8,959	90,407
	2023	81,448	8,552	90,000
Greg Paramor	2024	81,448	8,959	90,407
	2023	81,448	8,552	90,000
<b>Total non-executive director remuneration</b>	<b>2024</b>	<b>254,299</b>	<b>27,972</b>	<b>282,271</b>
	2023	254,299	26,701	281,000

**(h) Additional statutory information**

*(i) Performance based remuneration granted and forfeited during the year*

Figure 7 shows for each KMP how much of their STI cash bonus was awarded and how much was forfeited. It also shows the value of share rights that were granted, vested and forfeited during FY 2024. The number of rights and percentages vested/forfeited for each grant are disclosed in section (iii) on page 17 below.

**Figure 7: Performance based remuneration granted and forfeited during the year**

	Total STI bonus (cash)			LTI Share Rights
	Total opportunity \$	Awarded <sup>(1)</sup> %	Forfeited %	FY24 Granted \$
Laura Fanning	104,220	62%	38%	36,274

(1) STI awarded in FY24 and to be paid in FY25.

*(ii) Share rights held*

**Figure 8: Share rights**

The table below shows a reconciliation of unvested rights held by each KMP during the year. There were no vested rights at the beginning or during the year.

2024 Name and Grant dates	Balance 1 July 2023 Number	Granted during year Number	Vested Number	%	Forfeited Number	%	Balance 30 June 2024 Number	Maximum value yet to vest <sup>(1)</sup>
Laura Fanning								
4 May 2022	126,953	-	-	-	-	-	126,953	4,438
8 January 2024	-	213,001	-	-	-	-	213,001	29,937
Cameron Taylor								
4 May 2022	226,830	-	-	-	(226,830)	100	-	-
<b>Total</b>	<b>353,783</b>	<b>213,001</b>	<b>-</b>	<b>-</b>	<b>(226,830)</b>		<b>339,954</b>	<b>34,975</b>

1. The maximum value of the deferred shares yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed.

# Remuneration report

The terms and conditions of each grant of share rights affecting remuneration in the current or a future reporting period are as follows:

Grant date	Number	Vesting and exercise date	Expiry date	Value per right at grant date	Exercise price \$	% vested
4 May 2022	126,953	30 Sep 2024	30 Sep 2026	\$0.357	-	n/a
8 Jan 2024	213,001	30 Sep 2026	30 Sep 2028	\$0.170	-	n/a

See page 13 for the conditions that must be satisfied for the rights to vest. When vested, each right is convertible into one ordinary share of Eureka Group Holdings Limited.

(iii) Shares held

## Figure 9: Shareholdings

2024 Name	Balance 1 July 2023	Acquired during the year	Other change during the year	Balance 30 June 2024
<b>Ordinary shares</b>				
Murray Boyte	1,186,497	17,683	-	1,204,180
Sue Renkin	-	-	-	-
Russell Banham	-	-	-	-
Greg Paramor	5,674,002	74,655	-	5,748,657
Laura Fanning	-	-	-	-
Cameron Taylor	429,362	-	(429,362) <sup>1</sup>	-
<b>Total</b>	<b>7,289,861</b>	<b>92,338</b>	<b>(429,362)</b>	<b>6,952,837</b>

1. Mr Taylor's shareholdings were removed as a result of his resignation in July 2023 when he ceased to be KMP.

(iv) Loans given to KMP

There were no loans given to any KMP during the year.

(v) Other transactions with KMP

A director, Mr Greg Paramor is a director and shareholder of Leftfield Investments Pty Ltd (Leftfield). During the year, the Group entered into an Authorised Representative Agreement with Leftfield. The fee payable to Leftfield by the Group is \$60,000 per annum. Leftfield is also the trustee of the Eureka Villages WA Fund, in which the Group has a 31.61% interest at 30 June 2024 (30 June 2023: nil). Leftfield is entitled to trustee fees of \$30,000 per annum from the Fund, which comprises two stapled trusts. The agreement was based on normal commercial terms and conditions.

(vi) Reliance on external remuneration consultants

The Group utilised the services of remuneration consultants during the year at a total cost of \$7,600 (2023: \$nil).

(vii) Voting of shareholders at last year's annual general meeting

Eureka Group Holdings Limited received 99.98% of "yes" votes on its remuneration report for the 2023 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

**END OF REMUNERATION REPORT**



# Directors' report

## Shares under option and share rights

There were 712,706 share rights on issue as at the date of this report.

## Insurance of officers and indemnities

### (a) Insurance of officers

During or since the end of the financial year, the Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the year, the Group paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### (b) Indemnity of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the year.

## Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

## Audit and non-audit services

Details of the amounts paid or payable to the auditor (Ernst and Young Australia) for audit and non-audit services during the year are disclosed in note 18 Remuneration of auditors.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The board of directors, in accordance with advice provided by the audit committee, reviews the provision of non-audit services to ensure they are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Ernst & Young did not provide any non-audit services during the current or prior years.

## 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 21.

## Officers of the Company who are former partners of Ernst & Young

No officers of the Company were partners of Ernst & Young at the time it undertook the audit of the Company.

## Rounding of amounts ASIC2016/191

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

## Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors pursuant to section 298(2)(a) of the *Corporations Act 2001*.



**Murray Boyte**  
Executive Chair

Brisbane  
28 August 2024

# Auditor's independence declaration



**Building a better  
working world**

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## Auditor's Independence Declaration to the Directors of Eureka Group Holdings Limited

As lead auditor for the audit of the financial report of Eureka Group Holdings Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b) no contraventions of any applicable code of professional conduct in relation to the audit; and
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Eureka Group Holdings Limited and the entities it controlled during the financial year.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink that reads 'Wade Hansen' in a cursive script.

Wade Hansen  
Partner  
Brisbane  
28 August 2024

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation

# Consolidated financial report

30 June 2024

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# Consolidated statement of comprehensive income

for the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Rental income		29,311	24,795
Catering income	3(a)	6,043	5,533
Service and caretaking fees	3(a)	5,787	6,092
<b>Total revenue</b>		<b>41,141</b>	<b>36,420</b>
Finance income		17	19
Other income	4(a)	196	125
<b>Total revenue and other income</b>		<b>41,354</b>	<b>36,564</b>
Village operating expenses	4(b)	(18,972)	(17,441)
Employee expenses		(6,525)	(5,617)
Finance costs	4(c)	(5,114)	(3,720)
Marketing expenses		(96)	(386)
Depreciation and amortisation expense	4(b)	(695)	(846)
Other expenses		(5,704)	(3,198)
<b>Total operating expenses</b>		<b>(37,106)</b>	<b>(31,208)</b>
Share of net profit of equity accounted investments	12(b)	2,605	4,246
Net gain on change in the fair value of:			
Investment property	7(c)	12,978	22,051
Impairment of:			
Financial assets		-	(146)
Other assets		(564)	(1,756)
<b>Profit before tax</b>		<b>19,267</b>	<b>29,751</b>
Income tax expense	5	(6,060)	(10,593)
<b>Profit after tax</b>		<b>13,207</b>	<b>19,158</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
(Losses)/gains in the fair value of cash flow hedges	8(c)	(265)	535
Share of other comprehensive (expense) of equity accounted investment		(2)	-
Income tax benefit/(expense)	8(c)	81	(161)
<b>Other comprehensive (expense)/income for the period, net of tax</b>		<b>(186)</b>	<b>374</b>
<b>Total comprehensive income for the period</b>		<b>13,021</b>	<b>19,532</b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share attributable to ordinary equity holders of the Company:</b>			
Basic earnings per share	19(a)	4.37	6.97
Diluted earnings per share	19(a)	4.36	6.95

# Consolidated statement of financial position

At 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9(a)	2,257	1,815
Trade and other receivables	6(a)	741	499
Other financial assets at amortised cost	6(b)	37	-
Derivative financial instruments	11(d)	56	-
Other current assets	7(g)	1,364	991
		<b>4,455</b>	<b>3,305</b>
Non-current assets classified as held for sale	7(d)	10,492	-
<b>Total current assets</b>		<b>14,947</b>	<b>3,305</b>
<b>Non-current assets</b>			
Investment properties	7(c)	231,391	213,072
Investments accounted for using the equity method	12(b)	20,219	10,934
Intangible assets	7(e)	7,505	8,452
Derivative financial instruments	11(d)	214	535
Property, plant and equipment	7(a)	75	348
Right-of-use assets	7(b)	540	766
Other financial assets at amortised cost	6(b)	339	-
<b>Total non-current assets</b>		<b>260,283</b>	<b>234,107</b>
<b>Total assets</b>	2(b)	<b>275,230</b>	<b>237,412</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6(c)	5,899	5,936
Lease liabilities	7(b)	188	248
Employee benefit obligations	7(h)	1,088	946
<b>Total current liabilities</b>		<b>7,175</b>	<b>7,130</b>
<b>Non-current liabilities</b>			
Trade and other payables	6(c)	161	161
Borrowings	6(d)	91,223	69,579
Lease liabilities	7(b)	435	606
Deferred tax liabilities	7(f)	21,931	15,949
Employee benefit obligations	7(h)	54	21
Provisions		10	10
<b>Total non-current liabilities</b>		<b>113,814</b>	<b>86,326</b>
<b>Total liabilities</b>	2(c)	<b>120,989</b>	<b>93,456</b>
<b>Net assets</b>		<b>154,241</b>	<b>143,956</b>
<b>EQUITY</b>			
Share capital	8(a)	128,775	127,378
Reserves	8(c)	245	434
Retained earnings	8(d)	25,221	16,144
<b>Total equity</b>		<b>154,241</b>	<b>143,956</b>

# Consolidated statement of changes in equity

for the year ended 30 June 2024

		Attributable to owners of Eureka Group Holdings Limited			
	Note	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2022</b>		98,422	115	496	99,033
Profit after tax		-	-	19,158	19,158
Other comprehensive income, net of tax		8(c)	374	-	374
<b>Total comprehensive income</b>		-	374	19,158	19,532
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity		8(a)	30,152	-	30,152
Transaction costs - contributions of equity (net of tax)			(1,196)	-	(1,196)
Issues of shares to employees		8(c)	-	(120)	(120)
Share-based payments		8(c)	-	65	65
Dividends paid		8(b)	-	(3,510)	(3,510)
			28,956	(55)	25,391
<b>Balance at 30 June 2023</b>		127,378	434	16,144	143,956
Profit after tax			-	13,207	13,207
Other comprehensive expense, net of tax		8(c)	(186)	-	(186)
<b>Total comprehensive income/(expense)</b>			(186)	13,207	13,021
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity		8(a)	1,397	-	1,397
Transaction costs - contributions of equity (net of tax)			-	-	-
Share-based payments		8(c)	-	(3)	(3)
Dividends paid		8(b)	-	(4,130)	(4,130)
			1,397	(3)	(2,736)
<b>Balance at 30 June 2024</b>		128,775	245	25,221	154,241



# Consolidated statement of cash flows

for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		40,813	36,964
Payments to suppliers and employees		(30,084)	(25,777)
Distributions received		2,140	508
Insurance proceeds	4(a)	-	29
Interest received		13	11
Interest paid		(4,747)	(3,029)
<b>Net cash inflow from operating activities</b>	9(b)	<b>8,135</b>	<b>8,706</b>
<b>Cash flows from investing activities</b>			
Payments for investment property		(16,970)	(32,465)
Payments for investments in associates		(9,000)	-
Payments for property, plant and equipment		(42)	(31)
Payments for intangible assets		-	(749)
Payments for other assets		(171)	(65)
Payments to sell property assets		-	(10)
Proceeds from sale of property, plant and equipment		450	-
Proceeds from sale of investment properties		-	35
Proceeds from sale of intangible assets		-	330
Loan advanced to third party		(382)	-
Repayment of loans by third party		46	91
<b>Net cash (outflow) from investing activities</b>		<b>(26,069)</b>	<b>(32,864)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		42,887	34,989
Repayment of borrowings		(21,280)	(35,340)
Proceeds from issues of shares and other equity securities		-	29,126
Payments for share issue transactions		-	(1,711)
Dividends paid		(2,732)	(2,602)
Principal elements of lease payments		(346)	(276)
Payment of transaction costs related to borrowings		(153)	(50)
<b>Net cash inflow from financing activities</b>		<b>18,376</b>	<b>24,136</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>442</b>	<b>(22)</b>
Cash and cash equivalents at the beginning of the financial year		1,815	1,837
<b>Cash and cash equivalents at end of year</b>	9(a)	<b>2,257</b>	<b>1,815</b>

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# Notes to the consolidated financial statements

## 1. Introduction

These financial statements are consolidated financial statements for the Group consisting of Eureka Group Holdings Limited and its subsidiaries. A list of subsidiaries is included in note 12.

The financial statements are presented in the Australian currency which is Eureka Group Holdings Limited's functional and presentation currency.

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

Eureka Group Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Eureka Group Holdings Limited  
Level 5, 120 Edward Street  
Brisbane QLD 4000

The financial statements were authorised for issue by the directors on 28 August 2024.

All ASX announcements, financial reports and other information are available on the website: [www.eurekagroupholdings.com.au](http://www.eurekagroupholdings.com.au).



# How numbers are calculated

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

(a) material accounting policy information that is relevant for an understanding of the items recognised in the financial statements. These cover situations where the Accounting Standards either allow a choice or do not deal with a particular type of transaction

(b) analysis and subtotals, including segment information, and

(c) information about estimates and judgements made in relation to particular items.

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## 2. Segment information

### 2. Segment information

#### (a) Description of segments and principal activities

The Group's Board of directors examines the Group's performance from an ownership and management perspective and has identified two reportable segments of its business:

##### *(i) Rental villages*

Rental villages relate to the ownership of seniors' rental villages.

##### *(ii) Property management*

Property management relates to the management of seniors' independent living communities.

The operating segments have been identified based upon reports reviewed by the Board of Directors, who are identified as the chief operating decision makers and are responsible for assessing performance and determining the allocation of resources. There is no aggregation of operating segments, and the Board of Directors views each segment's performance based on profit after tax. The accounting policies adopted for internal reporting to the chief operating decision makers are consistent with those adopted in the financial statements.

Segment information is prepared in conformity with the accounting policies of the Group per note 21 and Australian Accounting Standards.

Balances have been allocated to segments as follows:

- Rental villages include equity accounted investments
- Property management includes management rights, and
- Unallocated includes support office costs, corporate overheads, cash and support office right of use assets. Segment liabilities include a deferred tax asset which is netted off against deferred tax liabilities in the Group balance sheet.

Cash flows are not measured or reported by segment.

## 2. Segment information

	Rental villages		Property management		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	35,220	30,828	5,921	5,592	-	-	41,141	36,420
Finance income	-	-	-	-	17	19	17	19
Other income	-	56	180	69	16	-	196	125
<b>Total revenue and other income</b>	<b>35,220</b>	<b>30,884</b>	<b>6,101</b>	<b>5,661</b>	<b>33</b>	<b>19</b>	<b>41,354</b>	<b>36,564</b>
Village operating expenses	(15,678)	(14,224)	(3,294)	(3,217)	-	-	(18,972)	(17,441)
Employee benefits expense	-	-	-	-	(6,525)	(5,617)	(6,525)	(5,617)
Finance costs	(4,951)	(3,551)	(144)	(144)	(19)	(25)	(5,114)	(3,720)
Marketing expenses	-	-	-	-	(96)	(386)	(96)	(386)
Depreciation and amortisation expense	(8)	(16)	(370)	(540)	(317)	(290)	(695)	(846)
Other expenses	(54)	-	(4)	(67)	(5,646)	(3,517)	(5,704)	(3,198)
<b>Total operating expenses</b>	<b>(20,690)</b>	<b>(17,791)</b>	<b>(3,812)</b>	<b>(3,968)</b>	<b>(12,603)</b>	<b>(9,835)</b>	<b>(37,106)</b>	<b>(31,208)</b>
Share of net profit of equity accounted investments	2,605	4,246	-	-	-	-	2,605	4,246
Net gain on change in the value of:								
Financial assets	12,978	22,051	-	-	-	-	12,978	22,051
Impairment of:								
Financial assets	-	-	-	-	-	(146)	-	(146)
Other assets	-	-	-	-	(564)	(1,756)	(564)	(1,756)
<b>Profit/(loss) before tax</b>	<b>30,112</b>	<b>39,390</b>	<b>2,289</b>	<b>1,692</b>	<b>(13,134)</b>	<b>(11,332)</b>	<b>19,267</b>	<b>29,751</b>
Income tax (expense)/benefit	(9,144)	(13,976)	(807)	(523)	3,891	3,906	(6,060)	(10,593)
<b>Profit/(loss) after tax</b>	<b>20,968</b>	<b>25,414</b>	<b>1,482</b>	<b>1,169</b>	<b>(9,243)</b>	<b>(7,425)</b>	<b>13,207</b>	<b>19,158</b>
<b>Non-cash and other significant items included in profit</b>								
Amortisation of borrowing costs	(100)	(53)	-	-	-	-	(100)	(53)
<b>Segment acquisitions</b>	<b>15,790</b>	<b>31,141</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,790</b>	<b>31,141</b>
Acquisition and subsequent expenditure of investment property	-	-	-	-	42	34	42	34
Acquisition of property, plant and equipment	-	-	-	-	-	-	-	-
Acquisition of intangible assets	-	-	-	916	-	-	-	916

## 2. Segment information

### (b) Segment assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset (which is all in Australia).

	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Rental villages	<b>263,491</b>	224,703
Property management	<b>7,801</b>	8,960
Unallocated	<b>3,938</b>	3,749
<b>Total assets as per the statement of financial position</b>	<b>275,230</b>	237,412

### (c) Segment liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

Other includes a deferred tax asset which is netted off against deferred tax liabilities in the Group statement of financial position

	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Rental villages	<b>91,964</b>	72,271
Property management	<b>3,670</b>	3,426
Unallocated	<b>25,356</b>	17,759
<b>Total liabilities as per the statement of financial position</b>	<b>120,990</b>	93,456



## 3. Revenue from contracts with customers

### 3. Revenue from contracts with customers

#### (a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time and services over time in the following revenue streams in Australia:

	Rental villages		Property management		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Segment revenue</i>						
Catering services	3,707	3,570	2,336	1,963	6,043	5,533
Service and caretaking fees	2,202	2,463	3,585	3,629	5,787	6,092
<b>Revenue from external customers</b>	<b>5,909</b>	<b>6,033</b>	<b>5,921</b>	<b>5,592</b>	<b>11,830</b>	<b>11,625</b>
<b>Timing of revenue recognition</b>						
At a point in time	3,707	3,570	2,336	1,963	6,043	5,533
Over time	2,202	2,463	3,585	3,629	5,787	6,092
	<b>5,909</b>	<b>6,033</b>	<b>5,921</b>	<b>5,592</b>	<b>11,830</b>	<b>11,625</b>

Revenue from external customers come from the provision of seniors' rental accommodation services. The Group does not derive any revenue from any single external customer which is greater than 10% of total revenue.

## 4. Other income and expense items

### 4. Other income and expense items

This note provides a breakdown of the items included in other income, and an analysis of expenses by nature. Information about specific profit and loss items (such as gains and losses in relation to financial instruments) is disclosed in the related balance sheet notes.

#### (a) Other income

	2024	2023
	\$'000	\$'000
Insurance proceeds	-	28
Gain on sale of assets	180	13
Other	16	84
	<b>196</b>	<b>125</b>

#### (b) Breakdown of expenses by nature

	2024	2023
Note	\$'000	\$'000
Village operating expenses		
Staff and village manager expenses	8,769	8,701
Catering expenses	3,689	2,889
Other village expenses	6,514	5,851
	<b>18,972</b>	<b>17,441</b>
	2	
Depreciation	383	381
Amortisation	312	465
	<b>695</b>	<b>846</b>
	2	

#### (c) Finance income and costs

	2024	2023
Note	\$'000	\$'000
<i>Finance income</i>		
Interest from financial assets	17	19
<i>Finance costs</i>		
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	(5,094)	(3,693)
Interest and finance charges paid/payable for lease liabilities	(20)	(27)
	7(b)	
<b>Finance costs expensed</b>	<b>(5,114)</b>	<b>(3,720)</b>
<b>Net finance costs</b>	<b>(5,097)</b>	<b>(3,701)</b>

## 5. Income tax expense

### 5. Income tax expense

This note provides an analysis of the Group's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

#### (a) Income tax expense

	2024	2023
	\$'000	\$'000
Current income tax	-	-
Deferred income tax	6,060	10,593
<b>Income tax expense reported in the statement of profit or loss</b>	<b>6,060</b>	<b>10,593</b>

#### (b) Numerical reconciliation of income tax expense to prima facie tax payable

	2024	2023
	\$'000	\$'000
Profit before tax	19,267	29,751
Tax at the Australian tax rate of 25% (2023: 25%)	4,817	7,438
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Permanent differences	11	30
Capital loss not recognised	-	32
Deferred tax assets not recognised	219	396
Recognition of deferred tax assets not previously recognised	-	(21)
Tax effect of recognising deferred tax balances at 30% tax rate	1,013	2,718
<b>Income tax expense</b>	<b>6,060</b>	<b>10,593</b>

#### (c) Movement in deferred tax balances charged/(credited)

	2024	2023
	\$'000	\$'000
In profit or loss	6,060	10,593
Directly in equity – transaction costs	-	(514)
In other comprehensive income	(81)	161
Acquisition of investment property	-	(4)
<b>Total deferred tax recognised</b>	<b>5,979</b>	<b>10,236</b>

## 6. Financial assets and financial liabilities

### 6. Financial assets and financial liabilities

This note provides information about the Group's financial instruments, including:

- an overview of all financial instruments held by the Group
- specific information about each type of financial instrument
- accounting policy information, and
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved (note 6(e)).

The Group holds the following financial instruments:

<b>Financial assets</b>	Note	<b>2024</b>	2023
		<b>\$'000</b>	\$'000
<b>Financial assets at amortised cost</b>			
Trade and other receivables	6(a)	741	499
Other financial assets	6(b)	376	-
Cash and cash equivalents	9(a)	2,257	1,815
<b>Derivative financial instruments</b>			
Used for hedging	11(d)	270	535
		<b>3,644</b>	2,849
<b>Financial liabilities</b>			
	Note	<b>2024</b>	2023
		<b>\$'000</b>	\$'000
<b>Liabilities at amortised cost</b>			
Trade and other payables	6(c)	6,060	6,097
Borrowings	6(d)	91,223	69,579
<b>Lease liabilities</b>			
	7(b)	623	854
		<b>97,906</b>	76,530



## 6. Financial assets and financial liabilities

### (a) Trade and other receivables

	2024 \$'000	2023 \$'000
<b>Current</b>		
Trade receivables from contracts with customers	198	246
Loss allowance	(15)	(33)
	<b>183</b>	213
Other receivables	558	286
	<b>741</b>	499

#### (i) Classification as trade receivables

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

Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 11(a).

#### (ii) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is the same as their fair value.

#### (iii) Impairment and risk exposure

Information about the impairment of trade receivables and the Group's exposure to credit risk can be found in note 11(a).

#### (iv) Other receivables

This includes distributions receivable from the Group's equity accounted investments.

### (b) Other financial assets at amortised cost

#### (i) Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest. See note 21(o) for the remaining relevant accounting policies.

	2024 \$'000	2023 \$'000
<b>Current</b>		
Vendor finance	37	-
	<b>37</b>	-
<b>Non-current</b>		
Vendor finance	339	-
West Cabin loan	-	-
	<b>339</b>	-

## 6. Financial assets and financial liabilities

### Terms and conditions of loans

#### Vendor finance

During the year, the Company entered into an 8-year loan agreement with the body corporate of its managed village in Caboolture, Qld for \$0.38 million, being the balance of the purchase price for the community centre at the village. The loan is unsecured. Interest is payable under the loan agreement at commercial rates.

#### West Cabin Loan

The West Cabin Loan is a secured loan to CCH Developments No 1 Pty Ltd (CCH) in its personal capacity and as trustee of the CCH Developments No 1 Trust. The amount owed of \$0.12 million (2023: \$0.15 million), is secured by a real property mortgage over two existing cabins owned by CCH at Couran Cove, Qld and is guaranteed by Onterran Ltd and Mr Lachlan McIntosh in his personal capacity. Mr McIntosh was a director of Eureka until 31 December 2019, is a director of Onterran Ltd and is a director of CCH. Recourse against CCH in respect of the loan is limited to the two existing cabins. Interest accrues on this loan.

The Group received repayments of \$0.04 million (2023: \$0.09 million) during the year. Despite the validity and enforceability of the security held by Eureka, the Group recorded an impairment expense of \$0.15 million during the prior year due to commercial considerations related to land holdings at Couran Cove.

Eureka has reserved its rights under the loan agreement and the security.

#### (ii) Impairment and risk exposure

Information about the impairment of loans to third parties and the Group's exposure to credit risk can be found in note 11(a).

### (c) Trade and other payables

	2024	2023
	\$'000	\$'000
<b>Current liabilities</b>		
Trade payables	964	1,820
Payroll accruals and other statutory liabilities	948	803
Unearned income	380	666
Accrued interest	1,230	854
Capital replacement fund liability	14	27
Other payables and accruals	2,363	1,766
	<b>5,899</b>	5,936
<b>Non-current liabilities</b>		
Capital replacement fund liability	161	161
	<b>161</b>	161
<b>Total</b>	<b>6,060</b>	6,097

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

## 6. Financial assets and financial liabilities

### (d) Borrowings

#### Financing arrangements

The Group's borrowing facilities were as follows:

	Note	2024 \$'000	2023 \$'000
<b>Secured</b>			
Bank loans (i)	11(b)	91,331	69,724
<b>Total secured borrowings</b>		<b>91,331</b>	<b>69,724</b>
Borrowing costs		(108)	(145)
		<b>91,223</b>	<b>69,579</b>
<b>Non-current</b>			
		<b>91,223</b>	<b>69,579</b>

The Group has access to bank facilities with the following terms:

	2024	2023
Total facility limit (\$'000)	101,000	83,000
Undrawn amount (\$'000)	9,669	13,276
Facility amount (\$'000)	96,000	83,000
Facility expiry date	31 Mar 2026	31 Mar 2026
Facility amount (\$'000)	5,000	-
Bank guarantee facility (\$'000)	350	350
Facility expiry date	31 Oct 2025	31 Oct 2025
Hedged amount (\$'000)	50,000	50,000
Weighted average interest rate (including margin) (%)	6.13	5.96
Weighted average term to hedge expiry (years)	1.15	2.15

#### (i) Facility limit increase

During the year, the Group's National Australia Bank (NAB) facilities increased to \$101.00 million (2023: \$83.00 million) to fund the \$9.00 million investment in the Eureka Villages WA Fund and working capital requirements. Under the terms of its NAB debt facility, Eureka can deposit and withdraw funds in accordance with its working capital needs, subject to satisfaction of the bank covenants. The bank loan facility has sufficient undrawn funds to enable payments to be made as and when they fall due.

#### (ii) Assets pledged as security

Of the bank loans, 100% is secured by a first priority general security over all present and future acquired property and specified management letting rights. At 30 June 2024, property assets and management letting rights, with a carrying value of \$246.9 million (2023: \$218.9 million), have been pledged by the Group.

#### (iii) Compliance with loan covenants

The Group has complied with the financial covenants of its bank loans during both financial years presented.

#### (iv) Fair value

The fair values of the borrowings are not materially different from their carrying amounts, since either the:

- interest payable on those borrowings is either close to current market rates, or
- borrowings are of a short-term nature.

#### (v) Risk exposures

Details of the Group's exposure to risks arising from non-current borrowings are set out in note 11(c).

## 6. Financial assets and financial liabilities

### (e) Recognised fair value measurements

#### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements		Level 1	Level 2	Level 3	Total
At 30 June 2024	Note	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Hedging derivatives – interest rate swaps	11(d)	-	270	-	270
<b>Total financial assets</b>		-	270	-	270

Recurring fair value measurements		Level 1	Level 2	Level 3	Total
At 30 June 2023		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Hedging derivatives – interest rate swaps	11(d)	-	535	-	535
<b>Total financial assets</b>		-	535	-	535

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2024.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. The quoted market price incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for interest rate swaps – the present value of the estimated future cash flows based on observable yield curves, and
- for other financial instruments – discounted cash flow analysis.

The Group did not change any valuation techniques in determining the level 2 fair values during the period.

#### (iv) Transfers between levels and changes in valuation techniques

There were no transfers between the levels of the fair value hierarchy during the year. There were also no changes made to any of the valuation techniques applied during the year.



## 7. Non-financial assets and financial liabilities

### 7. Non-financial assets and financial liabilities

This note provides information about the Group's non-financial assets and liabilities, including:

- specific information about each type of non-financial asset and non-financial liability
  - plant and equipment (note 7(a))
  - leases (note 7(b))
  - investment properties (note 7(c))
  - assets held for sale (note 7(d))
  - intangible assets (note 7(e))
  - deferred tax balances (note 7(f))
  - other assets (note 7(g))
  - employee benefit obligations (note 7(h))
- accounting policy information
- information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved (note 7(i)).

#### (a) Property, plant and equipment

	Buildings	Plant and equipment	Motor vehicles	Total
Non-current assets	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2023</b>				
Cost	398	316	36	750
Accumulated depreciation	(183)	(186)	(33)	(402)
<b>Net carrying value</b>	<b>215</b>	<b>130</b>	<b>3</b>	<b>348</b>
Opening net carrying value	355	158	10	523
Additions	-	34	-	34
Reclassifications	(125)	(10)	-	(135)
Disposals	-	(2)	-	(2)
Depreciation charge	(15)	(50)	(7)	(72)
<b>Closing net carrying value</b>	<b>215</b>	<b>130</b>	<b>3</b>	<b>348</b>
<b>Year ended 30 June 2024</b>				
Cost	-	286	36	322
Accumulated depreciation	-	(211)	(36)	(247)
<b>Net carrying value</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>75</b>
Opening net carrying value	215	130	3	348
Additions	-	42	-	42
Reclassifications	-	(2)	-	(2)
Disposals	(208)	(44)	-	(252)
Depreciation charge	(7)	(51)	(3)	(61)
<b>Closing net carrying value</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>75</b>

## 7. Non-financial assets and financial liabilities

### (b) Leases

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

#### (i) Amounts recognised in the statement of financial position

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

	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
<b>Right-of-use-assets</b>		
Premises	534	758
Equipment	6	8
	<b>540</b>	766
<b>Lease liabilities</b>		
Current	188	248
Non-current	435	606
	<b>623</b>	854

Additions to the right-of-use assets during the 2024 financial year were \$99,000 (2023: \$9,000).

#### (ii) Amounts recognised in the statement of profit or loss

	Note	<b>2024</b>	2023
		<b>\$'000</b>	\$'000
<b>Depreciation charge of right-of-use-assets</b>			
Premises		(316)	(306)
Equipment		(2)	(3)
		<b>(318)</b>	(309)
Interest expense (included in finance costs)	4(c)	(20)	(27)
Expense relating to short-term leases (included in other expenses)		(9)	(10)

The total cash outflow for leases during the year was \$366,000 (2023: \$303,000).

## 7. Non-financial assets and financial liabilities

### (c) Investment properties

	Note	2024 \$'000	2023 \$'000
<b>Non-current assets – at fair value</b>			
Opening balance at 1 July		213,072	159,660
Acquisitions <sup>1</sup>		2,845	23,400
Development costs <sup>2</sup>		9,471	4,171
Capitalised subsequent expenditure <sup>3</sup>		3,474	3,569
Disposals		-	(81)
Net gain from fair value adjustment	2	12,978	22,051
Transfer from intangibles – management rights		43	167
Transfer from property, plant and equipment		-	135
Transfer to assets held for sale	7(d)	(10,492)	-
<b>Closing balance at 30 June</b>		<b>231,391</b>	<b>213,072</b>

1 Acquisitions during the year include land in Gladstone, Qld and units across various strata-titled villages. Prior year acquisitions include a village in Horsham, Vic, Tamworth, NSW and Eagleby, Qld along with units across various strata-titled villages.

2 The Group spent \$9.47 million (2023: \$4.17 million) on village developments including \$8.72 million (2023: \$3.65 million) for the 51-unit Brassall, Qld expansion and \$0.72 million (2023: \$0.43 million) planning for the proposed 124-unit Kingaroy greenfield development.

3 A further \$3.47 million (2023: \$3.57 million) was spent on enhancing its owned villages through capital improvements including expenditure on community room upgrades and unit refurbishments.

#### (i) Amounts recognised in profit or loss for investment properties

	Note	2024 \$'000	2023 \$'000
Rental income		29,311	24,795
Catering income	3	3,707	3,570
Direct operating expenses generating rental and catering income		(15,678)	(14,224)
Fair value gain recognised in profit or loss	2	12,978	22,051

#### (ii) Measuring investment property at fair value

Investment properties consist of 28 rental village assets (2023: 28) along with manager's units and individual rental units in managed villages. It also includes land for development in Kingaroy, Qld and Gladstone, Qld and land in Lismore, NSW. The Group considers investment properties reside in one class of asset, being seniors' rental villages. They are carried at fair value. Changes in fair values are presented in profit or loss.

#### (iii) Presenting cash flows

The Group classifies cash outflows to acquire or develop investment property as investing and rental inflows as operating cash flows.

## 7. Non-financial assets and financial liabilities

### (iv) Significant judgements

#### **Measurement**

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The best evidence of fair value is current selling prices in an active market for similar investment properties. Where such information is not available, the Group determines a property's value within a range of reasonable fair value estimates. In making its judgment, the Group considers information from a variety of sources including:

1. Valuations undertaken by accredited external independent valuers
2. Acquisition price paid for the property
3. Recent prices of similar properties with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, and
4. Capitalised income projections based upon a property's estimated maintainable earnings and capitalisation rate.

#### **Classification**

The Group classifies property as investment property when it meets the following key criteria:

1. The property is held by the Group to generate long term investment growth and ongoing rental returns, and
2. Ancillary services are insignificant to the arrangement as a whole.

The returns from the Group's investment property include rental income and income from provision of ancillary services, including food services to residents. Judgement is required as to whether the ancillary services are significant. Management has determined that the ancillary services are not significant by assessing qualitative factors, which include both operational and legislative considerations, and quantitative factors, which includes comparing the:

1. Value of the ancillary services to the total income generated from the property, and
2. Profit generated from ancillary services to the total profit generated from the property.

Properties that do not meet these criteria are classified as property, plant and equipment.

### (v) Significant estimate – fair value of investment property

Information about the valuation of investment properties is provided in note 7(i) below.



## 7. Non-financial assets and financial liabilities

Details of carrying value of investment properties by state are as follows:

	2024 \$'000	2023 \$'000
<b>Queensland</b>		
Ayr Village	2,820	2,300
Bowen Village	5,581	5,526
Brassall Village	22,350	11,479
Bundaberg Avenell Village	7,950	6,200
Bundaberg Liberty Village	24,260	22,050
Bundamba Village (20 Lots)	2,462	1,714
Cairns Earville Village	8,930	10,000
Cairns Smithfield Village	6,400	5,900
Eagleby Village (58 Lots)	7,546	6,882
Gladstone Village (14 Lots)	1,991	1,427
Gladstone development	1,245	-
Gympie Village	5,340	5,050
Hervey Bay Village	6,500	6,000
Kingaroy development	2,156	1,433
Mackay Village	13,530	12,300
Margate Village	8,492	8,300
Rockhampton Village 1	6,717	6,550
Rockhampton Village 2	6,709	6,300
Southport Village	5,640	5,359
Wynnum Village	12,800	11,950
Managers' units in managed villages	1,662	1,813
	<b>161,081</b>	<b>138,533</b>
<b>NSW</b>		
Albury Village	7,150	6,500
Broken Hill Village	4,710	4,059
Orange Village	8,250	7,200
Tamworth Village	7,830	7,175
Managers' units in managed villages	635	609
	<b>28,575</b>	<b>25,543</b>
<b>Victoria</b>		
Horsham Village	5,525	5,447
Mildura Village	6,500	5,350
Shepparton Village	6,974	6,800
	<b>18,999</b>	<b>17,597</b>
<b>South Australia</b>		
Elizabeth Vale Scenic Village 1	9,310	7,900
Elizabeth Vale Scenic Village 2	6,270	5,500
Mt Gambier Village	-	5,900
Salisbury Village	6,253	6,012
Whyalla Village	-	5,196
Managers' units in managed villages	903	891
	<b>22,736</b>	<b>31,399</b>
	<b>231,391</b>	<b>213,072</b>

## 7. Non-financial assets and financial liabilities

### (d) Assets held for sale

#### (a) Description

The Group has determined it will sell the Mount Gambier and Whyalla villages and has initiated an active program to locate a buyer. Disposal is expected in the first half of the next financial year. The assets were consequently presented as non-current assets held for sale in this financial report.

The assets will continue to be measured at fair value until disposal. The carrying values reflect the sale price.

The non-current asset is presented under the Rental villages operating segment in accordance with AASB 8 *Operating Segments*.

#### (b) Assets classified as held for sale

The following assets were reclassified as held for sale at balance date (2023: \$nil):

	Mt Gambier	Whyalla	Total
	\$'000	\$'000	\$'000
<b>Assets classified as held for sale</b>			
Investment properties	5,051	5,441	10,492
<b>Total assets held for sale</b>	<b>5,051</b>	<b>5,441</b>	<b>10,492</b>

### (e) Intangible assets

	Goodwill	Management rights	Rent rolls	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
<b>Year ended 30 June 2023</b>					
Cost	1,955	8,820	140	33	10,948
Accumulated amortisation and impairment	-	(2,413)	(59)	(24)	(2,496)
<b>Net carrying value</b>	<b>1,955</b>	<b>6,407</b>	<b>81</b>	<b>9</b>	<b>8,452</b>
Opening net carrying value	1,955	6,429	84	3	8,471
Additions	-	908	-	8	916
Disposals	-	(303)	-	-	(303)
Transfers to investment property	-	(167)	-	-	(167)
Amortisation charge	-	(460)	(3)	(2)	(465)
<b>Closing net carrying value</b>	<b>1,955</b>	<b>6,407</b>	<b>81</b>	<b>9</b>	<b>8,452</b>
<b>Year ended 30 June 2024</b>					
Cost	1,955	8,200	140	33	10,328
Accumulated amortisation and impairment		(2,734)	(63)	(26)	(2,823)
<b>Closing net carrying value</b>	<b>1,955</b>	<b>5,466</b>	<b>77</b>	<b>7</b>	<b>7,505</b>
Opening net carrying value	1,955	6,407	81	9	8,452
Impairment charge	-	(591)	-	-	(591)
Transfers to investment property	-	(44)	-	-	(44)
Amortisation charge	-	(306)	(4)	(2)	(312)
<b>Closing net carrying value</b>	<b>1,955</b>	<b>5,466</b>	<b>77</b>	<b>7</b>	<b>7,505</b>

The Group's business activities include the ownership and management (through management letting rights agreements) of seniors' rental accommodation throughout Australia. The intangible assets were separately classified in accordance with accounting standards following asset acquisitions.

## 7. Non-financial assets and financial liabilities

### (i) Amortisation methods and useful lives

The remaining amortisation period for the management rights, on a weighted average basis, is 35 years (30 June 2023: 36 years).

See note 21(l) for the other accounting policies relevant to intangible assets and note 21(m) for the Group's policy regarding impairments.

#### Significant estimates

##### Amortisation of management rights

Management rights are amortised over their estimated useful life. If the contractual or other legal rights of the management rights can be renewed, the useful life of the intangible asset includes the renewal period if there is evidence to support renewal by the entity without significant cost. Otherwise, the management rights are amortised over the life of the contract.

For strata-titled villages (where units are individually owned by third parties) where management rights are attached, the Group generally amortises its management rights over a period of 40 years (being the estimated useful life). The amortisation period used reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. In determining the useful life, the Group considers the expected usage of the assets, the legal rights over the asset and the renewal period of the management rights agreements. Where there is evidence to support renewal of the management rights, the amortisation period is 40 years, similar to the life of the property the management rights are attached to, otherwise the amortisation period is the term of the management rights agreement.

For single-owner villages (where all units in the village are owned by a single third party) where management rights are attached, the management rights are amortised over the life of the contract. Eureka considers that it has materially less control over future contract renewals in single-owner villages than it does with the strata-titled villages primarily because it does not own or have any sort of tenure in respect of the managers unit and a single vote of the owner can result in Eureka's management rights contract not being renewed.

The amortisation period and the amortisation method for management rights are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate.

### (ii) Impairment tests for goodwill

Goodwill is monitored by the Board of directors at the level of the Property management segment identified in note 2(a).

A summary of the goodwill allocation by segment is presented below:

	2024	2023
	\$'000	\$'000
<b>Goodwill carrying amount</b>		
Property management	1,955	1,955

#### Significant estimate: key assumptions used for value-in-use calculations

The Group tests whether goodwill has suffered any impairment on an annual basis. For the current and prior reporting periods, the recoverable amount of the Property Management cash-generating unit (CGU) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections covering a five-year period comprising a one-year budget period and four-year forecast period. Cash flows are forecasted by management taking into account historical results and current expectations of future performance including renewal of existing management agreements but assume no additional villages will be managed. Cash flows beyond the five-year period is extrapolated using the estimated growth rates stated below. These growth rates are consistent with both historical trends and future forecasts projected.

The following table sets out the key assumptions for the Property Management CGU that has significant goodwill allocated to it:

	2024	2023
Annual growth rate (%)	2.0	2.0
Long-term growth rate (%)	2.0	2.0
Pre-tax discount rate (%)	15.0	15.0

## 7. Non-financial assets and financial liabilities

Management has determined the values assigned to each of the above key assumptions as follows:

<b>Assumption</b>	<b>Approach used to determine values</b>
<b>Annual growth rate</b>	Average annual growth rate over the five-year forecast period is based on past performance, FY25 budget and management's expectations of future changes in the market.
<b>Long-term growth rate</b>	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
<b>Pre-tax discount rates</b>	Reflect specific risks relating to the Property management segment and the jurisdictions in which it operates.

### **(iii) Significant estimate: impairment charge**

Based on the impairment testing performed, the results of the impairment testing of the Property Management CGU concluded that no impairment charge against goodwill is to be recognised at 30 June 2024.

### **(iv) Significant estimate: impairment if changes in key assumptions**

The Directors have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the Property Management CGU to exceed its recoverable amount that would cause impairment.

## 7. Non-financial assets and financial liabilities

### (f) Deferred tax balances

#### (i) Recognised in the statement of financial position

	2024 \$'000	2023 \$'000
<b>Deferred tax assets</b>		
Tax losses - revenue	8,257	8,125
	<b>8,257</b>	8,125
<b>Deferred tax liabilities</b>		
Investment properties, property, plant and equipment	(28,685)	(22,933)
Sundry net (assessable) and deductible differences	(1,503)	(1,141)
	<b>(30,188)</b>	(24,074)
<b>Net deferred tax liabilities</b>	<b>(21,931)</b>	(15,949)

#### Offsetting within tax consolidated Group

Eureka Group Holdings Limited and its wholly owned Australian subsidiaries have applied the tax consolidation legislation which means that these entities are taxed as a single entity. Consequently, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

#### (ii) Not recognised in the statement of financial position

	2024 \$'000	2023 \$'000
<b>Unrecognised deferred tax assets</b>		
Tax losses – capital	268	269
Non-deductible capital items	2,271	2,009
<b>Net unrecognised deferred tax assets</b>	<b>2,539</b>	2,278
<b>Reconciliation of unrecognised tax balances</b>		
Opening balance	2,278	1,491
Deferred tax assets not recognised / (recognised)	-	32
Movement attributable to non-deductible capital items	219	375
Tax effect of changing deferred tax balances to 30% tax rate at 30 June 2023	42	380
<b>Total movement</b>	<b>261</b>	787
<b>Closing balance</b>	<b>2,539</b>	2,278



## 7. Non-financial assets and financial liabilities

### Significant estimates and judgement

Recognised deferred tax assets include an amount of \$8.26 million (2023: \$8.13 million) which relates to Australian carried-forward revenue tax losses. Unrecognised deferred tax assets include carried-forward capital losses and temporary differences relating to non-deductible capital items.

#### *Recovery of deferred tax assets*

A deferred tax asset is only recognised if the Group considers it probable that future taxable profits will be available against which the Group can utilise benefits.

The tax losses and temporary differences do not expire under current tax legislation. Judgement is required in assessing the availability of income tax losses and satisfaction by the relevant Group entities of legislative requirements at each reporting date, including for certain years satisfaction of the “Business Continuity Test” as defined in section 165-210 of *the Income Tax Assessment Act 1997*.

The benefits of the Group’s recognised and unrecognised tax losses will only be realised if:

- the Group continues to meet the requirements of applicable tax laws to allow the losses to be carried forward and utilised, including for certain years satisfaction of the “Business Continuity Test” referred to above;
- the Group earns taxable income in future periods, and
- applicable tax laws are not changed, causing the losses to be unavailable.

#### *Measurement of deferred tax balances*

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The Group is currently a base rate entity and subject to a 25% tax rate. Judgment is required in assessing the tax rate that will apply with the temporary differences reverse. Deferred tax balances have been reported at a 30% tax rate at balance date.

## 7. Non-financial assets and financial liabilities

### (g) Other assets

	Note	2024 \$'000	2023 \$'000
<b>Current</b>			
Prepayments		1,195	802
Capital replacement funds		169	189
		<b>1,364</b>	<b>991</b>
<b>Non-current</b>			
Other	(i)	-	-
		-	-

#### (i) Other non-current assets include:

##### **Bartercard dollars**

Bartercard is an alternative currency and operates as a trade exchange. At balance date, the Bartercard carrying value was \$nil (30 June 2023: \$nil). The Group continues to hold Barter dollars with a face value of \$2.63 million (30 June 2023: \$2.63 million). Barter dollars spent or sold during the year was negligible (2023: \$0.03 million). In the prior year, Eureka recorded an impairment expense of \$1.76 million after a thorough assessment of the options for Eureka to realise the asset.

##### **Couran Cove loan**

The assessed fair value of the loan receivable is \$nil (2023: \$nil).

The carrying value of the loan receivable from CCH Developments No 1 Pty Ltd (with a face value of \$3.00 million), including land option, which gives the Group a first right of refusal to purchase 60 proposed cabin sites for \$50,000 per site at Couran Cove, Qld has been assessed based on a thorough review including independent assessment of the land held as security for the loan.

There has been no change to the Group's security arrangements, including a mortgage over the land. The loan expiry date was 31 August 2021. Eureka has reserved its rights in relation to the recovery of this loan. This loan is guaranteed by Onterran Ltd. No interest accrues on this loan.

Although the loan and land option give Eureka a right of first refusal to purchase the proposed cabin sites for \$50,000 per site, to be paid by way of set off against the loan on settlement, the Directors do not consider this to be the most viable means of realising the asset.

### (h) Employee benefit obligations

	2024 \$'000	2023 \$'000
Current	1,088	946
Non-current	54	21
	<b>1,142</b>	<b>967</b>

#### **Leave obligations**

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 21(r).

The current portion of this liability includes:

- all the accrued annual leave
- the unconditional entitlements to long service leave where employees have completed the required period of service, and
- for those employees who are entitled to pro-rata payments in certain circumstances.

## 7. Non-financial assets and financial liabilities

### (i) Recognised fair value measurements

#### (i) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level is provided in note 6(e).

At 30 June 2024	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Non-financial assets</b>					
Investment properties	7(c)	-	-	231,391	231,391
Assets held for sale – investment properties	7(d)	-	-	10,492	10,492
Other assets – loan including land option	7(g)	-	-	-	-
<b>Total non-financial assets</b>		-	-	241,883	241,883

At 30 June 2023		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Non-financial assets</b>					
Investment properties	7(c)	-	-	213,072	213,072
Other assets – loan including land option	7(g)	-	-	-	-
<b>Total non-financial assets</b>		-	-	213,072	213,072

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

#### (ii) Fair value measurements using significant unobservable inputs

Movements in level 3 asset items during the current and previous financial year are set out in Notes 7(c).

#### (iii) Transfers between levels and changes in valuation techniques

There were no transfers between the levels of the fair value hierarchy during the year. There were also no changes made to any of the valuation techniques applied during the year.

## 7. Non-financial assets and financial liabilities

### (iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements (see (ii) above for the valuation techniques adopted).

Description	Valuation technique	Significant unobservable inputs	Range (weighted average)		Relationship of unobservable input to fair value
			2024	2023	
Investment properties – rental villages	Capitalisation method <sup>1</sup>	Capitalisation rate	6.5% - 11.0% (8.17%) <sup>2,4, 5</sup>	6.5% - 11.0% (8.32%) <sup>2,4</sup>	Capitalisation rate has an inverse relationship to valuation.
		Stabilised occupancy	93%-99% (97.9%) <sup>3,4, 5</sup>	95%-99% (97.8%) <sup>3,4</sup>	Occupancy has a direct correlation to valuation (i.e. the higher the occupancy, the greater the value).
Investment properties – individual village units	Direct comparison approach	Comparable sales evidence	N/A	N/A	Comparable sales evidence has a direct relationship to valuation.
Other assets – loan including land option	External valuation	Comparable sales evidence	N/A	N/A	The external valuation of the secured land has a direct correlation to the loan's value.
		Costs to realise the loan	N/A	N/A	Costs of realisation have an indirect correlation to the loan's value (i.e. the lower they are, the greater the value).

- Significant changes in any of the significant unobservable valuation inputs under the capitalisation method would result in a significantly lower or higher fair value measurement.
- Excludes one apartment-style complex with a capitalisation rate of 6.25% (2023: 6.25%) and a village in which National Disability Insurance Scheme services revenue is earned with a capitalisation rate of 7.5% (2023: 7.5%).
- Excludes one short stay village with a stabilised occupancy rate of 73% (2023: 70%).
- The range excludes the Lismore property which is non-operational following a significant flood event during the 2022 year.
- Excludes two held for sale assets with a capitalisation rate of 9.5% (2023: 9.5%).

### Valuation techniques for fair value measurements categorised within level 2 and level 3

At the end of each reporting period, the directors update their assessment of the fair value of each investment property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.

Investment properties may be valued using two methods, the capitalisation method and direct comparison approach. Under the capitalisation method, fair value is estimated using assumptions regarding the expectation of future benefits. The capitalisation method involves estimating the expected future maintainable earnings of each village into perpetuity and applying a capitalisation rate. The capitalisation rate is based on current market evidence. Future earnings projections take into account occupancy rates, rental income and operating expenses.

Under the direct comparison approach, key inputs are the recent sales of comparable units in comparable villages. All resulting fair value estimates for properties are included in level 3.

#### Valuation processes

Independent valuations were obtained for eleven (11) investment property assets during the year in accordance with the Group's accounting policy and were used as the basis for determining their related fair values. Valuer selection criteria include market knowledge, experience and qualifications, reputation, independence and whether professional standards are maintained.

Where an independent valuation was not performed on an investment property at balance date, management has estimated the fair values by performing internal valuations using the capitalisation method taking into account the most recent external valuation undertaken by an independent valuer. The direct comparison method is used for assessing the fair value of individual units acquired.

The fair value of nil ascribed to Eureka's \$3.00 million loan receivable (including land option at Couran Cove) was determined in a prior period having regard to an independent external valuation of the secured land, commercial considerations related to land holdings and development at Couran Cove and legal advice as to the avenues available to the Group to realise the asset. Refer to Note 7(g) for further details.

## 8. Equity

### 8. Equity

#### (a) Share capital

	2024	2023	2024	2023
	Number of Shares	Number of Shares	\$'000	\$'000
<b>Ordinary shares</b>				
Fully paid	303,859,458	301,063,458	128,775	127,378
<b>Total share capital</b>	<b>303,859,458</b>	<b>301,063,458</b>	<b>128,775</b>	<b>127,378</b>

#### (i) Movements in ordinary shares

	Number of shares	\$'000
<b>Details</b>		
Opening balance 1 July 2023	237,186,521	98,422
Dividend reinvestment plan issues	3,372,347	1,796
Employee share scheme issues	429,362	120
Shares issued under entitlement offer	60,075,228	28,236
	301,063,458	128,574
Less: Transaction costs arising on share issues	-	(1,196)
<b>Balance at 30 June 2023</b>	<b>301,063,458</b>	<b>127,378</b>
Dividend reinvestment plan issues	2,796,000	1,397
<b>Balance at 30 June 2024</b>	<b>303,859,458</b>	<b>128,775</b>

#### Pursuant to the Company's Dividend Reinvestment Plan:

##### 2024

- On 12 October 2023, 684,145 shares were issued at \$0.4377 for the 2023 financial year final dividend, and
- On 29 April 2024, 2,111,855 shares were issued at \$0.4424 for the 2024 financial year interim dividend.

##### 2023

- On 6 October 2022, 2,685,348 shares were issued at \$0.5557 for the 2022 financial year final dividend, and
- On 6 April 2023, 686,999 shares were issued at \$0.4424 for the 2023 financial year interim dividend.

#### Pursuant to the Company's Omnibus Equity Plan:

##### 2024

There were no shares issued during the year.

##### 2023

On 30 September 2022, 429,362 shares were issued at \$nil consideration upon vesting and exercise of employee share rights. \$0.12 million was transferred from the share-based payments reserve to share capital.

#### Pursuant to the Company's Entitlement Offer:

##### 2024

There were no shares issued during the year.

##### 2023

- On 3 November 2022, 50,153,787 institutional shares were issued at \$0.47, and
- On 28 November 2022, 9,921,441 retail shares were issued at \$0.47.



## 8. Equity

### **(ii) Ordinary shares**

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the Shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and on a poll each Share is entitled to one vote.

The Company does not have a limited amount of authorised capital.

### **(iii) Dividend reinvestment plan**

The company has established a dividend reinvestment plan under which holders of ordinary shares can elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash.

### **(iv) Employee share scheme issues**

Information relating to the Company's Omnibus Equity Plan, including details of share rights issued, exercised and lapsed during the financial year and rights outstanding at the end of the reporting period, is set out in note 19.

### **(v) Share buy-back**

There is no current on-market buy-back.

## **(b) Dividends**

### **(i) Ordinary shares**

	2024 \$'000	2023 \$'000
Final dividend for the year ended 30 June 2023 of 0.67 cents (2022: 0.63 cents) per fully paid share	2,018	1,496
Interim dividend for the year ended 30 June 2024 of 0.70 cents (2023: 0.67 cents) per fully paid share	2,112	2,014
<b>Total paid during the year</b>	<b>4,130</b>	<b>3,510</b>

### **(ii) Dividends not recognised at the end of the reporting period**

Since balance date, the Board has declared a final dividend of 0.70 cents per share, amounting to \$2.13 million payable on 14 October 2024. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2024 and will be recognised in subsequent financial reports.

### **(iii) Franking of dividends**

All dividends are currently unfranked. There are no franking credits within the Group as the Group does not pay income tax due to carry forward tax losses.

## 8. Equity

### (c) Reserves

The following table shows a breakdown of the balance sheet line item 'Reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Note	Share-based payments \$'000	Hedging \$'000	Total reserves \$'000
<b>At 1 July 2022</b>		115	-	115
Change in fair value of cash flow hedge		-	535	535
Income tax expense		-	(161)	(161)
<b>Other comprehensive income</b>		-	374	489
<b>Transactions with owners in their capacity as owners:</b>				
Share-based payment expense	9(b)	65	-	65
Issue of shares to employees		(120)	-	(120)
<b>At 30 June 2023</b>		60	374	434
Change in fair value of cash flow hedge		-	(265)	(265)
Share of loss of change in fair value of cashflow hedge in equity accounted investment		-	(2)	(2)
Income tax benefit		-	81	81
<b>Other comprehensive income</b>		-	(186)	(186)
<b>Transactions with owners in their capacity as owners:</b>				
Share-based payment expense	9(b)	(3)	-	(3)
<b>At 30 June 2024</b>		57	188	245

#### (i) Nature and purposes of other reserves

##### Hedging reserve

The hedging reserve includes the cash flow hedge reserve, see note 11(c) for details. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 21(q).

##### Share-based payments

The share-based payments reserve is used to recognise:

- the grant date fair value of share rights granted to employees but not yet vested, and
- the allocation of shares under the Company's Omnibus Equity Plan to employees.

### (d) Retained earnings

Movement in retained earnings were as follows:

	Notes	2024 \$'000	2023 \$'000
<b>Balance 1 July</b>		16,144	496
Profit after tax		13,207	19,158
Dividends paid	8(b)	(4,130)	(3,510)
<b>Balance at 30 June</b>		25,221	16,144

## 9. Cash flow information

### 9. Cash flow information

#### (a) Reconciliation of cash

	2024	2023
	\$'000	\$'000
<b>Current assets</b>		
Cash at bank and in hand	2,257	1,815
<b>Balance per statement of cash flows</b>	<b>2,257</b>	<b>1,815</b>

#### (b) Reconciliation of profit after income tax to net cash inflow from operating activities

	2024	2023
	\$'000	\$'000
<b>Profit for the year</b>	<b>13,207</b>	19,158
<b>Adjustments for:</b>		
Depreciation and amortisation	695	846
Non-cash employee benefits expense(income) – share-based payments	(3)	65
Expected credit loss income	(6)	(2)
Impairment of financial assets	-	146
Impairment of other assets	566	1,756
Fair value adjustment to investment property	(12,978)	(22,051)
Distributions received	2,320	508
Share of profits of joint venture	(2,605)	(4,246)
Loss on sale of investment property	-	128
(Gain) on sale of management rights	-	(21)
(Gain) on sale of property, plant and equipment	(180)	-
Loss on sale of non-current assets held for sale	-	10
Lease modification	-	(69)
Non-cash transactions	4	168
<b>Changes in operating assets and liabilities</b>		
(Decrease)/increase in trade receivables	(63)	504
(Decrease) in other assets	(200)	(119)
Increase in trade and other payables	1,143	1,067
Increase in deferred tax liabilities	6,060	10,593
Increase in employee benefit obligations	175	265
<b>Net cash inflow from operating activities</b>	<b>8,135</b>	<b>8,706</b>

#### (c) Non-cash investing and financing activities

During the year, goods and services acquired with Bartercard dollars was negligible (2023: \$0.03 million).

Shares valued at \$1.40 million were issued pursuant to the Dividend Reinvestment Plan in lieu of the payment of dividends (2023: \$0.91 million).

# Risk

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

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# 10. Critical estimates and judgements

# 11. Financial risk management

## 10. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

### Significant estimates and judgements

The areas involving significant estimates or judgements are:

- fair value of certain financial assets – note 6(e)
- fair values, measurement and classification of investment property – note 7(c)
- amortisation of management rights – note 7(e)
- goodwill – note 7(e)
- deferred taxes – note 7(f)
- fair value measurement hierarchy – note 7(i)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

## 11. Financial risk management

### Overall policy

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policy to identify and analyse the risks faced by the entity, to set limits and controls, and to monitor risks and adherence to limits. Risk management policy and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables	Ageing analysis Credit ratings	Approved financial institutions for bank deposits and credit limits for trade receivables
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps

### (a) Credit risk

Credit risk arises from:

- cash and cash equivalents
- deposits with banks and financial institutions, and
- credit exposures to customers, including outstanding receivables.

### (i) Risk management

Credit risk is managed on a Group basis.

#### Cash and cash equivalents

Deposits of cash are only held with approved banks and financial institutions. The Group banks with National Australia Bank.



# 11. Financial risk management

## Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each counterparty or resident. The Group has a diverse range of counterparties and residents and therefore there is no significant concentration of credit risk with any single

counterparty or group of counterparties. Exposure to credit risk is limited as the majority of residents are supported by the government pension.

The Group has a credit policy under which each new counterparty or resident is analysed individually for creditworthiness before the Group enters into a services agreement with them. The Group monitors its accounts receivable to ensure collections are being made promptly in accordance with contractual terms and conditions and actively pursues amounts past due.

Where applicable, an allowance for impairment is made that represents the estimate of impairment losses in respect to trade and other receivables. The Group has no concentrations of credit risk that have not been provided for. The trade debtors that are past due and greater than 90 days ageing are either on a payment plan or considered recoverable. The Group has not provided for the amounts past due as management believes these amounts will be received

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2024</b>					
Gross carrying amount (\$'000)	678	20	20	23	741
<b>30 June 2023</b>					
Gross carrying amount (\$'000)	482	13	2	2	499

## Bartercard

Bartercard is an alternative currency and operates as a trade exchange. Bartercard is recorded at cost less any accumulated impairment. The asset was fully impaired by \$1.76 million during the prior year and the carrying value at year end is \$nil (2023: \$nil).

## Other financial assets at amortised cost

Other financial assets at amortised cost include a:

- vendor finance loan, and
- the West Cabin loan.

The vendor finance loan has no balances that are past due. The Group has not provided a loss allowance at 30 June 2024 as management believes these amounts will be received over the course of the loan.

The West Cabin loan is past due and was fully impaired during the prior year. Subsequent recoveries of amounts previously written off are credited against the same line item.

## (b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and loan facilities to meet obligations when due and especially in relation to financing of proposed acquisitions.

At the end of the reporting period the Group held cash at hand of \$2.26 million (2023: \$1.82 million).

The Group's liquidity management policy involves projecting cash flows, monitoring balance sheet liquidity ratios and maintaining debt financing plans. The Group maintains and updates cash flow forecasts and, when necessary, obtains additional loan facilities and standby credit arrangements.

At balance date, the Group had net current assets of \$7.78 million (including held for sale assets of \$10.49 million) (2023: deficiency of \$3.82 million). The Group actively manages its cash and drawn debt to minimise interest costs. The bank loan facility has sufficient undrawn funds for working capital needs. Under the terms of the loan facility, Eureka is able to deposit and withdraw funds in accordance with its working capital needs, subject to satisfaction of the bank's covenants.

## (i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2024 \$'000	2023 \$'000
<b>Variable rate</b>		
Expiring beyond one year (bank loans)	9,669	13,280
	<b>9,669</b>	<b>13,280</b>

# 11. Financial risk management

## (ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

Contractual maturities of financial liabilities	Less than 6 months	6-12 months	Between 1-2 years	Between 2-5 years	Total contractual cash flows	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 30 June 2024</b>						
<b>Non-derivatives</b>						
Trade and other payables	4,275	-	-	-	4,275	4,275
Borrowings <sup>1</sup>	4,016	2,696	95,507	-	102,219	91,331
Lease liabilities	95	96	199	244	634	623
<b>Total non-derivatives</b>	<b>8,386</b>	<b>2,792</b>	<b>95,706</b>	<b>244</b>	<b>107,128</b>	<b>96,229</b>
<b>At 30 June 2023</b>						
<b>Non-derivatives</b>						
Trade and other payables	4,486	-	-	-	4,486	4,486
Borrowings <sup>1</sup>	2,086	2,122	4,266	75,747	84,221	69,724
Lease liabilities	172	177	191	444	984	1,124
<b>Total non-derivatives</b>	<b>6,744</b>	<b>2,299</b>	<b>4,457</b>	<b>76,191</b>	<b>89,691</b>	<b>75,334</b>

<sup>1</sup> This amount includes estimated interest during the contractual period.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## (c) Market risk

### (i) Cash flow and interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group manages its interest rate risk by regularly monitoring interest rates. Eureka's policy is to maintain a portion of borrowings at fixed rates. To manage this, from time-to-time Eureka enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between floating and fixed rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The Board periodically reviews the Group's interest rate exposure, taking into account potential renewals of existing finance facilities, alternative financing, hedging and the mix of fixed and variable interest rates. During the year, the Group's borrowings at variable rate were denominated in Australian dollars only.

The Group's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	Note	2024	% of total	2023	% of total
		\$'000	loans	\$'000	loans
Variable rate borrowings					
1 – 5 years	6(d)	91,331	100%	69,579	100%
		<b>91,331</b>	<b>100%</b>	<b>69,579</b>	<b>100%</b>

An analysis by maturities is provided in note 11(b)(ii). The percentage of total borrowings shows the proportion of borrowings that are currently at variable rates in relation to the total amount of borrowings.

# 11. Financial risk management

## Instruments used by the Group

Three (3) fixed interest rate swaps are currently in place covering approximately 55% (2023: 72%) of the variable loan principal outstanding.

The swap contracts swap the liability to pay interest based on variable BBSY for fixed interest rates. The swaps require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

## Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	Interest rate swap		
	#1	#2	#3
<b>2024</b>			
Notional amount (\$'000)	20,000	20,000	10,000
Maturity date	30 Dec 2024	30 Dec 2025	30 Mar 2026
Hedge ratio	1:1	1:1	1:1
Interest rate (including margin) (%)	5.81	5.80	5.84
Carrying amount (current and non-current asset) (\$'000)	56	144	70
Change in fair value of hedges recognised in other comprehensive income	(137)	(90)	(38)
<b>2023</b>			
Notional amount (\$'000)	20,000	20,000	10,000
Maturity date	30 Dec 2024	30 Dec 2025	30 Mar 2026
Hedge ratio	1:1	1:1	1:1
Interest rate (including margin) (%)	5.86	5.85	5.89
Carrying amount (current and non-current asset) (\$'000)	193	234	108
Change in fair value of hedges recognised in other comprehensive income	193	234	108

The weighted average interest rate including margin is 6.13% (2023: 5.96%).

The weighted average term to hedge expiry is 1.15 years (2023: 2.15 years).

## Sensitivity

Profit or loss is sensitive to higher/lower interest income from floating rate liabilities as a result of changes in interest rates. The analysis is prepared assuming the amount of variable rate loans outstanding at the reporting date, for which fixed interest rate swaps were not in place, was outstanding for the whole year.

	Impact on post-tax profit	
	2024	2023
	\$'000	\$'000
Australian variable interest rates – increase by 100 basis points (bps) (2023: 100 bps) *	(310)	(148)
Australian variable interest rates – decrease by 100 basis points (bps) (2023: 100 bps) *	310	148

\* Holding all other variables constant

# 11. Financial risk management

## (d) Derivatives

The Group has the following derivative financial instruments in the following line items in the statement of financial position:

	2024	2023
	\$'000	\$'000
<b>Current assets</b>		
Interest rate swaps – cash flow hedges (b)(ii)	56	-
<b>Total current derivative financial instrument assets</b>	<b>56</b>	<b>-</b>
<b>Non-current assets</b>		
Interest rate swaps – cash flow hedges (b)(ii)	214	535
<b>Total non-current derivative financial instrument assets</b>	<b>214</b>	<b>535</b>
<b>Total derivative financial instruments</b>	<b>270</b>	<b>535</b>

### (i) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. The full fair value of hedging derivatives is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. The Group's accounting policy for its cash flow hedges is set out in note 21(q).

### (ii) Fair value measurement

For information about the methods and assumptions used in determining the fair value of derivatives see note 6(e).

### (iii) Hedging reserves

The Group's hedging reserves disclosed in note 8(c) relate to interest rate swaps.

#### Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as:

- reference rate
- reset dates
- payment dates
- maturities, and
- notional amount.

The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

Hedge ineffectiveness for interest rate swaps may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

Hedge ineffectiveness in relation to the interest rate swaps was nil for 2024 and 2023.

## (e) Capital management

The Group's objectives when managing capital is to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group does not have any specific capital targets and nor is it subject to any external capital restrictions. The Board and senior management meet regularly and review in detail the current cash position and cash flow forecasts to ensure that there is sufficient cash flow for working capital, settling obligations when due and ensuring funding is available for growth opportunities.

# Group structure

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group. In particular, there is information about:

- Investments in other entities, and
- changes to the structure that occurred during the year

A list of subsidiaries is provided in note 12. This note also discloses details about the Group's equity-accounted investments.

12. Interests in other entities

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## 12. Interests in other entities

### 12. Interests in other entities

#### (a) Subsidiaries

The Group's subsidiaries at 30 June 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	
		2024 %	2023 %
Comptons Caboolture Pty Ltd	Australia	100	100
Comptons Villages Australia Unit Trust	Australia	100	100
Easy Living (Bundaberg) Unit Trust	Australia	100	100
Easy Living Unit Trust	Australia	100	100
ECG No. 1 Pty Ltd	Australia	100	100
EGL Finance Pty Ltd	Australia	100	100
Elizabeth Vale Scenic Village Pty Ltd	Australia	100	100
Eureka Asset Management Pty Ltd	Australia	100	-
Eureka Bowen Pty Ltd	Australia	100	100
Eureka Brassall Pty Ltd	Australia	100	100
Eureka Bundamba Pty Ltd	Australia	100	100
Eureka Care Communities (Morphetville) Pty Ltd	Australia	100	100
Eureka Care Communities (Mount Gambier) Pty Ltd	Australia	100	100
Eureka Care Communities (Salisbury) Pty Ltd	Australia	100	100
Eureka Care Communities (Wynnum) Pty Ltd	Australia	100	100
Eureka Care Communities Pty Ltd	Australia	100	100
Eureka Care Communities Unit Trust	Australia	100	100
Eureka Cascade Gardens (Albert Gardens) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Ayr) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Belgian Gardens) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Bowen) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Broken Hill) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Cairns) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Couran Cove) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Gladstone) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Lismore) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Margate) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Orange) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Southport) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Terranora) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Tivoli) Pty Ltd	Australia	100	100
Eureka Cascade Gardens (Townsville) Pty Ltd	Australia	100	100
Eureka Cascade Gardens Pty Ltd	Australia	100	100
Eureka Eagleby Pty Ltd	Australia	100	100
Eureka Earlville Pty Ltd	Australia	100	100
Eureka Group Care Pty Ltd	Australia	100	100
Eureka Hervey Bay Pty Ltd	Australia	100	100
Eureka Horsham Pty Ltd	Australia	100	100
Eureka Kingaroy Pty Ltd	Australia	100	100
Eureka Liberty Villas Pty Ltd	Australia	100	100
Eureka Living Pty Ltd	Australia	100	100
Eureka New Auckland Pty Ltd	Australia	100	-
Eureka Property Pty Ltd	Australia	100	100

## 12. Interests in other entities

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	
		2024 %	2023 %
Eureka Tamworth Pty Ltd	Australia	100	100
Eureka Village Management Pty Ltd (formerly SCV Manager Pty Ltd)	Australia	100	100
Eureka WA Investment Pty Ltd	Australia	100	-
Eureka Whitsunday Pty Ltd	Australia	100	100
Fig Investments Pty Ltd	Australia	100	100
Rockham Two Pty Ltd	Australia	100	100
Rockham Two Unit Trust	Australia	100	100
SCV Leasing Pty Ltd	Australia	100	100
SCV No. 1 Pty Ltd	Australia	100	100

### (b) Investments in joint ventures and associates

Set out below are the joint ventures and associates of the Group as at 30 June 2024. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	% of ownership interest		Nature of relationship	Measurement method	Carrying amount	
	2024 %	2023 %			2024 \$'000	2023 \$'000
Affordable Living Unit Trust and Affordable Living Services Unit Trust <sup>1</sup>	50	50	Joint venture	Equity	11,176	10,934
Eureka Villages WA Fund <sup>2</sup>	31.6	-	Associate	Equity	9,043	-
					<b>20,219</b>	10,934

1. Owns five rental villages in Tasmania. The joint venture comprises Affordable Living Unit Trust and Affordable Living Services Trust, the latter of which has been dormant since May 2020 and is in the process of being deregistered.

2. Owns six rental villages in Western Australia. The Fund was established in November 2023. The fund comprises two stapled trusts being the Eureka Villages Operating Trust and the Eureka Villages Property Trust. The trustee is a licensed corporate trustee

#### (i) Commitments and contingencies

Neither the Affordable Living Unit Trust nor the Eureka Villages WA Fund had any contingent liabilities or commitments at balance date (2023: \$nil).

## 12. Interests in other entities

### (iii) Summarised financial information for joint ventures and associates

The tables below provide summarised financial information for the investment in a joint venture and an associate. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and associate and not the Group's share of those amounts.

Summarised statement of financial position	Affordable Living Unit Trust		Eureka Villages WA Fund	
	2024	2023	2024	2023
Current assets <sup>1</sup>	392	132	3,548	-
Non-current assets <sup>2</sup>	33,573	30,950	47,218	-
Current liabilities	(659)	(489)	(2,208)	-
Non-current liabilities <sup>3</sup>	(10,955)	(8,725)	(20,936)	-
<b>Net assets</b>	<b>22,351</b>	<b>21,868</b>	<b>27,622</b>	<b>-</b>
<b>Reconciliation to carrying amounts</b>				
Opening net assets	21,868	14,392	-	-
Issue of units	-	-	27,478	-
Profit for the year	4,303	8,491	1,432	-
Other comprehensive income	-	-	(5)	-
Distributions paid	(3,820)	(1,015)	(1,283)	-
<b>Closing net assets</b>	<b>22,351</b>	<b>21,868</b>	<b>27,622</b>	<b>-</b>
Group's share in %	50%	50%	31.6% <sup>4</sup>	-
Group's share in \$'000	11,176	10,934	8,728	-
<b>Carrying amount</b>	<b>11,176</b>	<b>10,934</b>	<b>9,043</b>	<b>-</b>

1 Including cash and cash equivalents

2 Comprising investment property

3 For Affordable Living Unit Trust – includes non-current borrowings of \$11.26 million (30 June 2023: \$8.71 million). For Eureka Villages WA Fund – includes non-current borrowings of \$21.00 million (30 June 2023: \$nil)

4 For Eureka Villages WA Fund - The Group's share reduced from 32.76% to 31.6% from 1 February 2024

Summarised statement of comprehensive income	Affordable Living Unit Trust		Eureka Villages WA Fund	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revenue	5,467	5,066	4,077	-
Costs of sales	(2,760)	(2,581)	(1,653)	-
Other income	36	-	-	-
Net gain from fair value adjustment on investment property	2,201	6,465	-	-
Finance income	-	-	75	-
Finance costs	(617)	(459)	(762)	-
Other expenses	(24)	-	(305)	-
Income tax expense <sup>1</sup>	-	-	-	-
<b>Profit for the year</b>	<b>4,303</b>	<b>8,491</b>	<b>1,432</b>	<b>-</b>
Other comprehensive income	-	-	(5)	-
<b>Total comprehensive income</b>	<b>4,303</b>	<b>8,491</b>	<b>1,427</b>	<b>-</b>
Group's share of profit for the year	2,151	4,246	454	-

1 Eureka and other investors are presently entitled to the net income of the respective trusts for tax purposes. As a result, there is no tax payable or tax expense in the equity accounted investments.

# Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not satisfy the recognition criteria.

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14. Commitments	69
15. Events occurring after the reporting period	69

# 13 - 15. Unrecognised items

## 13. Contingent liabilities and contingent assets

### (a) Bank guarantees

Bank guarantees are contracts that are measured in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. The Group's bank guarantees are as follows:

	2024	2023
	\$'000	\$'000
<b>Bank Guarantee Facility</b>		
Limit	350	350
Unused	261	261

### (b) Contingent assets

The Group had no contingent liabilities at 30 June 2024 (2023: \$nil).

### (b) Contingent assets

The Group had no contingent assets at 30 June 2024 (2023: \$nil).

## 14. Commitments

The Group had no commitments at balance date. In the prior year, the Group disclosed commitments relating to the development of its Brassall village which have been satisfied during the year.

## 15. Events occurring after the reporting period

Subsequent to balance date, the following significant transactions have occurred:

- *Dividend* – the Company declared a final dividend in respect of the year of 0.70 cents per share, payable on 14 October 2024 amounting to \$2.13 million. The record date is 23 September 2024. The Group's dividend reinvestment plan is effective for this dividend.
- *Appointment of new Chief Executive Officer* - On 15 August 2024, the Company announced that Mr Simon Owen has been appointed to commence in the role of Chief Executive Officer of Eureka Group Holdings Limited on 12 September 2024.
- *Board changes* - Mr Murray Boyte will transition from executive duties to Non-executive Chairman from 12 September 2024. Mr John Whiteman will commence as an Independent Non-Executive Director from 2 September 2024. Mr Murray Boyte will transition from executive duties to Non-executive Chairman from 12 September 2024.



## Further details

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

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# 16. Related party transactions

## 16. Related party transactions

### (a) Parent entities

The Group is controlled by the following entity:

Name	Type	Place of incorporation
Eureka Group Holdings Limited	Immediate and ultimate Australian parent entity	Australia

### (b) Subsidiaries

Interests in subsidiaries are set out in note 12(a).

### (c) Key management personnel compensation

	2024 \$'000	2023 \$'000
Short-term employee benefits	1,173	1,352
Post-employment benefits	90	103
Termination benefits <sup>1</sup>	194	-
Share-based payments	25	65
	<b>1,482</b>	<b>1,520</b>

1. This relates to Cameron Taylor who resigned as Chief Executive Officer on 17 July 2023.

Detailed remuneration disclosures are provided in the remuneration report on pages 16 to 18.

### (d) Transactions with other related parties

The following transactions occurred with related parties:

	Sales to/(purchases from) related parties		Amounts owed by (payable to) related parties	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Joint venture</b>				
Management fees	394	329	-	50
Recoverable expenses	39	-	-	-
<b>Associate</b>				
Fund management fees	124	-	21	-
Asset management fees	42	-	11	-
Acquisition fees	220	-	-	-
Recoverable expenses	490	-	-	-
<b>Director-related entities</b>				
Financial services	(35)	-	(5)	-

### (e) Loans to related parties

There were no loans to related parties at 30 June 2024 (30 June 2023: \$nil).

### (f) Authorised representative agreement

During the period, the Group entered into an Authorised Representative Agreement with Leftfield Investments Pty Ltd (Leftfield), a director-related entity of Mr Greg Paramor. The fee payable to Leftfield by the Group is \$60,000 per annum. Leftfield is also the trustee of the Eureka Villages WA Fund, in which the Group has a 31.61% interest at 30 June 2024 (30 June 2023: nil). Leftfield is entitled to trustee fees of \$30,000 per annum from the Fund, which comprises two stapled trusts.

### (g) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

# 17. Share-based payments

## 17. Share-based payments

### (a) Employee Share long-term incentive scheme

The establishment of the Eureka Group Holdings Limited Omnibus Equity Plan (the Plan) was approved by shareholders on 26 October 2023. The Plan is designed to amalgamate retention strategies as well as providing long-term incentives for senior managers and create alignment with shareholders. Under the Plan, participants are granted Share rights which only vest if certain performance criteria are met. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the scheme or to receive any guaranteed benefits.

The amount of Share rights that will vest depends on:

- **Total shareholders return compound annual growth rate (TSR CAGR) – 100% weighting**, including share price growth, dividends and capital returns, achieving cumulative annual TSR CAGR of an average of 15% during the Performance Period, with partial vesting (straight line vesting between 50% and 100%) if 7-15% return is achieved.

The Board retains a discretion to adjust the performance measures if warranted by relevant circumstances at the time of vesting.

Share rights are granted under the long-term incentive program (LTIP) for no consideration and carry no dividend or voting rights. When vested, each right converts into one Share. The vesting price on which the number of rights granted is based is the weighted average price at which the Company's shares are traded on the ASX 5 days after the release of the Eureka Group Annual Report in the financial year to which they relate.

Share rights outstanding at the end of the year were as follows:

Grant date	Expiry date of performance period	Number of rights 2024	Number of rights 2023
4 May 2022 (FY22 LTIP)	30 September 2024	126,953	353,783
8 January 2024 (FY24 LTIP)	30 September 2026	585,753	-
<b>Total</b>		<b>712,706</b>	<b>353,783</b>

Set out below are summaries of rights granted under the Program:

	2024 Number	2023 Number
<b>FY22 issuance</b>		
Balance at start of year	353,783	783,145
Vested and exercised during the year	-	(429,362)
Forfeited during the year	(226,830)	-
<b>Balance at 30 June</b>	<b>126,953</b>	<b>353,783</b>
<b>FY24 issuance</b>		
Balance at start of year	-	-
Granted during the year	665,628	-
Forfeited during the year	(79,875)	-
<b>Balance at 30 June</b>	<b>585,753</b>	<b>-</b>
<b>Total</b>	<b>712,706</b>	<b>353,783</b>

# 17. Share-based payments

## (i) Fair value of rights granted

The assessed fair value at grant date of Share rights granted during the year ended 30 June 2024 was \$0.17 per right.

The fair value at grant date is independently determined using an adjusted form of the Black Scholes model which includes a Monte Carlo simulation model that considers the:

- term of the rights
- impact of dilution (where material)
- share price at grant date
- expected price volatility of the underlying share
- expected dividend yields
- risk-free interest rate for the term of the right, and
- correlations and volatilities of the peer group companies.

The model inputs for rights granted during the year included:

- rights are granted for no consideration and vest based on TSR CAGR over a three-year period.
- *grant date*: 8 January 2024
- *expiry date of performance period*: 30 September 2026
- *share price at grant date*: \$0.44
- *expected price volatility of the company's shares*: 30.0%
- *expected dividend yield*: 3.37%
- *risk-free interest rate*: 3.81%

The expected price volatility is based on the historic volatility (based on the remaining life of the rights), adjusted for any expected changes to future volatility due to publicly available information.

The fair value of the rights at grant date of \$0.17 was estimated by taking the market price of the Company's shares on that date less the present value of expected dividends that will not be received by the executives on their rights during the three-year vesting period.

## (b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2024	2023
	\$'000	\$'000
Rights issued under long-term incentive schemes	(3)	65

## 18. Remuneration of auditors

## 19. Earnings per share

### 18. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by Ernst and Young (EY) as the auditor of the parent entity, Eureka Group Holdings Limited, by EY's related network firms and by non-related audit firms:

	2024	2023
	\$	\$
<b>(a) Auditors of the Group – EY (Australia) and related network firms</b>		
Audit and review of financial reports Group	303,263	217,132
<b>Total audit and review of financial reports</b>	<b>303,263</b>	<b>217,132</b>
<b>Total services provided by EY</b>	<b>303,263</b>	<b>217,132</b>

### 19. Earnings per share

	2024	2023
	Cents	Cents
<b>(a) Basic earnings per share</b>		
Attributable to the ordinary equity holders of the company	4.37	6.97
<b>(b) Diluted earnings per share</b>		
Attributable to the ordinary equity holders of the company	4.36	6.95

### (c) Reconciliation of earnings used in calculated earnings per share

	2024	2023
	\$'000	\$'000
<b>Basic earnings per share</b>		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	13,207	19,158
<b>Diluted earnings per share</b>		
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share:	13,207	19,158

### (d) Weighted average number of shares used as the denominator

	2024	2023
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	301,913,269	275,029,000
Adjustments for calculation of diluted earnings per share:		
Deferred shares	939,536	461,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	302,852,805	275,490,000

### (e) Information concerning the classification of securities

#### Deferred shares

Rights to deferred shares granted to executives and employees under the Group's long-term incentive scheme are included in the calculation of diluted earnings per share assuming all outstanding rights will vest. The rights are not included in the determination of basic earnings per share. Further information about the rights is provided in note 19.

## 20. Parent entity financial information

### 20. Parent entity financial information

#### (a) Summary financial information

The individual financial statements for the parent entity, Eureka Group Holdings Limited, show the following aggregate amounts:

	2024	2023
	\$'000	\$'000
<b>Financial position of the parent entity</b>		
Current assets	796	1,784
Total assets	173,254	150,079
Current liabilities	(3,105)	(1,839)
Total liabilities	(83,207)	(63,386)
<i>Shareholders' equity</i>		
Issued capital	128,775	127,378
Reserves		
Cash flow hedges	189	374
Share-based payments	57	60
Accumulated losses	(38,974)	(41,119)
<b>Total equity</b>	<b>90,047</b>	<b>86,693</b>
<b>Results of the parent entity</b>		
Profit after tax for the year	6,275	3,512
Other comprehensive (loss)/income	(186)	374
<b>Total comprehensive income</b>	<b>6,089</b>	<b>3,886</b>

At balance date, the Parent had a net current asset deficiency of \$2.31 million (2023: deficiency of \$0.06 million). The Group's bank loan facility has sufficient undrawn funds for working capital needs. Under the terms of the loan facility, Eureka is able to deposit and withdraw funds in accordance with its working capital needs, subject to satisfaction of the bank's covenants.

#### (b) Guarantees entered into by the parent entity

From time to time, the parent entities provide financial guarantees in relation to the debts of its subsidiaries, in the ordinary course of business.

#### (c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

#### (d) Contractual commitments for the acquisition of plant or equipment

The Parent had no commitments as at balance date. In the prior year, the parent disclosed commitments relating to the development of a subsidiary's Brassall village which have been satisfied during the year.

#### (e) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

##### (i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Eureka Group Holdings Limited.

##### (ii) Tax consolidation

Eureka Group Holdings Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Eureka Group Holdings Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer.

In addition to its own current and deferred tax amounts, Eureka Group Holdings Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Eureka Group Holdings Limited for any current tax payable assumed and are compensated by Eureka Group Holdings Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Eureka Group Holdings Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.



# 21. Summary of other material accounting policy information

## 21. Summary of other material accounting policy information

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Eureka Group Holdings Limited and its subsidiaries.

### (a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with:

- Australian Accounting Standards
- Interpretations issued by the Australian Accounting Standards Board, and
- the *Corporations Act 2001*.

Eureka Group Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

#### (i) Compliance with IFRS

The consolidated financial statements of Eureka Group Holdings Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### (ii) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through profit or loss, investment properties and some assets held for sale.

#### (iii) New and amended standards adopted by the Group

Several amendments and interpretations apply for the first time for the year but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued or which are not yet effective. This includes IFRS Interpretations Committee agenda decision Configuration or Customisation Costs in a Cloud Computing Arrangement, which includes software-as-a-service arrangements. The Group does not have any capitalised configuration or customisation costs.

#### (iv) New standards and interpretations not yet adopted

Other new accounting standards, amendments to accounting standards, and interpretations have been published that are not mandatory for the current reporting period and are not expected to have a material impact on the Group's future financial reporting.

### (b) Principles of consolidation and equity accounting

#### (i) Consolidation

This financial report covers the consolidated entity consisting of Eureka Group Holdings Limited and its controlled entities. Eureka Group Holdings Limited is the ultimate parent entity.

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Eureka Group Holdings Limited as at 30 June 2024 and the results of all controlled entities for the year then ended. The effects of all transactions between entities in the Group are eliminated in full.

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. In assessing control, potential voting rights that presently

are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the financial report from the date that control commences until the date that control ceases.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

#### (ii) Equity accounted investments

##### *Joint venture*

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

##### *Associates*

Associates are entities over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

##### *Accounting treatment*

The Group's investment in associates and its joint venture are accounted for using the equity method.

Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the investee since the acquisition date. Goodwill relating to the investment is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the investment. Any change in other comprehensive income (OCI) of the investment is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the investee, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the investee are eliminated to the extent of the interest in the investment.

The aggregate of the Group's share of profit or loss of an equity accounted investment is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the investee.

The financial statements of the investments are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in the investee. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the

## 21. Summary of other material accounting policy information

investee and its carrying value, and then recognises the loss within the 'share of profit of equity accounted investments' in the statement of profit or loss.

Upon loss of significant influence over an associate or joint control over a joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the equity accounted investment upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### (c) Revenue from contracts with customers

#### *Catering income*

The revenue from contracts with residents for the provision of catering services includes one performance obligation. Revenue is recognised at a point in time when services are provided to the resident.

#### *Service and caretaking fees*

The revenue from service and caretaking fees is recognised over time, as the customer simultaneously receives and consumes the benefits provided by the Group.

### (d) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquiree.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### (e) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the differences relating to investments in subsidiaries to the extent that it is probable that it will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### (f) Tax consolidation

The Company and its wholly owned Australian resident entities have formed a tax-consolidation group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidation group is Eureka Group Holdings Limited.

Current income tax expense, deferred tax liabilities and deferred assets arising from temporary differences of the members of the tax-consolidation group are recognised in the separate financial statements of the members of the tax-consolidation group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities/(assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidation group and are recognised by the Company as amounts payable/(receivable) to/(from) other entities in the tax-consolidation group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidation group to the extent that it is probable that future taxable profits of the tax-consolidation group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

## 21. Summary of other material accounting policy information

### *Nature of tax funding arrangements and tax sharing arrangements*

The head entity in conjunction with other members of the tax-consolidation group has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidation group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity for the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant authorities.

The head entity, in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

### **(g) Cash and cash equivalents**

For the purpose of the statement of cash flows, cash includes cash at bank and on hand as well as highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

### **(h) Trade and other receivables**

Trade and other receivables are recognised initially at original invoice amount, and subsequently adjusted for Expected Credit Loss (ECL). An ECL allowance is recognised by analysing the age of outstanding balances and applying historical default percentages. Historical loss rates are adjusted to reflect forward-looking observable data affecting the ability of customers to settle debts.

### **(i) Investment property**

Investment property comprises land and/or buildings held to earn rental income and/or for capital appreciation. In accordance with applicable accounting standards, the buildings, including plant and equipment, are not depreciated.

Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are recognised in profit or loss in the period in which they arise.

Transfers are made to (or from) investment property only when there is a change in use.

- For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.
- For a transfer from investment property to inventory, the deemed cost for subsequent accounting is the fair value at the date of change in use. If inventory becomes an investment property, the Group accounts for it in accordance with the policy stated under inventory up to the date of change in use.

- For a transfer from investment property to intangibles, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an intangible (management rights) becomes an investment property, the Group accounts for it in accordance with the policy stated under intangibles up to the date of change in use.
- Transfers are made from investment property to non-current assets held for sale when the carrying amount will be recovered principally through a sale transaction rather than continuing use.

The Group's policy is to have all investment properties externally valued at intervals of not less than three years or a third of the properties each year. Internal valuations are undertaken with reference to current market conditions and available information for those investment properties not externally valued at each reporting date. It is the policy of the Group to review the fair value of each investment property at each reporting date.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

### **(j) Non-current assets (or disposal groups) held for sale**

Non-current assets (or disposal groups) 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, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

### **(k) Property, plant and equipment**

Property plant and equipment is recognised at cost. Depreciation and amortisation is calculated on the straight line or diminishing value basis so as to write off the net cost of each item of property, plant and equipment over its expected useful life to the Group. Rates used for each class of asset are:

Class	Rate	Method
Plant and equipment	6-33%	Straight-line or Diminishing value
Buildings	2.5%	Straight-line



# 21. Summary of other material accounting policy information

## (l) Intangible assets

Only intangible assets that have been purchased or paid for by the Group are recognised in the accounts

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

### *Management rights*

Management rights have a finite life and are carried at cost less accumulated amortisation and accumulated impairment losses. The management rights are amortised using the straight-line method over their estimated useful life. If the contractual or other legal rights of the management rights can be renewed, the useful life of the intangible asset includes the renewal period if there is evidence to support renewal by the entity without significant cost. Otherwise, the management rights are amortised over the life of the contract.

### *Rent rolls*

Rent rolls have a finite life and are carried at cost less accumulated amortisation and accumulated impairment losses. Rent rolls are amortised using the straight-line method over 15 years being the estimated useful life.

Other intangible assets relate to website development which is amortised using the straight-line method over 3-15 years being the estimated useful life.

Intangible assets with indefinite useful lives are not amortised, but tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

### *Goodwill*

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised, instead goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses for goodwill are not subsequently reversed.

## (m) Impairment of assets

### *Non-financial assets*

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. Except for goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## (n) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either in the principal market or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets including investment properties, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

## (o) Financial assets and financial liabilities

Current and non-current financial assets and liabilities within the scope of AASB 9 are classified as fair value through profit or loss,

## 21. Summary of other material accounting policy information

fair value through other comprehensive income or amortised cost. The Group determines the classification of its financial assets and liabilities at initial recognition with the classification depending on the purpose for which the asset or liability was acquired or issued. Financial assets and liabilities are initially recognised at fair value plus directly attributable transaction costs, unless their classification is at fair value through profit or loss. They are subsequently measured at fair value or amortised cost using the effective interest method.

### (p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### (q) Derivative financial instruments and hedge accounting

A derivative is a type of financial instrument typically used to manage risk. A derivative's value changes over time in response to an underlying benchmark, such as interest rates, exchange rates, or asset values, and is entered into for a fixed period. A hedge is where a derivative is used to manage an underlying exposure.

The Group is exposed to certain risks relating to its ongoing business operations. The primary risk managed using derivative instruments is interest rate risk.

#### *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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's current and future debt obligations with floating interest rates.

#### *Initial recognition and subsequent measurement*

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group's interest rate swaps are classified as cash flow hedges because they hedge the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised liability.

At the inception of a hedge relationship, Eureka formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that Eureka actually hedges and the quantity of the hedging instrument that Eureka actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income (OCI) in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss in other operating income or expenses.

The Group uses interest rate swaps as hedges of its exposure to interest rate risk arising from debt obligations. The ineffective portion relating to interest rate swaps is recognised in other operating income or expenses.

The amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction.

### (r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid at that date. The amounts are unsecured and are generally settled within 30-60 days.

### (s) Employee benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities and are measured as the amounts expected to be paid when the liabilities are settled inclusive of on-costs. Sick leave is non-vesting and is expensed as paid.

## 21. Summary of other material accounting policy information

### *Long-term employee benefits*

The liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given for expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields as at the reporting date on corporate bond rates with the terms to maturity that match, as closely as possible, the estimated future cash outflows.

### *Share-based payments*

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (share based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

### **(t) Provisions**

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

### **(u) Finance costs**

Finance costs include interest on short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs in connection with the arrangement of borrowings and finance lease charges. Finance

costs incurred whilst qualifying assets are under construction are capitalised in the period in which they are incurred. Once each project is completed and ready for use or sale, subsequent finance costs are expensed when incurred. All other finance costs are expensed when incurred.

### **(v) Good and services tax**

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

### **(w) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy on Impairment of non-financial assets.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of



## 21. Summary of other material accounting policy information

lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in financial liabilities.

### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### *Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **(x) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **(y) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs is recognised as a deduction from equity.

### **(z) Earnings per share**

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### **(aa) Parent entity**

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 20. The accounting policies of the parent entity are consistent with those of the Group, as disclosed above, except for the following where in the parent entity:

- Investments in subsidiaries are accounted for at cost, less any impairment, and
- Investments in a joint venture and associate are accounted for at cost, less any impairment.

### *Financial guarantees*

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

### **(ab) Comparatives**

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

# Consolidated entity disclosure statement

As at 30 June 2024

Entity name	Entity type	Country of incorporation	% of share capital held	Country of tax residence
Comptons Caboolture Pty Ltd <sup>1</sup>	Trustee	Australia	100%	Australia
Comptons Villages Australia Unit Trust	Trust	Australia	100%	Australia
Easy Living (Bundaberg) Unit Trust	Trust	Australia	100%	Australia
Easy Living Unit Trust	Trust	Australia	100%	Australia
ECG No. 1 Pty Ltd	Body corporate	Australia	100%	Australia
EGL Finance Pty Ltd	Body corporate	Australia	100%	Australia
Elizabeth Vale Scenic Village Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Asset Management Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Bowen Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Brassall Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Bundamba Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Care Communities (Morphetville) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Care Communities (Mount Gambier) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Care Communities (Salisbury) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Care Communities (Wynnum) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Care Communities Pty Ltd <sup>1</sup>	Trustee	Australia	100%	Australia
Eureka Care Communities Unit Trust	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Albert Gardens) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Ayr) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Belgian Gardens) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Bowen) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Broken Hill) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Cairns) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Couran Cove) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Gladstone) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Lismore) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Margate) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Orange) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Southport) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Terranora) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Tivoli) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens (Townsville) Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Cascade Gardens Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Eagleby Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Earlville Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Group Care Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Hervey Bay Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Horsham Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Kingaroy Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Liberty Villas Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Living Pty Ltd <sup>1</sup>	Trustee	Australia	100%	Australia
Eureka New Auckland Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Property Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Tamworth Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Village Management Pty Ltd (formerly SCV Manager Pty Ltd)	Body corporate	Australia	100%	Australia

# Consolidated entity disclosure statement

As at 30 June 2024				
Entity name	Entity type	Country of incorporation	% of share capital held	Country of tax residence
Eureka WA Investment Pty Ltd	Body corporate	Australia	100%	Australia
Eureka Whitsunday Pty Ltd	Body corporate	Australia	100%	Australia
Fig Investments Pty Ltd	Body corporate	Australia	100%	Australia
Rockham Two Pty Ltd <sup>1</sup>	Trustee	Australia	100%	Australia
Rockham Two Unit Trust	Trust	Australia	100%	Australia
SCV Leasing Pty Ltd	Body corporate	Australia	100%	Australia
SCV No. 1 Pty Ltd	Body corporate	Australia	100%	Australia

1 . Trustee of a trust in the consolidated entity

# Directors' declaration

## In the Directors' opinion:

- (a) the accompanying financial statements and are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable
- (c) the accompanying consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

Note 21(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



**Murray Boyte**  
Executive Chair

Brisbane  
28 August 2024

# Independent auditor's report



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## Independent auditor's report to the members of Eureka Group Holdings Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Eureka Group Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *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 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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# Independent auditor's report



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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

## Valuation of Investment Properties

### Why significant

At 30 June 2024, the Group had investment properties carried at \$241.9 million of which \$10.5 million were classified as held for sale. The Group's investment properties represent 88% of its total assets at 30 June 2024.

Investment properties are initially recognised at cost, including transaction costs, and subsequently measured at fair value. Gains or losses arising from changes in fair value are recognised in the consolidated statement of comprehensive income.

Fair value measurement involves a high degree of estimation and judgement. The Group updates its assessment of fair value each reporting period, taking into consideration recent external valuations performed by independent experts. The key inputs include capitalisation rates, occupancy levels and maintainable earnings. The fair value of investment property is estimated based on conditions existing at 30 June 2024.

Notes 8(c) and 8(h) of the financial report detail the Group's accounting policy for investment properties, its methods of fair value measurement, the key inputs to its fair value measurement and sensitivities associated with reasonably possible changes in those key inputs.

Valuation of investment properties is considered a key audit matter due to the significance of this balance and the level of estimation and judgement involved in determining fair value.

### How our audit addressed the key audit matter

Our audit procedures included the following:

- With the assistance of our real estate valuation specialists we:
  - Evaluated the valuation methodology used by the Group against the requirements of Australian Accounting Standards and industry practice.
  - Assessed the competence, capabilities and objectivity of the independent valuation experts used by the Group.
  - Compared the capitalisation rates used to a reasonable range determined from our analysis of published reports, recent market transactions and industry experience.
  - For a sample of investment properties, we challenged significant assumptions, such as capitalisation rates, discount rates, occupancy and future maintainable earnings, taking into account geographies and characteristics of individual investment properties. We did this by analysing market transactions, Eureka's historical performance of the investment property and using our industry experience.
- We evaluated the reasonableness of key assumptions of occupancy levels and future maintainable earnings by comparing them to historical actual results. In addition, we assessed the future maintainable earnings assumptions used as an input for internal valuations by comparing to recent independent valuations.

# Independent auditor's report



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## Why significant

## How our audit addressed the key audit matter

- We tested the mathematical accuracy of the internal valuation model.
- For investment properties classified as held for sale, we assessed the fair value of the properties against external evidence.
- We assessed the adequacy of disclosures included in the Notes to the financial report against the requirements of relevant accounting standards.

## Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2024 Annual Report, but does not include the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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# Independent auditor's report



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In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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# Independent auditor's report



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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Audit of the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 19 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Eureka Group Holdings Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Wade Hansen'.

Wade Hansen  
Partner  
Brisbane  
28 August 2024

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# Corporate governance statement

The Company's directors and management are committed to achieving and demonstrating the highest standards of corporate governance.

The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2024 corporate governance statement reflects the corporate governance practices in place throughout the 2024 financial year to 30 June 2024 and was approved by the Board. This can be viewed at [www.eurekagroupholdings.com.au/investors/corporate-governance](http://www.eurekagroupholdings.com.au/investors/corporate-governance).

# Shareholder information

The shareholder information set out below was applicable as at 26 July 2024.

## A Distribution of equity securities

Analysis of the number of equity security holders by size of holding and the total percentage of securities in that class held by the holders in each category:

Range	Ordinary shares	
	No. holders	% of holders
100,001 and over	67	97.18
10,001 to 100,000	200	2.46
5,001 to 10,000	73	0.18
1,001 to 5,000	185	0.15
1 to 1000	329	0.03
	<b>854</b>	<b>100.00</b>

## B Equity security holders

*Twenty largest quoted equity security holders*

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	% of issued shares
1. Aspen Group Limited	109,009,330	35.87
2. Filetron Pty Ltd	59,788,323	19.68
3. HSBC Custody Nominees (Australia) Limited	31,994,594	10.53
4. Citicorp Nominees Pty Ltd	30,556,615	10.06
5. J P Morgan Nominees Australia Pty Limited	29,267,248	9.63
6. Tolani Estate Pty Ltd	4,951,782	1.63
7. BNP Paribas Noms Pty Ltd	3,546,937	1.17
8. National Nominees Limited	3,061,477	1.01
9. UBS Nominees Pty Ltd	1,880,000	0.62
10. Acadia Park Pty Ltd	1,610,182	0.53
11. Keiser Investments Pty Ltd	1,200,044	0.39
12. Mr Murray Boyte & Mrs Jane Elizabeth Boyte	1,172,930	0.39
13. Mr Alister Charles Wright	987,922	0.33
14. Friday Investments Pty Ltd	819,137	0.27
15. Armada Trading Pty Ltd	805,493	0.27
16. Paramor Super Pty Ltd	796,875	0.26
17. Cobbity Garden Centre Pty Ltd	750,000	0.25
18. ACN 002 938 614 Limited	750,000	0.25
19. Mr Glen Coutinho & Mrs Susan Clare Tahir	549,407	0.18
20. HSBC Custody Nominees (Australia) Limited- GSI EDA	518,045	0.17
	<b>284,016,341</b>	<b>93.47</b>



# Shareholder information

## C Substantial holders

Name	Ordinary shares	
	Number held	% of issued shares
1. Aspen Group Limited	109,009,330	35.87
2. Filetron Pty Ltd as trustee for Hunter Discretionary Trust	59,788,323	19.68
3. Tribeca Investment Partners <sup>1</sup>	35,761,887	11.77
4. Copia Investment Partners Ltd	23,263,769	7.66
5. 1851 Capital Pty Ltd	14,693,725	4.84
	<b>242,517,034</b>	<b>79.82</b>

1. Includes Australian Retirement Trust

## D Share rights

There are 712,706 unquoted share rights on issue which are held by four (4) employees and were granted under an employee incentive scheme.

## E Voting rights

The voting rights attaching to each class of equity securities are set out below:

- (a) **Ordinary shares:** On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) **Share rights:** No voting rights.

## F Shareholders with less than a marketable parcel

There were 302 holders of less than a marketable parcel of 56,047 Shares holding a total of 0.02% shares.

## G On Market Buy Back

There is no current on-market buy-back.

## H Restricted Securities

The Company has no restricted securities on issue.

## I List of Stock Exchanges where the Company's securities are currently quoted

The Company's ordinary shares are listed on the Australian Securities Exchange.

# Corporate directory

September 2024

<b>Directors</b>	Murray Boyte, <i>Non-Executive Chairman</i> Sue Renkin, <i>Non-Executive Director</i> Russell Banham, <i>Non-Executive Director</i> Greg Paramor AO, <i>Non-Executive Director</i> John Whiteman, <i>Non-Executive Director</i>
<b>Senior management</b>	Simon Owen, <i>Chief Executive Officer</i> Laura Fanning, <i>Chief Financial Officer and Company Secretary</i>
<b>Company Secretary</b>	Stephanie So
<b>Notice of annual general meeting</b>	The annual general meeting of Eureka Group Holdings Limited <b>Will be held at</b> The Brisbane Club, 241 Adelaide Street, Brisbane City <b>Time</b> 10am AEST <b>Date</b> Thursday, 31 October 2024
<b>Registered office</b>	Level 5, 120 Edward St Brisbane QLD 4000 (07) 2145 6322 <a href="mailto:info@eurekagroupholdings.com.au">info@eurekagroupholdings.com.au</a>
<b>Postal address</b>	GPO Box 2245 Brisbane QLD 4000
<b>Website</b>	<a href="http://www.eurekagroupholdings.com.au">www.eurekagroupholdings.com.au</a>
<b>Share register</b>	Link Market Services – Brisbane Level 21, 10 Eagle Street Brisbane QLD 4000 (02) 8280 7454
<b>Auditor</b>	Ernst & Young 111 Eagle St Brisbane QLD 4000
<b>Solicitors</b>	Hamilton Locke Riverside Centre Level 28, 123 Eagle Street Brisbane QLD 4000
<b>Bank</b>	National Australia Bank Level 17, 259 Queen Street Brisbane QLD 4000
<b>Stock exchange listing</b>	Eureka Group Holdings Limited shares are listed on the Australian Securities Exchange (ASX) with ticker code EGH





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