Annual Report
2025-2026



brophy
family and youth services



Front Cover Photo: Maxie, the little koala at the heart of Brophy's Maxie's Adventures storybook, takes to the streets of Warrnambool as part of a community awareness campaign encouraging more people to consider becoming foster carers.

Inside Cover Photo: Two sisters, different career journeys, one shared purpose. Peta and Hannah are building meaningful careers at Brophy while making a difference in the Portland community.

Profile

The primary provider for children, youth and family services in South West Victoria, Brophy originated in 1974 with its beginnings in hostel accommodation for homeless youth and over almost fifty years has developed a comprehensive range of specialist support services for the communities that we serve.

Vision

People are meaningfully connected to create the life they want. We achieve this together through innovation and relationships, creating new horizons towards an advantaged community.

Mission

To provide community based services that promote a just society and improve the life circumstances for people who are vulnerable and disadvantaged, especially those who are experiencing homelessness, family violence, marginalisation or disconnectedness.

Values



SOCIAL JUSTICE
Promoting justice, fairness and human rights

PROFESSIONALISM
Practising in an ethical, respectful and inclusive manner

EMPOWERMENT
Strengthening and enabling individual and community decision making

RESPONSIVENESS
Responding in a timely, engaging and respectful manner

PARTNERSHIP
Striving for shared connections to create better client outcomes



Board Chair

It is my pleasure to present the Chair's Annual Report for the 2025-26 financial year.

As I reflect on my first twelve months as Chair of Brophy Family & Youth Services, I am proud of the strength of our organisation and the positive impact it continues to have throughout south-west Victoria. While the year has been marked by significant leadership transition, it has also reinforced the resilience, capability and commitment that underpin Brophy's success.

The community services sector continues to operate in an increasingly complex environment, with growing demand for services, workforce pressures and ongoing economic challenges affecting many of the individuals and families we support. Against this backdrop, Brophy has continued to deliver high-quality services while maintaining a clear focus on its mission, values and strategic priorities.

Recognising Leadership

This year marked the conclusion of **Rob Wallis'** three-year term as Chair of the Board.

On behalf of Brophy, I would like to sincerely thank Rob for his leadership, dedication and stewardship of the organisation. During his tenure, Rob helped guide Brophy through significant organisational development and growth while maintaining a strong focus on governance, community impact and long-term sustainability. His contribution has helped position the organisation strongly for the future.

This year also marks the retirement of **Francis Broekman** following more than 30 years as Chief Executive Officer.

Francis' contribution to Brophy is extraordinary. Through his vision, advocacy and unwavering commitment to social justice, he helped build an organisation that now supports thousands of people each year across a broad range of services. His leadership has influenced not only Brophy, but also the broader community sector throughout south-west Victoria.

The legacy Francis leaves behind can be seen in the strength of the organisation, the partnerships he fostered, the culture he helped create and, most importantly, the countless lives positively impacted through Brophy's work over three decades.

On behalf of the Board, I extend our deepest thanks to Francis and wish him every success in retirement.

A New Chapter

One of the Board's most significant responsibilities this year was the appointment of Brophy's next Chief Executive Officer.

Following an extensive recruitment process, the Board was delighted to appoint Josh Hill to the role.

Josh brings deep organisational knowledge, strong leadership capability and a genuine commitment to Brophy's purpose. Having spent the past ten years in executive leadership positions within Brophy, Josh's appointment reflects the organisation's longstanding commitment to investing in people and developing future leaders.

The Board has long recognised the importance of professional development and growing leadership capability from within the organisation. Josh's appointment is a strong example of this commitment and reflects the depth of talent that exists across Brophy.

The Board commends Josh on his first year as CEO. Josh has led with purpose, strengthening the fundamentals of the organisation and proactively influencing the future direction of Brophy.



Shaping Brophy's Future

While ensuring strong governance and oversight of the organisation remains a key responsibility of the Board, this year has also provided an opportunity to look ahead and consider Brophy's future direction.

Throughout the year, the Board has commenced work on developing Brophy's next Strategic Plan, reflecting on our purpose, aspirations and the evolving needs of the communities we serve. This work has involved robust discussion and engagement to ensure Brophy remains well positioned to respond to future challenges and opportunities.

As part of this process, the Board has endorsed a renewed Vision and Purpose to guide the organisation into the future.

Vision

Strengthening people and communities through empowerment and connection.

Purpose

We work alongside people, providing practical support and pathways that strengthen wellbeing, connection and safety.

These statements reflect both our enduring values and our commitment to creating positive outcomes for the people and communities we support.

The Board looks forward to launching Brophy's new Strategic Plan in early 2027, providing a clear roadmap for the organisation's next chapter and ensuring we continue to build on our strong foundations while remaining focused on the needs of our communities.



Acknowledgements

I would like to acknowledge my fellow Board Directors **Sharna Westley, Graeme Wines, Rob Wallis, Sarah van Rooy, Sarah Wood, Bruce Anson, Davina Stacey and Judy Ballard** for their expertise, commitment and contribution throughout the year. I also extend my thanks to our Board Observers, **Ciara Dunlea and Dane Linde,** whose engagement and contribution continue to enrich Board discussions and governance development.

At our Annual General Meeting, we will farewell Rob Wallis and Judy Ballard from the Board. On behalf of Brophy, I thank both Rob and Judy for their service, leadership and commitment to the organisation.

Their contribution has helped shape Brophy's direction and strengthen our governance, and we are grateful for the time, expertise and passion they have shared with the organisation.

I also extend my thanks to Josh, the Executive Team, Senior Leadership Group, staff and volunteers for the care, professionalism and commitment they show every day.

Finally, I acknowledge our funding bodies, community partners, supporters and stakeholders. Together, we continue to create meaningful and lasting change across our communities.

As Chair, I look forward to supporting the organisation through its next chapter as we continue building on Brophy's proud history, launch our new Strategic Plan in 2027, and pursue opportunities that strengthen outcomes for the children, young people, families and communities we serve.

Thank you for your ongoing support.

Ben Anderson

Chair



CEO

It is my pleasure to present my Chief Executive Officer's Report for the 2025-26 financial year.

As I reflect on my first year as CEO of Brophy Family & Youth Services, I am incredibly proud of what we have achieved together. It has been a year of growth, change and consolidation, with a strong focus on strengthening our organisation and ensuring we continue delivering high-quality services for the children, young people, individuals and families who rely on us.

This year also marked the retirement of **Francis Broekman** following more than 30 years as CEO of Brophy. Having worked alongside Francis for the past decade, I was fortunate to see firsthand the passion, dedication and commitment he brought to the organisation, our staff and the communities we serve. Francis leaves an extraordinary legacy.

I would also like to sincerely thank Board Chair **Ben Anderson** and former Chair **Rob Wallis** for the trust, encouragement and confidence they have shown in me throughout my first year as CEO. Their support, together with the strong governance provided by the Board, has helped ensure Brophy remains focused on delivering positive outcomes for our communities during a period of significant transition.

Strengthening Our Organisation

A major focus throughout the year has been the implementation of our revised organisational structure.

As Brophy has continued to grow and diversify, it became increasingly important to create a structure that strengthens collaboration, accountability and service integration across the organisation. This resulted in the establishment of three organisational streams:

- **Brophy Family**
- **Brophy Youth**
- **Brophy Business**

These streams better reflect how our services operate and support a more coordinated and consistent experience for clients. The structure strengthens connections across programs, improves pathways for clients accessing multiple services and ensures we are better positioned to respond to increasingly complex community needs.

The introduction of this structure has also supported the formation of our Senior Leadership Group.

I would also like to acknowledge **Donna Wynters** and **Penny Bolton** for their significant contributions in Executive leadership roles. Their professionalism, dedication and commitment have helped strengthen Brophy through periods of growth, change and increasing service demand. Their contribution to the organisation and our communities has been substantial and deeply appreciated.

I am privileged to work alongside an outstanding group of leaders including Donna, Penny, **Simone Cottee, Jarrod Lowe, Meredith Ericson, Leah McDonald, Sharon Kenny** and **Peter Hill.** Together they bring a breadth of expertise, strong leadership and an unwavering commitment to the people we support.

Their collective leadership has been instrumental in embedding our new structure and strengthening collaboration across the organisation. I am genuinely excited about the future and what we can achieve together.

Quality, Safety and Continuous Improvement

This year we successfully completed our mid-cycle accreditation review, providing valuable external validation of the quality of our services, systems and practices.

This achievement reflects the commitment of our workforce to continuous improvement and our shared focus on delivering safe, effective and person-centred services.

Another significant development was the relaunch of our Board-led **Quality and Safety Committee.**

The committee has played a pivotal role in strengthening governance oversight and supporting a culture of quality, safety and accountability. Working closely with leaders across Brophy Business, the committee has guided the implementation of updated occupational health and safety policies, procedures and systems that enhance protections for both staff and clients while strengthening our overall risk management framework.

Our People

Like many organisations within the community services sector, we continue to operate in an environment characterised by increasing demand, workforce challenges, housing pressures, mental health concerns and rising costs affecting many individuals and families across our communities.

Despite these challenges, our staff and volunteers continue to demonstrate extraordinary resilience, compassion and professionalism.

Every day, people across Brophy make a meaningful difference in the lives of others. Whether supporting clients directly, leading teams or working within our operational and business functions, their commitment to our purpose remains at the heart of everything we do.

I would like to sincerely thank every staff member and volunteer for their dedication and contribution throughout the year.

I also acknowledge our community partners, funding bodies and supporters. The strength of these relationships enables us to continue responding to emerging needs and creating positive outcomes for the people and communities we serve.

Looking Forward

As I begin my second year as CEO, I remain optimistic about Brophy's future.

We have strong foundations, dedicated people, capable leadership and a clear focus on continuous improvement. Most importantly, we remain committed to supporting the children, young people, families and communities who place their trust in us.

I look forward to continuing this work alongside our staff, volunteers, Board and partners as we build on Brophy's proud history and continue creating positive change throughout south-west Victoria.

Josh Hill
CEO



Our year in review

Celebrating One Year of headspace Hamilton

In January, Brophy celebrated the first anniversary of headspace Hamilton, marking an important milestone in expanding access to youth mental health services across the Southern Grampians region. In its first year, the service established itself as a trusted support for young people and families, strengthened connections with local schools and community organisations, and increased awareness of youth mental health supports. The anniversary provided an opportunity to reflect on the impact achieved to date and reaffirm Brophy's commitment to improving access to early intervention and mental health care in regional communities.



Securing Funding for the Resilient Families Project

Brophy secured a major partnership investment of $130,000 from Alcoa Australia and Portland Aluminium to deliver the Resilient Families Project in Glenelg Shire. This funding will expand access to evidence-based family support programs and create opportunities for families to build stronger relationships, improve safety and access practical support close to home. The project demonstrates the value of collaboration between community organisations and industry partners.

Launch of the WILD Adventure Therapy Program

Brophy expanded its therapeutic offerings through the introduction of the WILD Adventure Therapy Program. Designed for young people aged 15 to 19 years, the program uses outdoor experiences and nature-based activities to build confidence, resilience, wellbeing and social connection. The innovative approach provides young people with alternative pathways to engage in support and demonstrates Brophy's commitment to therapeutic innovation.



Launch of Maxie's Adventures

The release of *Maxie's Adventures*, a children's storybook developed by Brophy, was a standout achievement. The story follows Maxie, a little koala who enters foster care with a loving family of kangaroos, exploring themes of safety, belonging, love and the importance of having a place to call home.

Through Maxie's journey, the book provides an engaging and accessible resource to help children, families and communities better understand the experiences and emotions associated with foster and kinship care. The project also supported awareness raising and foster carer recruitment efforts, while celebrating the resilience of children in care and the important role carers play in helping them feel safe, supported and connected.

Celebrating More Than Ten Years of Who's In Charge?

This year marked more than a decade of delivering the Who's In Charge? program in Warrnambool. Over ten years, the program has supported families experiencing challenging adolescent behaviours and family conflict, helping strengthen relationships and build safer home environments. The milestone reflects Brophy's enduring commitment to supporting families through evidence-based interventions.







Homelessness Week Youth Café

As part of Homelessness Week, Brophy hosted a highly successful Youth Café Pop-Up that created a welcoming and supportive space for vulnerable young people. More than 40 young people participated, accessing practical supports, social connection and opportunities to engage with services. The event highlighted the importance of dignity, inclusion and community in supporting young people experiencing housing insecurity.

Advocating for Young People's Voices

Brophy continued to champion the voices of young people through participation in a Victorian Government inquiry examining pathways into future industries. Through the Youth Strategic Advocacy Group, young people contributed valuable insights into the barriers and opportunities facing regional youth. This work reflects Brophy's commitment to ensuring young people are active participants in decisions that affect their futures.

Protect What Nurtures Youth Art Project

The Protect What Nurtures Postcard Art Project provided young people with opportunities to creatively explore environmental sustainability, community and belonging. Delivered in partnership with councils and community organisations, the project strengthened youth participation, artistic expression and community connection while showcasing the perspectives and talents of young people across the region.

Success of Surf Sisters 101

The Surf Sisters 101 program empowered women and girls to develop confidence, connection and resilience through surfing and outdoor experiences. Delivered in partnership with Stoked Surf Therapy and Port Fairy Surf School, the program achieved outstanding participant outcomes, fostering wellbeing, personal growth and social connection in a supportive environment.

Celebrating the Contribution of Volunteers

Volunteers continued to play a vital role across Brophy services, contributing thousands of hours to programs including L2P, Home-Based Care, Stoked Surf Therapy and the No Interest Loan Scheme. Their generosity, dedication and commitment were recognised during National Volunteers Week, highlighting the significant contribution volunteers make to achieving positive outcomes for the community.

Supporting Victim Survivors Through Flexible Support Packages

Brophy continued to deliver Family Violence Flexible Support Packages, providing practical assistance that helps victim survivors move beyond crisis and rebuild their lives. Funding supported access to housing, education, safety measures, therapeutic support and essential resources, helping individuals and families achieve greater safety, stability and independence.

Strengthening Youth Leadership and Co-Design

Across the organisation, young people played increasingly important roles in shaping programs, projects and events. Brophy's commitment to co-design ensured that services were informed by lived experience, while providing opportunities for leadership, skill development and meaningful participation. This approach continues to strengthen both service quality and youth empowerment.

Building Strong Community Partnerships

Throughout the year, Brophy strengthened partnerships with local government, schools, community organisations, health services and industry partners. These collaborations enhanced service delivery, increased opportunities for innovation and enabled Brophy to respond more effectively to community needs. Strong partnerships remain central to achieving lasting impact across the region.

Investing in Workforce Capability and Safety

Brophy continued to invest in workforce development through enhanced emergency management training, improved organisational procedures and strengthened safety systems. These initiatives ensure staff are well equipped to respond to emergencies and continue delivering safe, high-quality services to children, young people and families.

Strengthening Organisational Culture and Accountability

The introduction of an updated Code of Conduct reinforced Brophy's commitment to professionalism, child safety, accountability and workplace wellbeing. The revised framework supports a positive organisational culture and provides clear guidance for staff in maintaining the highest standards of ethical practice.





Continuing Leadership in Inclusion

Brophy continued to demonstrate leadership in creating safe and inclusive environments for LGBTQIA+ communities. Through its Rainbow Tick accreditation and ongoing inclusion initiatives, Brophy reaffirmed its commitment to ensuring that all people feel welcomed, respected and supported when accessing services or working within the organisation.

Advancing Gender Equity and Workplace Flexibility

Workplace Gender Equality reporting highlighted Brophy's strong performance in areas such as female leadership, flexible work arrangements, parental leave and support for staff experiencing family violence. These initiatives contribute to a supportive and inclusive workplace and help attract and retain talented people across the organisation.

Inspiring the Future Community Services Workforce

Brophy actively engaged with students and young people through careers expos, community engagement events and workforce promotion activities. By showcasing opportunities in social work, youth services and community support, Brophy is helping inspire the next generation of professionals who will strengthen and sustain the sector into the future.



Together, these achievements reflect a year of growth, innovation and impact for Brophy.

From strengthening youth mental health services and expanding support for families, to empowering young people, building partnerships and investing in workforce capability, Brophy has continued to make a meaningful difference in the lives of individuals, families and communities across south-west Victoria. These successes reflect the dedication of staff, volunteers, partners and community supporters who share a commitment to creating brighter futures for the people we serve.

2025-2026

Financial Statements for the year ended 30 June 2026



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Brophy Family and Youth Services Inc.

COMMITTEE REPORT

The committee present their report, together with *the* financial statements, on the incorporated association for the financial year ended 30 June 2026.

Committee Members

The names of the committee members throughout the financial year and up to the date of this report are:

Rob Wallis	Judy Ballard
Ben Anderson	Sharna Westley
Graeme Wines	Davina Stacy
Sarah Van Rooy	Sarah Wood
Bruce Anson	

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Meetings of Committee

During the financial year, 9 meetings were held. Attendances by each director were as follows:

	Directors meetings	
	Number eligible	**Number attended**
Rob Wallis	9	7
Ben Anderson	9	8
Graeme Wines	9	9
Sarah Van Rooy	9	8
Bruce Anson	9	7
Judy Ballard	9	8
Sharna Westley	9	7
Davina Stacy	9	6
Sarah Wood	9	8

Principal Activities

The principal activity of the association during the financial year was providing youth services to South West Victoria. No significant change in the nature of these activities occurred during the year.

Operating Result

The surplus from ordinary activities amounted to $437,725 (2025: surplus $666,258).

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Signed in accordance with a resolution of the Committee:

Ben Anderson
Chair

Graeme Wines
Board Member

Dated this 30th day of October 2026.

Brophy Family and Youth Services Inc.

COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 $	2025 $
REVENUE			
Operating grants	2	21,021,991	21,529,325
Interest		167,087	186,346
Net gain/(loss) on disposal of non-financial assets	3	313,141	(221,495)
Other revenue	4	1,918,823	2,613,828
Capital grants		-	1,111,888
TOTAL REVENUE		**23,421,042**	**25,219,892**
EXPENSES			
Program delivery costs	5	(3,995,182)	(4,297,392)
Employee benefits	6	(16,484,978)	(16,161,730)
Operating expenses	7	(1,901,296)	(2,381,213)
Depreciation	8	(651,216)	(702,147)
Expenditure using capital purpose funds		-	(1,051,777)
TOTAL EXPENSES		**(23,032,672)**	**(24,594,259)**
RESULT BEFORE OTHER ITEMS		**388,370**	**625,633**
Donations & fundraising		49,355	40,625
NET RESULT FOR THE YEAR		**437,725**	**666,258**
Other comprehensive income			
Revaluation of land and buildings		567,694	-
COMPREHENSIVE INCOME FOR THE YEAR		**1,005,419**	**666,258**

The accompanying notes form part of these financial accounts.

Brophy Family and Youth Services Inc.

BALANCE SHEET
AS AT 30 JUNE 2026

	Notes	2026 $	2025 $
ASSETS			
Current assets			
Cash and cash equivalents	9	3,258,399	8,812,475
Financial assets		78,667	74,375
Receivables	10	2,406,293	1,035,613
Inventories		7,996	6,895
Other assets		122,467	71,078
Total current assets		**5,873,822**	**10,000,436**
Non current assets			
Property plant and equipment	11	13,285,230	12,758,156
Right-of-use assets	12	826,456	1,020,449
Total non current assets		**14,111,686**	**13,778,605**
TOTAL ASSETS		**19,985,508**	**23,779,041**
LIABILITIES			
Current liabilities			
Payables	14	1,248,444	2,396,007
Borrowings	17	345,014	285,338
Employee benefits	16	2,214,913	2,253,467
Other liabilities	15	1,695,539	2,112,100
Lease liabilities	13	150,178	184,396
Total current liabilities		**5,654,088**	**7,231,308**
Non current liabilities			
Borrowings	17	-	3,000,000
Employee benefits	16	298,883	374,792
Lease liabilities	13	806,953	952,776
Total non current liabilities		**1,105,836**	**4,327,568**
TOTAL LIABILITIES		**6,759,924**	**11,558,876**
NET ASSETS		**13,225,584**	**12,220,165**
EQUITY			
Asset revaluation reserve		3,074,601	2,506,907
Accumulated funds		9,822,045	9,349,577
Special purpose reserve		328,938	363,681
TOTAL EQUITY		**13,225,584**	**12,220,165**

The accompanying notes form part of these financial accounts.

Brophy Family and Youth Services Inc.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Note	Asset revaluation reserve $	Special purpose reserve $	Accumulated funds $	Total $
Balance 1 July 2024		**2,506,907**	**359,918**	**8,687,082**	**11,553,907**
Net result for the year		-	-	666,258	666,258
Transfers to/(from) reserves		-	3,763	(3,763)	-
Balance 30 June 2025		**2,506,907**	**363,681**	**9,349,577**	**12,220,165**
Balance 1 July 2025		**2,506,907**	**363,681**	**9,349,577**	**12,220,165**
Net result for the year		-	-	437,725	437,725
Transfers to/(from) reserves		-	(34,743)	34,743	-
Revaluation of land and buildings		567,694	-	-	567,694
Balance 30 June 2026		**3,074,601**	**328,938**	**9,822,045**	**13,225,584**

The accompanying notes form part of these financial accounts.

Brophy Family and Youth Services Inc.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants received		20,507,319	20,632,980
Interest received		167,087	186,346
Other revenue received		691,334	3,682,032
Net GST received/(paid)		(177,948)	(102,294)
Payments to employees		(16,599,441)	(15,981,932)
Payments to suppliers		(6,911,310)	(5,868,923)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		**(2,322,959)**	**2,548,209**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets		(4,292)	-
Purchase of non-financial assets		(416,652)	(1,349,105)
Proceeds from sale of non-financial assets		313,141	2,991,073
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		**(107,803)**	**1,641,968**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(182,990)	(190,699)
Receipt/(payment) in borrowings		(2,940,324)	(164,569)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		**(3,123,314)**	**(355,268)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**(5,554,076)**	**3,834,909**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		8,812,475	4,977,566
CASH AND CASH EQUIVALENTS AT END OF YEAR	9	**3,258,399**	**8,812,475**

The accompanying notes form part of these financial accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

The financial report covers Brophy Family and Youth Services Inc. as an individual entity. Brophy Family and Youth Services Inc. is in an association incorporated in Victoria and operating pursuant to the Associations Incorporation Reform Act 2012 (VIC) and Australian Charities and Not-for-profit Commission Act 2012.

The financial statements were authorised for issue on the 30th October 2026 by the members of the committee.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Associations Incorporation Reform Act 2012 and Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board and the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The association is a not-for-profits entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow statement have been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Note 1: Material accounting policy information

The material accounting policy information applied in the preparation of this financial report, which are consistent with the previous period unless otherwise stated, are as follows:

Fair Value of Assets and Liabilities

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transactions between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market prising information is used to determine fair value. Adjustment to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extend possible, market information is extracted from the principal market for the asset or liability. If the absence of such a market, information is extracted from the most advantageous market available at reporting date.

For non-financial assets, the fair value measurement also taken into account a market participant's ability to use the asset in it highest or best use or to sell it to another market participant that would use the asset in its highest or best use.

Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 1: Statement Of Material Accounting Policies (cont)

Key Estimates and Judgements

Provision for impairment of Receivables
Management has completed an assessment of Receivables outstanding and conclude that a provision of $2,000 is to be recognised.

Employee Benefits

For the purposes of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

Employee benefit liabilities are classified as a non-current liability if Brophy Family and Youth Services Inc. has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category. Brophy Family and Youth Services Inc. applies significant judgment when measuring its employee benefit liabilities.

The Association applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the association does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with bond periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the association will make. The association determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the association.

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer to the goods or services promised.

Other material accounting judgements and estimates used, and any changes thereto, are disclosed within the relevant accounting policy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

	2026 $	2025 $
Note 2: Grants received		
Operating grants		
Department of Health	14,912,637	15,749,997
Department of Education	261,252	518,643
Department of Social Services	332,967	332,673
Department of Transport	109,885	-
Western Victoria Primary Health Network	4,412,866	3,634,002
Department of Justice and Community	300,898	299,903
Other grants	691,486	994,106
	21,021,991	**21,529,325**

Operating Grants

When the association receives operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the association: - identifies each performance obligation relating to the grant - recognises a contract liability for its obligations under the agreement - recognises revenue as it satisfies its performance obligations. Where the contract is not enforceable or does not have sufficiently specific performance obligations:

-recognises the asset received in accordance with the recognition requirements of other applicable accounting standards;

- recognises relates amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from contract with customer)

- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Interest Income

Interest income is recognised using the effective interest method.

Note 3: Net gain on disposal of non-financial assets		
Proceeds from disposal	316,204	2,659,560
Less: written down value of non-financial assets disposed	(3,063)	(2,881,055)
	313,141	**(221,495)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026 $	2025 $
Note 4: Other revenue		
Co-location, rent and service fees	159,471	6,686
Fee for service	31,932	31,693
Medicare rebates	22,619	36,795
Brokerage income	1,347,010	1,831,133
Miscellaneous income	357,791	707,521
	1,918,823	**2,613,828**
Note 5: Program delivery costs		
Delivery costs	1,870,861	2,327,391
Program outsourcing	2,124,321	1,970,001
	3,995,182	**4,297,392**
Note 6: Employee benefits		
Salaries & wages	14,432,281	14,276,421
Superannuation	1,638,189	1,543,609
Workcover	414,508	341,700
	16,484,978	**16,161,730**
Note 7: Operating expenses		
Building & occupancy	539,480	568,986
Recruitment & training	98,131	198,920
Motor vehicle expenses	196,166	218,093
Office expenses	156,795	157,611
Interest right of use assets	42,768	50,600
Interest - loan	66,759	190,560
Present value adjustment on right-of-use asset	2,034	2,591
Computer expenses	406,188	433,617
Audit, legal fees & consulting	176,342	294,278
Banking costs	2,592	3,361
Memberships & subscriptions	37,983	35,935
Staff expenses	169,584	219,355
Bad and doubtful debts	-	(3,000)
Committee of management & AGM	6,354	9,596
Sponsorship and donations	120	710
	1,901,296	**2,381,213**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

	2026 $	2025 $
Note 8: Depreciation		
Amortisation right of use assets	196,942	217,331
Buildings	208,847	208,847
Plant & equipment	36,546	46,791
Motor vehicles	208,881	221,102
Leasehold improvements	-	8,076
	651,216	**702,147**
Note 9: Cash and cash equivalents		
Cash in hand	15,162	14,228
Cash at bank	3,243,237	8,798,247
	3,258,399	**8,812,475**

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

Note 10: Receivables		
Sundry Debtors	1,453,092	117,789
Less Provision for impaired receivables	(2,000)	(2,000)
NILS Receivable	345,014	285,338
Portable long service leave scheme receivable	585,893	455,735
Accrued income	24,294	178,751
	2,406,293	**1,035,613**

Contractual receivables at amortised cost

Brophy has grouped contractual receivables on shared credit risk characteristics and days past due and has selected the expected credit loss rate based on Brophy's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.
The expected credit loss rates applied at 30 June 2026 vary from 0.5% for contractual receivables that are current to 2.5% for contractual receivables that are more than 90 days past due (30 June 2026: from 0.5% to 2.5%).

Account receivables and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 for further discussion on the determination of impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026	2025
	$	$

Note 10: Receivables (continued)

Portable long service leave scheme receivable

Brophy Family and Youth Services Inc. is a Participant Employer of the Portable Long Service Leave Scheme (PLSLS). As a Participant Employer, Brophy Family and Youth Services Inc. contributes an quarterly levy to PLSLS. The quarterly levy amount is equivalent to 1.65% of the time worked and ordinary wages paid to their employees. Pursuant to Portable Long Service Leave Regulations 2020, the PLSLS has an obligation to Participant Employers to pay from the Scheme, benefits to them as a reimbursement for long service leave paid or payable to their employees. In accordance with the Scheme Rules, the Participant Employers remain legally responsible for long service leave obligations.

Notwithstanding, in accordance with Accounting Standards, given the existence of the Scheme and the rules of the Scheme, where the long service leave obligation will be reimbursed by the Scheme, a reimbursement asset shall be recognised when and only when the reimbursement is virtually certain. Accounting standards specifically require the reimbursement to be treated as a separate asset that shall not exceed the value of the provision.

Note 11: Property, plant & equipment

Land - at fair value	3,170,000	3,020,000
Buildings - at fair value	9,220,000	9,220,000
Less accumulated depreciation	-	(208,847)
	9,220,000	**9,011,153**
Total land and buildings	**12,390,000**	**12,031,153**
Plant and equipment	260,331	260,331
Less accumulated depreciation	(165,572)	(129,026)
	94,759	**131,305**
Motor vehicles	1,473,918	1,649,577
Less accumulated depreciation	(673,447)	(1,053,879)
	800,471	**595,698**
	13,285,230	**12,758,156**

Valuation of land and buildings was undertaken by a Certified Practising Valuer ("Gurnett Ryan Property Valuers") based on the direct comparison and summation approach. The valuation of land and buildings is at fair value at 30 June 2026.

Movements in carrying amounts:

	Land	Buildings	Plant & Equip	Motor Vehicles	Total
Balance at 1 July 2025	3,020,000	9,011,153	131,305	595,698	**12,758,156**
Revaluation	150,000	417,694	-	-	**567,694**
Additions	-	-	-	416,653	**416,653**
Disposals	-	-	-	(2,999)	**(2,999)**
Depreciation	-	(208,847)	(36,546)	(208,881)	**(454,274)**
Carrying amount at 30 June 2026	**3,170,000**	**9,220,000**	**94,760**	**800,471**	**13,285,230**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

	2026	2025
	$	$

Note 11: Property, plant & equipment (cont.)

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and Equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess on the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amounts of all fixed assets including buildings, but excluding land, are depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2% - 10%
Office Equipment	10% - 100%
Motor Vehicles	20% - 25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

Note 12: Right-of-use assets

Non-current		
Leased building	1,358,628	1,542,671
Accumulated amortisation	(532,172)	(522,222)
Total Right-of-use assets	**826,456**	**1,020,449**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026 $	2025 $
Note 12: Right-of-use assets (cont.)		
Movements in carrying amounts:		
Leased buildings:		
Opening balance	1,020,449	1,232,359
NPV adjustment	2,949	5,421
Depreciation	(196,942)	(217,331)
Net carrying amount	**826,456**	**1,020,449**
Note 13: Lease liabilities		
Current		
Lease liabilities	150,178	184,396
Non-current		
Lease liabilities	806,953	952,776
Total	**957,131**	**1,137,172**
Future lease payments in relation to lease liabilities as at period end are as follows:		
Within 1 year	186,373	226,966
Later than one year but no later than five years	771,348	952,971
Later than 5 years	114,047	114,047
Minimum future lease liability	1,071,768	1,293,984
Less unexpired financial expenses	(114,637)	(156,812)
Net present value of lease liability	**957,131**	**1,137,172**

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and corresponding lease liability are recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentive;
- variable lease payments that depend on an index or rate, initially measured using the index or the rate at the commencement date;
- the amount expected to be payable by the lessee under the residual value guarantees;

Lease payments included in the measurement of the lease liability are as follows (continued):

- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026 $	2025 $

Note 13: Lease liabilities (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term of useful life of the underlying asset, whichever is the shortest. Where lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Note 14: Payables

Trade creditors	376,908	977,258
Accrued salaries & wages	113,945	65,376
BAS payable	364,793	542,741
Other payables	392,798	810,633
	1,248,444	**2,396,007**

Note 15: Other liabilities

Income received in advance	1,665,539	2,082,100
Interest free loan - Gwen & Edna Jones Foundation	15,000	15,000
Interest free loan - Ray & Joyce Uebergang Foundation	15,000	15,000
	1,695,539	**2,112,100**

Note 16: Employee benefits

Current		
Annual leave		
- expected to be settled within the next 12 months	961,913	909,427
- expected to be settled after 12 months	240,478	227,357
Long service leave		
- expected to be settled within the next 12 months	136,239	107,613
- expected to be settled after 12 months	836,896	870,691
Til and overtime payable - expected to be settled within next 12 months	39,387	138,379
	2,214,913	**2,253,467**
Non current		
Long service leave	298,883	374,792
	298,883	**374,792**
Total employee benefits	**2,513,796**	**2,628,259**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026 $	2025 $

Note 16: Employee benefits (continued)

Short-term employee benefits

Provision is made for the associations obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The associations obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields on government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The associations obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

Long service leave portability

Employees entitled to the long service leave portability scheme will have their long service leave entitlement held by the scheme from the 1st of July 2019. If the employee is entitled to a higher benefit of longer service leave or is not entitled to the scheme, their benefit will be calculated per the short-term or other long-term employee benefits.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

The Portable Long Service Leave Scheme (PLSLS) was established to, in general, administer and manage the Scheme assets and provide a construct to provide portability of long service leave across the Victorian community service, contract cleaning and security sectors. Whilst Brophy Family and Youth Services Inc. is a Participant Employer under the PLSLS, the Scheme rules stipulate that employees' long service leave rests with the Participant Employer. A provision for long service leave is required to be recognised at the present value of the long service leave obligation. In accordance with accounting standards, the reimbursement asset is required to be recognised as a separate asset and the accounting policy for this has been summarised in Note 10.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026 $	2025 $
Note 17: Borrowings		
Current		
NILs loan balance	345,014	285,338
	345,014	**285,338**
Non-current borrowings		
CBA Loan	-	3,000,000
	-	**3,000,000**
Total borrowings	**345,014**	**3,285,338**

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method.

Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Non-interest bearing borrowings are measured at 'fair value through profit or loss'.

Note 18: Capital and leasing commitments

The association does not have any capital commitments as at 30 June 2026 (2025: nil).

Note 19: Contingent liabilities and contingent assets

The association is not aware of any contingent liabilities or assets as at 30 June 2026 (2025: nil).

Note 20: Key management personnel compensation

Any persons having authority and responsibility for planning, directing and controlling the activities of company, directly or indirectly, including any director is considered key management personnel.

Key Management Personnel Compensation

The aggregate compensation made to the directors and senior management of the company is set out below:		
Total Key Management Personnel Remuneration	**846,103**	**1,071,060**

Related Party Transactions

Transactions between related parties are on normal commercial terms and conditional no more favourable than those available to other persons unless otherwise stated. During the year there were no related party transactions (2025: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

Note 21: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Brophy Family and Youth Services Inc. activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

2026	Notes	Carrying amount	Net gain/(loss)	Total interest income/ (expense)	Fee income/ (expense)	Impairment loss
		$	$	$	$	$
Financial assets at amortised cost						
Cash and cash equivalents	**9**	3,258,399	-	167,087	-	-
Receivables	**10**	2,406,293	-	-	-	-
Total financial assets [(i)]		5,664,692	-	167,087	-	-
Financial liabilities at amortised cost						
Payables	**14**	883,651	-	-	-	-
Borrowings	**17**	345,014	-	(66,759)	-	-
Other liabilities	**15**	1,695,539	-	-	-	-
Total financial liabilities[(i)]		2,924,204	-	(66,759)	-	-

2025	Notes	Carrying amount	Net gain/(loss)	Total interest income/ (expense)	Fee income/ (expense)	Impairment loss
		$	$	$	$	$
Financial assets at amortised cost						
Cash and cash equivalents	**9**	8,812,475	-	186,346	-	-
Receivables	**10**	1,035,613	-	-	-	(3,000)
Total financial assets [(i)]		9,848,088	-	186,346	-	(3,000)
Financial liabilities at amortised cost						
Payables	**14**	1,853,266	-	-	-	-
Borrowings	**17**	3,285,338	-	(190,560)	-	-
Other Liabilities	**15**	2,112,100	-		-	-
Total financial liabilities[(i)]		7,250,704	-	(190,560)	-	-

(i) The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. GST payable).

How we categorise financial instruments

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Brophy to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

Note 21: Financial instruments (Cont.)

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Brophy recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Brophy recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities); and
- borrowings
- other liabilities.

Reclassification of financial instruments

A financial asset is required to be reclassified between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Brophy's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 22: Events subsequent to balance date

The committee is not aware of any significant events since the end of the reporting year.

Note 23: Association details

The registered office and principal place of business is:

Brophy Family & Youth Services
210 Timor Street
Warrnambool VIC 3280

Brophy Family and Youth Services Inc.

BOARD OF MANAGEMENTS DECLARATION

The Board of Management of Brophy Family and Youth Services Inc. declare that, in their opinion:

1. The attached financial statements and notes comply with the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporation Reform Act 2012 and associated regulations;

2. The attached financial statements and notes comply with Australian Financial Reporting Standards as issued by the Australian Accounting Standards Board as described in note 1 to the financial statements;

3. The attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

4 There are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulations 2022.

Ben Anderson
Chair

Graeme Wines
Board Member

Dated this 30th day of October 2026.

McLaren Hunt
AUDIT AND ASSURANCE

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BROPHY FAMILY AND YOUTH SERVICES INC.

Opinion

We have audited the financial report of Brophy Family and Youth Services Inc., which comprises the balance sheet as at 30 June 2026, the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of material accounting policies and statement by members of the committee.

In our opinion, the accompanying financial report of Brophy Family and Youth Services Inc. is in accordance with the *Associations Incorporation Reform Act (VIC) 2012* and the *Australian Charities and Not-For-Profits Commission Act 2012,* including:

(i) Giving a true and fair view of Brophy Family and Youth Services Inc.'s financial position as at 30 June 2026 and of its financial performance and its cash flows for the year ended; and

(ii) That the financial record kept by Brophy Family and Youth Services Inc. are such as to enable financial statements to be prepared in accordance with Australia Accounting Standards.

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 Brophy Family and Youth Services Inc. in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The committee of management are responsible for the other information. The other information comprises the information included in Brophy Family and Youth Services Inc's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Associations Incorporation Reform Act (VIC) 2012* and the *Australian Charities and Not-For-Profits Commission Act 2012,* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing Brophy Family and Youth Services Inc.'s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate Brophy Family and Youth Services Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Brophy Family and Youth Services Inc.'s financial reporting process.

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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 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 Brophy Family and Youth Services Inc.'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Brophy Family and Youth Services Inc.'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 Brophy Family and Youth Services Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

McLaren Hunt.

MCLAREN HUNT
AUDIT AND ASSURANCE

N.L. MCLEAN
PARTNER
Dated at Warrnambool; 5 November 2026

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