



2025 Annual Report

Proudly a not for
profit and for
purpose organisation



Children's Services
Since 1895



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Our Vision

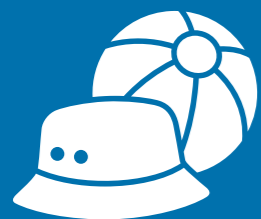
Is to lead and inspire young children's learning for life.



Our Purpose

Is to partner with families and communities to nurture children's learning, development and wellbeing.

Our Values



Childhood

We recognise childhood as a special time in itself; a time for all children to be immersed in secure and trusting relationships and environments that allow them to explore, play, discover and learn. We nurture the development of identity, confidence and capability which form the foundations of a lifelong love of learning. We ensure the voices of children contribute to the work that we do and the decisions we make.



Integrity and Relationships

We act with honesty, openness and consistency. Our relationships are respectful, mutual and reciprocal and are built on trust, authenticity and ethical behaviour. We welcome feedback and make decisions that are responsible and fair.



Leadership

We are driven by the passionate pursuit of quality early childhood education and encourage others to share that journey. We lead by example, drawing on our experience and knowledge to shape early childhood education thinking, policy and practice.



Innovation

We have the courage to pursue bold visions of the future. We are committed to continual professional learning and organisational development. We collaborate and explore new ideas and different ways of thinking.



Sustainability

We acknowledge and consider both our heritage and our future. We embrace our responsibilities within the world around us – to our children and communities, our people, our environments and the long term sustainability of our organisation.



Diversity and Inclusion

We recognise that everyone has their own culture, beliefs, values and strengths contributing to our rich and diverse community. We embrace, advocate for, and invest in the rights of all children to access and actively participate in our programs and have a sense of truly belonging.

Chair and CEO Report



A year of achievement and challenge, 2025 saw us deliver on our strategic ambitions, strengthen our foundations, and respond with agility to a rapidly evolving sector.

In 2025, KU reached an important milestone, concluding our 2023-2025 Strategic Plan with every goal achieved across the four pillars of Educational Excellence, Thriving Workforce, Financially Sustainable and Social Responsibility.

The results reaffirm KU as one of Australia's leading providers of early childhood education and care (ECEC), building on 130 years of history while enhancing our capacity to meet future challenges and opportunities.

Importantly, it is a testament to our teachers, educators, leaders and support teams in Central Office whose work each day creates meaningful, lasting impact for children and families. You are truly the heart of KU, and your contributions cannot be understated.

At the same time, 2025 was a year that challenged the sector in profound ways. Appalling reports of serious child abuse in some early childhood settings led to heightened public concern and intense scrutiny. These events were deeply confronting and understandably raised questions for families about safety and

trust in ECEC services. Every child has the right to feel safe and be safe, and this must remain the foundation of the sector.

In response, governments moved quickly to introduce significant legislative changes, strengthen regulatory frameworks and initiate sector inquiries and reviews.

KU has consistently supported reforms that improve protections for children. Alongside this, we have continued to call for national consistency in changes to legislation and requirements, and for meaningful consultation with the sector to ensure changes are practical and effective. Throughout the year, KU contributed to advisory groups and consultations, and made submissions to multiple inquiries and reviews, including those in NSW, Victoria and at a national level.

Long before it became a legislative requirement, KU has consistently placed children's safety, rights and best interests as the paramount consideration in all aspects of our work. This gave us a strong platform to implement the rapidly emerging requirements in 2025.

We further enhanced our child safeguarding practices across recruitment, training, supervision and reporting, ensuring staff have the skills and confidence to act on any concern. This is supported by a strong reporting culture and a clear expectation that every staff member plays a role in creating environments that are safe, respectful and nurturing for children.

Within this context, KU continued to deliver sector-leading National Quality Standard (NQS) ratings. All KU services maintained a rating of Meeting or Exceeding the NQS, with 68% rated Exceeding, compared with 20% across the sector. These results are a direct reflection of our deep commitment to educational excellence, and the capability, stability and dedication of our staff.

Behind this is a workplace environment that supports and enables our staff to do their best work. In 2025, KU was recognised with our 10th consecutive Employer of Choice Award in The Australian Business Awards – a national first in the early childhood sector.

This extraordinary milestone reflects a sustained commitment to creating workplaces where people feel valued and supported to thrive, underpinned by a strong culture of inclusion, wellbeing and professional growth. Our service-based teams are further supported by a range of Central Office support services, including dedicated education quality support, professional learning and development, and specialist expertise.

This recognition sits alongside the successful finalisation of two enterprise agreements covering teachers, educators, administrative staff and cooks. Together, these agreements deliver some of the most comprehensive pay and conditions in the sector, including enhanced leave provisions, expanded professional support and improved remuneration.

These achievements reflect a clear and consistent position: investing in our people is fundamental to delivering high-quality outcomes for children. When our people thrive, children thrive.

KU's legacy of research engagement also continued to evolve. In 2025, we entered a 10-year partnership with more than 50 organisations as part of the nation's first Care Economy Cooperative Research Centre (CRC). KU's engagement in this landmark project presents a valuable opportunity to co-design innovative solutions and help shape the future of ECEC and the broader care economy.

Professional learning and development remain a cornerstone of our approach. Our signature event of the year, the 2025 KU Annual Conference, brought together more than 450 KU staff to consider the dynamic world of early childhood education. With an array of workshops and speakers, including keynote speaker Dr Billy Garvey, the conference theme was *A Kaleidoscope of Perspectives*, with the view that no single perspective can capture the full complexity of our learning environments.





The year also marked significant progress in expanding KU's reach and building our presence in Victoria. Following a successful transfer from Knox City Council in Melbourne, we were delighted to welcome six new kindergartens to the KU family:

- KU Alexander Magit Kindergarten
- KU FW Kerr Kindergarten
- KU Knoxfield Kindergarten
- KU Mariemont Kindergarten
- KU Riddell Road Kindergarten
- KU The Fields Kindergarten

Commencing operation under KU in January 2025, this is a new chapter in the evolution of these kindergartens that have a rich history of providing high-quality early childhood education to the children and families in their communities.

This momentum continued in the City of Greater Geelong, where KU was successful in the tender for two new kindergartens in Armstrong Creek. Opening in January 2026, the kindergartens will sit alongside the local school and community services, creating a connected environment that supports children's holistic development and family engagement.

Together, these milestones mark the successful delivery of KU's 2023-2025 Strategic Plan growth targets, strengthening KU's ability to support more children, families and communities with high-quality early education.

As KU continues to grow, we are also constantly reviewing our service models to better respond to the needs of families. In 2025, we made the decision to introduce a new integrated model in our Victorian long day care services, allowing families to access both long day care and free sessional kindergarten within a single service. In NSW, shorter day options with lower daily fees will be offered at selected long day care services. These changes

are designed to improve flexibility and affordability, while maintaining the continuity and quality that families value.

Sadly, 2025 saw us farewell two cherished services. After many years of declining enrolments linked to changing local demographics, we made the difficult decision to close KU Lance Children's Centre at the end of the year. KU Lance was one of our longest operating services, and was an integral part of the Millers Point, Sydney community for over 120 years.

KU Chatswood Community Preschool in Sydney was also closed, after the local council declined to renew the lease for the premises despite an impassioned campaign by families, the community and KU. Over its 44 years of operations, the preschool was the recipient of multiple awards and was highly valued by local families.

We also farewellled our Inclusion Development Fund Manager (IDFM) team, following KU's decision to conclude the IDFM contract in September 2025.

Over the nine years delivering this national program, the IDFM team has capably supported the inclusion of thousands of children with additional needs across Australia. Their contribution has been exceptional, leaving a lasting legacy across the sector.

On a more positive note, we were honoured to see the redeveloped KU website recognised on the global stage in 2025, winning a Silver Award at the prestigious w3 Awards for Transforming the Web Experience through Human Centred Design. Informed by extensive research with families and educators, the new site offers a more accessible and intuitive experience, supporting stronger engagement and an improved family journey from exploration to enrolment.

The KU Marcia Burgess Foundation continued to improve social outcomes for children and families in 2025 through the generosity of its donors. The Dharawal Early Language Program, delivered by the Gujaga Foundation, concluded in June

following three years of funding. The program engaged hundreds of children across four KU services in Dharawal language and culture through play, songs and meaningful relationships with Gujaga's educators.

The Foundation also continued to provide financial assistance to children from low-income families to enable access to early intervention and allied health services. The children received timely, play-based support to develop language, fine and gross motor skills, and social and cognitive skills.

Throughout 2025, KU's Board and Executive team led the organisation with a strong, values-based approach. We welcomed Susan Kench to the Board and acknowledged the contributions of retiring Board Members Joshua Gilbert, Birgitte Maibom and Ana Marinkovic. Their leadership and insight have played an important role in guiding KU through a period of significant change and growth.

As KU looks to the future, we will take the time in 2026 to reflect and develop a new Strategic Plan that builds on the strong foundations established over the past three years and positions KU as a sustainable high-quality provider in an increasingly complex and evolving environment. We remain grounded in our values and focused on ensuring that the safety, rights and best interests of children are paramount throughout the organisation.



Helen Conway
Chair, Board of Directors



Christine Legg
Chief Executive Officer



Educational Excellence

We will lead in the National Quality Ratings and improve learning outcomes for all children by proactive innovation and collaboration in the provision of research and evidenced based programs.



Child safety in focus

At KU, an unwavering commitment to children’s safety and wellbeing has guided our work for generations. In a year where the sector faced distressing reports of harm in early childhood settings, we reaffirmed our commitment, further strengthening our child safe approach.

KU’s longstanding commitment to children’s safety and wellbeing

Children’s safety and wellbeing have been at the centre of KU’s practice since 1895. Since our beginning, KU has strongly advocated that children have the right to be safe, and that the early childhood education and care sector has an important role in keeping children safe.

Significantly, KU was the first provider in Australia to employ a dedicated Child Protection Manager to guide and support staff working with children. Today, our highly experienced Child Safe and Wellbeing team continues to lead the embedding of child safe practice across the organisation and manage the investigation of concerns.

KU has long had rigorous child safe policies and processes to guide practice, and provided regular child protection and child safe training for staff.

This was expanded after KU voluntarily adopted the ten National Principles for Child Safe Organisations in 2019 and undertook a three-year project to review child safe practices across the organisation and develop key resources. These resources include KU’s Statement of Commitment to Children’s Safety and Wellbeing, Our Promise to Children, an overarching Child Safe Policy and our Child Safe in Practice resource folder.

As a result, KU was well positioned when state-specific Child Safe Schemes were established and embedding the National Principles became a legislated requirement for the sector in 2023.

Our commitment to children’s safety and wellbeing has shaped a strong child safe culture across the organisation. This is reflected in Our Promise to Children, which outlines a clear and collective promise shared by everyone who works at KU to the children attending our services and programs.

2025 in focus

In 2025, a series of shocking and deeply concerning incidents of child abuse in early childhood services led to significant changes in child safety laws, regulations and expectations for the sector. KU’s established child safe culture and existing practices meant that KU had a strong platform to implement the rapidly emerging requirements.

Following the 2025 ACECQA Child Safety review, the NSW parliament legislated 30 reforms in the NSW Children (Education and Care services National Law Application) Amendment Act 2025

in October. In December, the Victorian parliament passed the National and Victorian child safety reforms in the Early Childhood Legislation Amendment (Child Safety) Act 2025.

These reforms, which continue to roll out, focus on strengthening child safety in education and care services. These include new child safe legislation, such as making children’s safety, rights and best interests the paramount consideration for education and care services, and strengthening expectations around staff conduct, recruitment and reporting.



KU’s strong child safe culture is driven by our belief that all children have the right to be safe and feel safe.

Christine Legg
KU Chief Executive Officer



Our promise to children...



Care

We will nurture your confidence and identity and help you feel safe and well.



Respect

We will value who you are and your family background and treat everyone fairly.



Listen

We will encourage you to communicate your feelings. We will make sure you are heard.



Share

We will help you understand your rights and what to do to stay safe and well.



Act

We will act on what you tell us to make sure you feel safe and well.



V.3 Released September 2025
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What does child safe culture in practice look like at KU?

KU has continued to strengthen existing child safe practices during 2025:

- Staff are child safe aware and have the skills and knowledge to keep children safe.
- Staff put children’s safety, rights and wellbeing at the centre of their practice and are committed to keeping children safe.
- Staff report any concerns about a child’s safety in their home, community or at the service, no matter how low level.
- Interactions with children are age-appropriate, respectful and caring.
- We have a child’s rights approach where we empower children to express their ideas, and teach children personal safety messages and the concept of consent.

How does KU ensure child safe practice across the organisation?

During 2025, KU teams further developed existing robust child safe practices:

Recruiting the right staff

KU's recruitment process has a strong child safe focus. In an interview, applicants are required to demonstrate an understanding of, and genuine commitment to, child safe practices and mandatory reporter responsibilities.

All staff are required to hold a current and verified Working with Children Check (WWCC). In 2025, KU reinforced that the WWCC cannot be relied on in isolation and staff were reminded of the individual responsibility to report any concerning interaction.

Pre-employment screening and referee checks were updated in 2025 to ensure explicit questions were asked about the applicant's employment history, including any concerns about the applicant's interactions with children.

Staff have the skills, knowledge and confidence to keep children safe.

In addition to mandatory Child Protection training, all staff attend KU Child Safe and Wellbeing training as part of their induction, and refresher training every two years. In 2025, 887 staff attended this training. The training provides information about KU's child safe practices and expectations, appropriate and inappropriate interactions with children, as well as our child safe reporting processes.

KU also introduced a Child Safety Induction eLearning module in 2025, which explains KU's child safe requirements and our expectation that every staff member contributes to creating environments that are safe, respectful and nurturing for children.

KU's strong reporting culture underpins child safe environments. A key message of training is that KU Child Safe and Wellbeing must be informed of any concerning interaction with a child, regardless of how minor it may seem. To support this, a Keeping Children Safe wall poster with a 'See/Act/Tell' message was developed in 2025. The poster is displayed in every care environment to remind staff of KU's reporting expectations and inform parents of the pathways for reporting concerns.

Ongoing information and resources about child safe practices continued to be shared with staff in KU's online Child Safe Resource Library and fortnightly staff Bulletin.

Child Safe Code of Conduct

KU's Child Safe Code of Conduct is supported by an eLearning module and explains KU's child safe culture, expectations and values. In 2025, every staff member completed their annual refresher and agreed to abide by the "I will" and "I will not" statements within the Child Safe Code of Conduct.

KU takes very seriously any concern or complaint alleging a child safe concern or incident may have occurred in a KU service or program. KU Child Safe and Wellbeing assesses concerns to determine appropriate pathways for management, immediate risk management and reporting requirements. The investigation process into child safe matters is objective and procedurally fair.

Risk management

During 2025, KU services completed the annual review of their Supervision Plans. The plan ensures there is a minimum of two staff supervising each group of children and that educators are always in sight of each other. All staff are aware of their responsibility to never be alone with a child and the requirement to be in sight of a co-worker.

Additionally in 2025, KU services and programs reviewed their Child Safe Risk Management Plans in consultation with KU Child Safe and Wellbeing. A child safe lens is used to consider all aspects of service delivery, including staff practices, physical and online environments, resources and culture.

KU was an early adopter of the voluntary 2024 National Model Code. Staff are not permitted to have their personal devices on them when working with children, and teachers and educators can only take photographs of children on KU devices.



Empowering children

KU has a child rights approach. Teaching children personal safety messages and encouraging children to speak up helps keep children safe. We encourage children to have a voice and let them know we value their ideas and opinions. Children are reminded that teachers and educators are there to make sure they are safe and will help them if they feel sad or frightened.

KU staff teach personal safety messages and the concept of consent, and respect children's right to make choices. Staff tell children they are the boss of their body and always ask a child before assisting with a personal care routine.

Child safe communication

Increased community focus on children's safety in early childhood settings in 2025 meant that families were seeking reassurance and information about how KU keeps children safe.

KU released a 'Child Safe at KU' factsheet to families in 2025, providing information about child safe expectations and practices within KU. This factsheet informed an update and expansion of the public-facing child safe page on the KU website, strengthening KU's communication of our child safe commitment.

Regular child safe roundtable meetings bring together the KU Executive and key managers to review child safe requirements and practices across KU. In 2025, the KU Statement of Commitment to Children's Safety and Wellbeing and Our Promise to Children were updated during child safe roundtables.

Child safe leadership in the sector

KU continued to play an active role in sector child safety discussions. KU's Chief Executive Officer served as co-chair, and KU's Child Safe and Wellbeing Manager as a delegate, on the NSW Department of Education's Early Childhood Child Safety Advisory Group. This forum enabled KU to contribute to discussions about emerging issues and challenges faced by the sector.

KU also participated in consultations about proposed changes to the National Law and Regulations to strengthen child safety, the proposed National Child Safety Training, and submitted a regulatory impact statement for the Child Safety Review.

Child safety at KU is built through everyday practice, supported by strong systems, and guided by a clear sense of shared responsibility across the organisation. In 2025, we reaffirmed our position as a leader in child safety, strengthening our practices to ensure children feel safe, respected and heard.

Leading practice

Exceptional leadership across KU continues to drive high-quality practice and meaningful outcomes for children, families and communities. We highlight three achievements in 2025 that reflect this impact.

Michelle Lashbrook: Lead Teacher accreditation



In 2025, we celebrated the outstanding achievement of KU Bulli Preschool Director, Michelle Lashbrook, who was formally recognised with Lead Teacher accreditation by the NSW Education Standards Authority (NESA).

Lead Teacher accreditation represents the highest level of teaching practice in NSW, recognising teachers who consistently demonstrate highly accomplished practice, deep pedagogical knowledge, a sustained impact on children's learning, and a deep commitment to mentoring and guiding colleagues. Michelle is only the second early childhood teacher nationally to attain this level of professional recognition.

With almost 30 years' experience, Michelle has led KU Bulli Preschool since 2010. Her leadership is grounded in a strong belief in the importance of relationships, with a focus on fostering children's wellbeing, sense of belonging and engagement in learning. Her background in psychological sciences has enhanced her understanding of children's

behaviour and mental health, deepening her ability to support children's development and emotional wellbeing.

Michelle's journey to Lead Teacher accreditation required extensive evidence of her practice, thoughtful reflection on her teaching, and clear demonstration of leadership within her learning community. She was supported throughout the rigorous process by the KU Teacher Accreditation/Registration team, who provided guidance, mentoring and professional support at each stage.

This rare accomplishment underscores Michelle's professional excellence and her significant contribution to shaping high-quality early childhood education. Her success strengthens the strong culture of professional learning and educational excellence across KU.

Megan Dodds: HESTA Individual Leadership Award finalist



In acknowledgement of her exceptional leadership and pedagogical expertise, Megan Dodds, KU Corrimal East Preschool Director, was named as a finalist in the 2025 HESTA Early Childhood Education and Care Awards.

Her recognition in the Individual Leadership category reflects 35 years of visionary practice, during which she has continually refined her pedagogical approach to create emotionally secure, inclusive and connected learning environments.

At KU Corrimal East Preschool, Megan's commitment to lifelong learning has guided the integration of frameworks such as Circle of Security® and Marte Meo® into everyday practice. Her ongoing pedagogical growth enriches her own teaching and strengthens the capabilities of her team. By modelling reflective practice, sharing new insights, and thoughtfully embedding theory into action, she cultivates a culture where educators feel empowered to deepen practice

and where children benefit from responsive, attuned, relationship-based teaching.

Megan's impact goes well beyond her service. Her work establishing Communities of Practice, collaborating with local schools through innovative transition programs like Playspaces®, and contributing to sector research through the University of Wollongong demonstrates her commitment to advancing the profession and the broader sector.

Megan's recognition by HESTA reflects her significant contribution to early childhood education as a leader who uplifts her community and lives her belief that "we can be the difference".

Amanda Ford: Highly Commended in NSW Environmental Education Awards



We were also proud to congratulate Amanda Ford, KU ANSTO Children's Centre Director, who was Highly Commended in the 2025 NSW Environmental Education Awards for Early Childhood Educator of the Year. This recognition highlights her outstanding leadership and commitment to embedding sustainability in meaningful, lasting ways.

Working closely with her team, Amanda has seamlessly woven sustainability across the pedagogical approach and physical learning environment of the service. Her leadership is evident in the service's philosophy review, which ensures that sustainability is not just a concept but part of everyday practice. This commitment is reflected in tangible actions, such as reducing waste across the kitchen, bathrooms and playrooms, and minimising food, water and paper consumption.

In the outdoor environment, Amanda has championed biodiversity by expanding gardens, establishing compost and worm farms, and creating native habitats. These initiatives support ecological health and provide interactive learning opportunities for children.

Amanda fosters inquiry-based learning by engaging children in discussions around environmental challenges. Together, they research and co-construct solutions, empowering children as active citizens and problem-solvers.

Her influence extends beyond the centre walls, encouraging families to adopt sustainable practices at home. Through community initiatives focused on recycling clothing, toys and books, Amanda builds a culture of shared responsibility, strengthening connections between the service, families and the community.

A previous winner of a National Excellence in Teaching Award (NEiTA), Amanda is a highly talented and motivated leader whose impact continues to strengthen practice and inspire others.

Making the KU Difference Awards

The annual Making the KU Difference Awards recognise individuals and teams who go above and beyond to achieve meaningful outcomes across KU. They highlight the commitment and initiative that underpin KU's work, and the far-reaching impact of these contributions.

Congratulations to all 2025 recipients:

For making the KU difference for children

- Darling Nest Child Care Centre Team

For making the KU difference for families

- Wendi Darmawan, KU ANSTO Children's Centre

For making the KU difference for communities

- Monique Saddler, KU Kingfisher Preschool

For making the KU difference for staff

- Rhiza Taylor, KU Braddon Children's Centre
- Vinsensia Christanto, KU Bradfield Park Children's Centre
- Lorraine Brown, Manager, Early Childhood Intervention

For making the KU difference to quality

- KU West Pymble Preschool Team

For making the KU difference through sustainability

- KU Wickham Preschool Team

For making the KU difference through innovation

- Inclusion Support Queensland Management Team

For making the KU difference by representing KU

- Melissa Luxford, KU Koo Wee Rup Kindergarten

For making the KU difference in commitment to Aboriginal and Torres Strait Islander Peoples

- Gisella Wilson, Manager, Aboriginal and Torres Strait Islander Programs

For making the KU difference for inclusion

- Judy Bartlett, KU Peter Pan Paddington Preschool

The KU Marcia Burgess Award

- Cathie Hayes, Education Support Manager



Advancing practice through research evidence

KU has a longstanding focus on research-informed practice and meaningful contributions to the early childhood education sector. Here, we showcase three examples where KU service teams are deepening knowledge through research and putting insights into practice.

Practitioner Research Program

Piloted in 2024-2025, the KU Practitioner Research Program supports services to engage in action research, positioning teachers and educators as researchers of their own practice, who draw on literature, evidence and critical reflection to drive change. Services were supported with online learning and release time for planning, data collection and analysis. A Practice Facilitator acted as a pedagogical companion, thinking alongside teams and offering reflective partnership to deepen inquiry and analysis of evidence.

Two preschools led substantial projects, using cycles of inquiry, reflection and iterative improvement. Educator teams engaged in observation, data collection, implementation and reflective dialogue to track practice change, building confident, evidence-informed decision-making. These practitioner-led projects positioned teachers and educators as researchers and knowledge creators, ensuring investigations were contextually relevant and findings useful. This strengthened practitioner inquiry skills and enhanced pedagogical leadership across both services.



The team are building research skills that are transferable to other areas of our practice and can be used with other questions we may have, or improvements we may want to make.

Megan Montgomery
Director
KU Crusader Preschool

KU Bulli Preschool advanced its arts-based pedagogy, grounded in Reggio Emilia principles, building a strong culture of inquiry and creativity. Enhancements to the learning environment, a dedicated art space and educator-supported sessions helped sustain children's creative exploration. Slow pedagogy supported reflective, child-led approaches, giving children time to explore materials deeply and revisit ideas at their own pace, positioning art as a tool for co-regulation and emotional expression.

These approaches amplified children's voices, enabling them to communicate ideas and thinking in diverse and meaningful ways. Engagement with local artists, digital technologies and public exhibitions expanded children's artistic vocabularies and elevated their identity as artists and active participants in their community.

KU Crusader Preschool examined children's gun and weapon play. The team explored pedagogical possibilities through a culture of respect and intentional teaching.

Through reflective dialogue, professional readings and documentation using a floor book approach, the team observed gun play shifting from superficial "shooting" to rich narrative work exploring power, fairness, consent and the distinction between real and pretend.

The research revealed key themes, including pop culture influences, gendered narratives, inclusivity and the complexity of rough and tumble play. This work helped educators respond with curiosity rather than avoidance, supporting respectful, child-centred approaches that honour diverse ways children make meaning.

The practitioner research pilot informed a redesign of the program that will support more services to enact professional curiosity with pedagogical rigour, cultivating a culture of inquiry where teachers and educators can question practice, explore emerging ideas and engage in continuous reflection and practice change.



This work has significantly deepened our pedagogical thinking and enriched children's experiences with and through the arts.

Michelle Lashbrook
Director
KU Bulli Preschool



Portraits of Joy Project

Amid workforce challenges in the sector, KU Union Children's Centre participated in the Portraits of Joy project, which explored joy as a practical and transformative tool to strengthen educator wellbeing, relationships and purpose. The project began by listening deeply to educators as they reflected on what sustains and nourishes them in their roles. Through observation, reflective prompts and shared conversations, educators identified moments of connection with children and families that brought them renewed energy.

Central to the project was recognising joy as an essential dimension of program quality and professional fulfilment. The research investigated how intentionally attending to joy could enhance wellbeing, deepen practice and strengthen team culture.

Educators noted that purposefully cultivating joy strengthened relationships, built professional pride and supported a more resilient and connected team. They described the impact of

noticing everyday moments, such as children running to greet them, warm interactions with families, and the sparkle in a child's eyes during meaningful encounters. Families echoed this, sharing how children speak joyfully about their educators and daily experiences, affirming the strong relational impact educators have on children and with each other.

Envisaged as a proactive wellbeing initiative, the project examined how joy can function as a protective factor and a valuable professional resource. Professional conversations centred on joy strengthened collegial relationships and reinforced positive team culture.

The initiative underscored KU's goal of pedagogy and wellbeing as mutually rewarding, particularly at a time when external pressures can overshadow the joy that draws educators to the profession. Ultimately, the project benefited educators, children and families by creating uplifting experiences that foster belonging, connection and shared delight.



This project reminded us to notice and celebrate the joy in our everyday interactions – the moments of connection with children, families, and each other that make our work so meaningful.



Sharmila Dissanayake
Director
KU Union Children's Centre



The project empowered teachers to deepen their reflective practice around inclusion and create purposeful goals that improve children's participation in the program.



Melissa Luxford
Director
KU Koo Wee Rup Kindergarten

Disability Inclusion Research

KU Koo Wee Rup Kindergarten participated in a Victorian Government research initiative to strengthen kindergarten inclusion for children with disability, developmental delay, or complex medical needs. The project tested the refined Kindergarten Inclusion Support (KIS) Profile and trialled new supports, including specialist consultancy and professional learning to inform strengthened inclusion supports across funded kindergarten programs.

Teachers engaged with online learning, professional guidance and evidence-based resources, and provided feedback on assessment tools and supports for individual children. Inclusion practice checklists helped identify group times and transitions as key areas of focus. Specialist coaching enabled teachers to analyse participation barriers and

consider how environments, routines and experiences support or limit children's access and engagement.

The resources deepened teachers' understanding of the KIS application process, while planning tools supported them to plan meaningful adjustments. Visual routines and co-regulation were embedded as core components of the daily program.

When identifying adjustments for children with higher support needs, teachers recognised that many effective approaches were already being used universally to benefit all children. Participation in the project strengthened confidence, enhanced reflective dialogue, and will support stronger inclusion pathways.

A shared approach connects these research projects, grounding them in everyday practice and ensuring relevance to each service. Together, they illustrate the power of practice-based inquiry to shift pedagogy and improve children's learning and wellbeing. As insights are applied and shared, they drive innovation and improvement across KU services and the broader sector.

KU's approach to research reflects our enduring dedication to children, families and educators, building capability now and shaping stronger outcomes into the future.

Thriving Workforce

Placing our people at the heart of all we do, we constantly reimagine and co-create a world of work where our people and our purpose thrive in harmony in a supportive and inclusive culture.



10 years as an Employer of Choice: building belonging

Receiving our 10th Employer of Choice Award in 2025 was a powerful acknowledgement of KU's enduring focus on inclusion, psychological safety and creating workplaces where our people are supported to thrive.



At KU, we are committed to building a culture of belonging. Inclusion and diversity are embedded in how we lead, how we support our people, and how we deliver high-quality early education and care to children, families and communities.

Our workforce is the heart of KU. The diversity of backgrounds, experiences, identities and perspectives across our organisation strengthens our culture, enriches our practice and reflects the communities we serve. KU is committed to fostering a workplace where every individual feels respected, valued and safe to contribute fully. When our people thrive, children thrive.

Inclusion is a foundation for both personal wellbeing and quality performance outcomes. KU's approach to diversity and inclusion is grounded in respect for human rights, fairness and dignity. We recognise that an inclusive workplace promotes psychological safety, innovation, engagement and sustainability. This commitment is reflected in our policies, leadership practices and everyday decision making.

In 2025, KU continued to prioritise the physical, psychological, social and economic wellbeing of staff. Our organisation-wide focus on psychological safety remains strong, with 90% of staff reporting that KU is a psychologically safe place to work. This environment enables open dialogue, courageous conversations and collective problem solving, which are essential qualities in a complex and evolving sector.

KU completed the re-negotiation of our two enterprise agreements in 2025 covering all our service-based staff: Directors, Early Childhood Teachers, Diploma qualified and Certificate III staff, Cooks and Administration Assistants.

Once again, KU has set the benchmark for the sector in respectful remuneration. We have also led the way with extensions of some paid leave types, including parental leave, family and domestic violence leave, cultural leave and community service leave. We also introduced a range of new paid leave options, including for the loss of a pregnancy, and to support gender identity.



In recognition of this sustained commitment to staff, we were proud to receive our 10th Employer of Choice Award in The Australian Business Awards 2025. KU is the only early childhood education provider in Australia to have achieved this significant milestone, reflecting our long term investment in people, culture and inclusive workplace practice.

KU continues to strengthen our organisational capability through education and accountability to support inclusive practice across the organisation. KU ensures that all staff, leaders and Board members understand their rights and responsibilities.

Our Anti-Discrimination and Human Rights training was expanded into an accessible online learning module, ensuring consistent understanding across all roles and locations.

This learning is reinforced through KU's Code of Conduct and revised Diversity and Inclusion Policy, which set clear expectations for respectful behaviour, zero tolerance for discrimination, bullying or harassment, and shared accountability for upholding KU's values. Inclusion at KU is everyone's responsibility, from governance to frontline practice.



To be recognised as an Employer of Choice for the 10th consecutive year is a truly remarkable achievement. It's a testament to the dedication of our people and the strong, values-based culture that defines KU. We're proud to create a workplace where every individual feels respected, supported and empowered to make a real difference in children's lives.

Christine Legg
Chief Executive Officer



KU understands that inclusion must be lived, not just stated. In 2025, we continued to strengthen workplace practices that recognise the diverse needs of our people across different life stages, identities and circumstances.



Key initiatives included:

- the introduction of Gender Affirmation Leave, supporting staff to bring their whole selves to work with dignity and respect
- expanded Cultural Leave, recognising the importance of cultural identity, connection and celebration
- increased access to flexible work arrangements, enabling staff to balance caring responsibilities, wellbeing and professional contribution
- the extension of a male educator support group, acknowledging and supporting a cohort that can face unique challenges within the sector

These initiatives reflect KU's belief that equity is not about treating everyone the same, but about providing the right support so everyone can succeed.

KU is committed to inclusive leadership practices, fair opportunity, and accessible and inclusive recruitment, development and progression practices. We actively work to reduce unconscious bias, ensure equal access to opportunity, and recognise contribution based on merit and values-aligned behaviour.

Our leaders play a critical role in modelling inclusive behaviours, responding to concerns, and creating environments where difference is welcomed and respected. This contributes to strong employee engagement results (92%) and reinforces KU's

position as an employer of choice in the early childhood education and care sector.

As a proudly not for profit organisation, KU's purpose is deeply tied to social impact. Our commitment to staff inclusion and diversity strengthens our ability to deliver equitable, high-quality services and to model the inclusive communities we seek to build for children.

As we mark our 10 consecutive Employer of Choice Awards, KU remains focused on listening to our people, evolving our practices, and embedding inclusion at every level of the organisation. By building a culture of belonging, we honour the diversity of our workforce and ensure KU remains a place where people are supported to grow, contribute and make a lasting difference.

Meet Ally

Ally Silaha is an Early Childhood Teacher at KU Cheltenham Memorial Preschool. He shares his experience of inclusion, identity and what sets KU's culture apart.



What do you value most about working at KU?

What I value most about working at KU is the genuine commitment to inclusion and respect. As a male teacher from a culturally diverse background, I feel supported not only in my professional role, but also in who I am as a person.

I also value KU's strong focus on children's rights, safety and wellbeing. It is not just a statement; it is consistently reflected in everyday practice.

How do you see individual staff identity being supported by KU?

Honestly, as a male African teacher in a profession where representation is limited, it is deeply meaningful to feel accepted and valued.

At KU, I have never felt defined by my differences; instead, my experiences, knowledge and perspective are recognised as strengths. I feel confident that my voice is heard and that I can contribute authentically to the learning environment.

What has surprised you about your work at KU?

What has surprised me most is the depth of professional support and the culture of reflection within KU. There is a genuine emphasis on continuous growth, where educators are encouraged to learn from one another and develop their practice. This has allowed me to grow in confidence and feel proud of the work I do every day.

Meet Vin

Vin Christanto reflects on how KU's values, inclusive approach and professional support shape her experience as Director at KU Bradfield Park Children's Centre.



What do you value most about working at KU?

I most value KU's ethical, not for profit focus. This is evident in the support provided to services and staff, and in organisational decisions that are consistently made in the best interests of children and families. KU's values strongly align with my own beliefs around children's rights, inclusion, equity and high-quality early learning.

I also greatly value the mentorship of an inspirational Education Quality Manager, which has supported my development as a leader within KU.

How do you see KU supporting diversity and inclusion for staff and children?

KU supports diversity and inclusion through a strong commitment to equity and inclusive practice. Educators are supported to deliver a strengths-based curriculum that is focused not on fixing perceived deficits, but on nurturing each child to thrive within an inclusive setting.

For staff, KU provides an inclusive workplace and supportive leadership, where reasonable adjustments are made based on professional trust and recognition of individual needs. Staff have access to equitable opportunities to feel supported to thrive and develop professionally.

What has surprised you about your work at KU?

What has surprised me most is the depth of support and genuine care for staff. I have been particularly impressed by the consistent implementation of KU's values in everyday decision making. This is evident in the professional trust extended to me and the meaningful, ongoing support from leadership.

KU's strong focus on collaboration, reflective practice and continuous professional growth has reinforced my sense of belonging and purpose, exceeding my expectations of working within a large organisation.

Financially Sustainable

We will be financially strong and sustainable with robust systems and processes which underpin growth and operations of the organisation.



Strategic growth: expanding our impact across Victoria

KU's 2023–2025 Strategic Plan focused on moderate growth of 10 new services – a goal achieved and celebrated with significant milestones in Victoria. Strategic tenders and strong local government partnerships have strengthened our financial sustainability and reinforced our commitment to high-quality early education.

KU Knox kindergartens

The cornerstone of our Victorian expansion this year was the successful transfer of six sessional kindergartens from Knox City Council. Following a competitive tender process, Knox City Council appointed KU as the Early Years Manager to operate:

- KU Alexander Magit Kindergarten
- KU FW Kerr Kindergarten
- KU Knoxfield Kindergarten
- KU Mariemont Kindergarten
- KU Riddell Road Kindergarten
- KU The Fields Kindergarten

The kindergartens commenced operation under the management of KU in January 2025.

This significant transfer reflects the Council's trust in our operational excellence and proven ability to deliver stable, high-quality educational environments. KU worked closely with the Council to ensure a seamless transfer that prioritised the wellbeing of children and the continuity of quality kindergarten programs. We are proud to support these services with our experience and history of excellence dating back to 1895.

Supporting the Victorian Government's Best Start, Best Life reforms, the services offer free kindergarten in safe and nurturing environments, where programs focus on the power of learning and development through relationships, play and exploration.

New opportunities in Armstrong Creek, City of Greater Geelong

KU's growth continued in the City of Greater Geelong with the successful tender for two Armstrong Creek kindergartens, which include Biyala Kindergarten and KU Biyala Community Kindergarten, along with the Biyala Community Hub.

This project represents a model of service delivery that goes beyond traditional kindergarten programs. KU will operate the kindergartens and activate the community hub spaces with services that support families, creating an integrated hub where early childhood education meets family and community support.

Facilitating access to services such as allied health, toy libraries and the Victorian Inclusion Agency will help address the holistic needs of children and families. This approach ensures that families can access multiple layers of support in one familiar, welcoming location, reinforcing KU's commitment to fostering a sense of belonging. The kindergartens commence in January 2026, with the community hub ready to offer services and programs by mid-2026.

Building relationships with Councils

The success of our Victorian expansion is rooted in our collaborative approach to local government partnerships. Throughout 2025, we focused on building and maintaining strong relationships with Councils across Victoria, NSW and the ACT.

These partnerships extend beyond the contractual; KU ensures there is deep strategic alignment between our organisation and local Councils. This synergy allows us to support Councils' strategic outcomes for children and families while simultaneously meeting our own strategic goals.

By working closely with local Council representatives, including the Central Registration and Enrolment Scheme teams and Early Years Services teams, we ensure service provision keeps pace with urban development. These efforts align with the Best Start, Best Life reforms and the Pre-Prep rollout, increasing hours of free kindergarten in accordance with local government area requirements.

Our goal remains steadfast: to ensure that every child, regardless of their postcode, has access to the learning outcomes and social foundations they deserve for a bright future.

Sustainable excellence and looking ahead

Financial sustainability at KU is intrinsically linked to our Vision and 2023-2025 Strategic Plan. By securing long-term management contracts, like those with Knox City Council and City of Greater Geelong, we create a stable foundation for ongoing reinvestment in our people and programs. Our growth in 2025 demonstrates that a professional approach to service management can yield both financial sustainability and significant social impact.

We remain dedicated to being a partner of choice for Councils, providing the reliability and educational leadership necessary to navigate an evolving early childhood landscape while maintaining our high standards of care.

As we reflect on a year of expansion, our focus remains on the children and families at the heart of these new services. The integration of the Knox and Armstrong Creek kindergartens into the KU family is a testament to our dedication and reputation for excellence. We look forward to nurturing these community connections and continuing our advocacy for a future where high-quality early childhood education is accessible, integrated and deeply embedded in the community.



KU website recognised internationally

From first click to enrolment, KU's reimagined website reshapes how families and early childhood professionals engage with KU, turning insight into a human-centred experience now recognised on the global stage.



In 2025, KU was honoured with a Silver Award at the prestigious international w3 Awards for Transforming the Web Experience through Human Centred Design (HCD). The accolade recognises the successful redevelopment of KU's website, launched in December 2024, as a leading example of digital excellence within the not for profit sector.

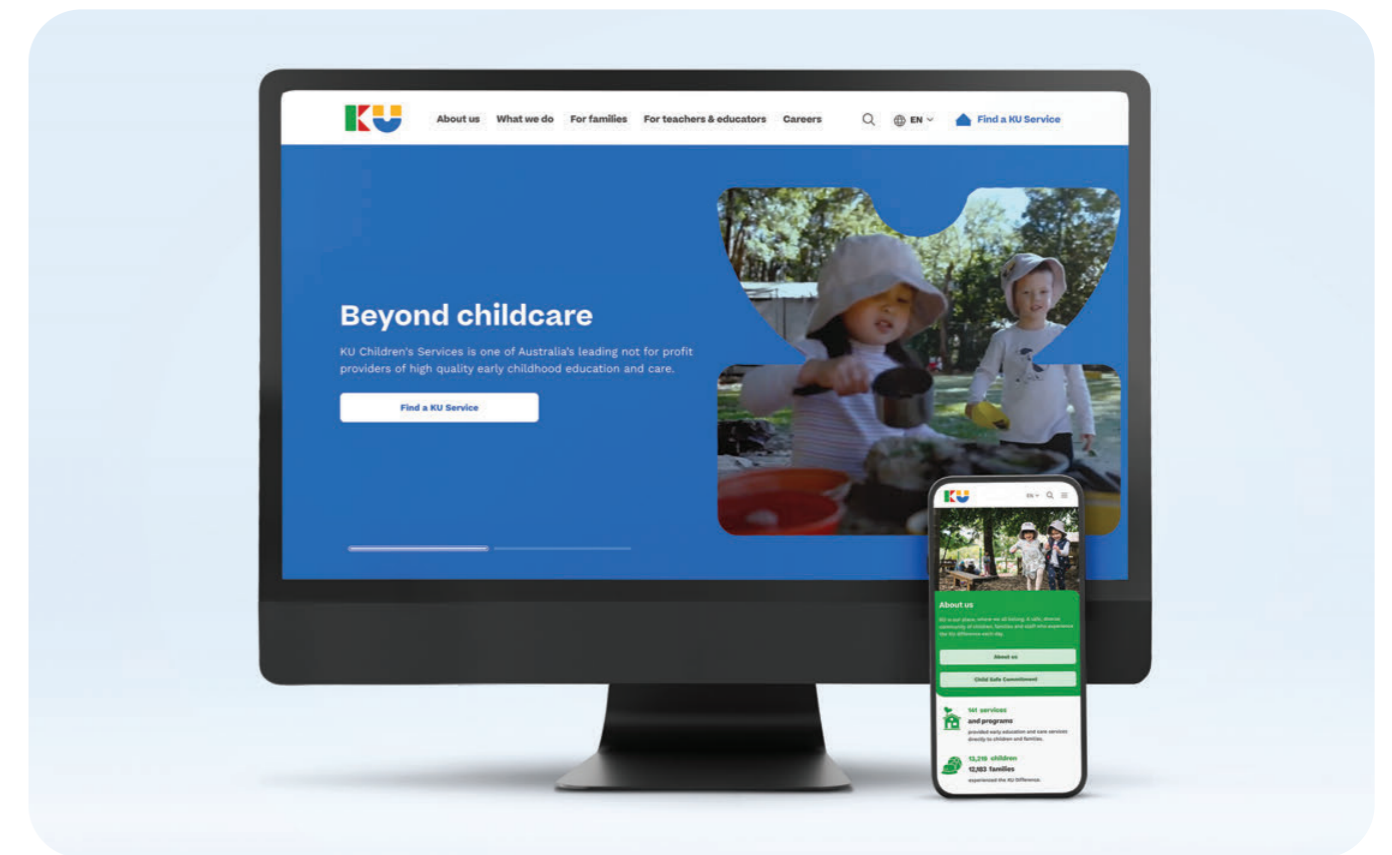
The w3 Awards, established in 2005, celebrate outstanding achievement across digital content, design and user experience. Entries are judged by the Academy of Interactive and Visual Arts, an invitation-only panel of senior leaders from organisations such as The Walt Disney Company, Netflix, Microsoft and Deloitte Digital.

KU's redesigned website was conceived with a clear purpose: to create a more intuitive, accessible and human-centred digital experience for families and early childhood professionals.

The project was informed by extensive audience research, including family focus groups and educator consultation, to ensure the site's design reflected the real needs and perspectives of those who rely on KU's services.

The resulting platform places families at the forefront. A simplified site structure, clearer navigation pathways and a more streamlined waitlist process have reduced friction in the enrolment journey. At the same time, early childhood professionals now benefit from improved access to resources, career information and professional learning opportunities. The website also incorporates KU's refreshed visual identity, completed earlier in 2024, which strengthens the cohesion and relatability of KU's brand.

Early performance indicators show that the new digital experience is having a measurable and positive impact. Since the website's launch, waitlist



application conversion rates have measurably increased, indicating more families are taking the next step after exploring KU online. User engagement has also strengthened, with more visitors spending longer on the site and a higher proportion actively interacting with content.

Significantly, KU's end of year Net Promoter Score (NPS) results rose by 2.4 points. While NPS reflects many aspects of KU's service delivery, the improved user engagement and waitlist application conversion data strongly suggest that the redesigned site is supporting families more effectively as they begin their KU journey.

This achievement reflects a multi-year collaborative effort across KU, our families and external partners. From the early research and planning stages in 2022 and 2023, through to the concurrent brand evolution project, the website redevelopment has been

shaped by collective expertise, thoughtful design and a shared commitment to delivering the best possible experience for children, families and educators.

"The KU website is a vital tool in helping us extend our reach and provide more families with access to the exceptional programs led by our dedicated teachers and educators. This international award reflects the care, collaboration and purpose that went into building a digital experience that truly embodies who we are and what we stand for at KU," said KU Chief Executive Officer, Christine Legg.

The w3 Award marks a milestone in KU's digital transformation and highlights our commitment to continuous improvement and innovation. The new website stands as a testament to what can be achieved when thoughtful design, collaboration and purpose come together to better support the communities KU serves.

Social Responsibility

We will be at the forefront of social responsibility, supporting all children and families to access our early childhood services and programs with a strong commitment towards the global transition to a more sustainable world.



Growing impact through allied health support

Acknowledging that every child develops differently, and that families know their child best, KU's allied health programs continued to deliver high-quality early childhood intervention services across targeted locations throughout 2025.

Innovation

KU's expanding team of early intervention professionals continued to apply an evidence-based, best-practice approach, delivering developmentally appropriate, high-quality play-based learning experiences in settings that best meet the needs of children and families.

KU offered allied health services through a range of means, including on a fee for service basis, through chronic condition management plans and mental health care plans, and through the National Disability Insurance Scheme (NDIS).

During 2025, allied health services offered to families included speech therapy, occupational therapy, psychology and early intervention therapy supporting children with autism.

Our therapists delivered services across a diverse range of settings, including:

- children's homes
- early childhood education and care services (both KU and non-KU early childhood settings)
- school environments
- small-group programs
- school-holiday social skills programs
- telehealth sessions
- clinic sessions offered on KU premises

Our early intervention professionals draw on established frameworks and contemporary research to ensure interventions remain consistently high-quality, inclusive and responsive.



Strengthening inclusion

KU early intervention therapists continued to support both KU and community-based early childhood services through the facilitation of tailored professional learning opportunities for educators, focusing on inclusion, speech and language development, augmentative communication

and sensory processing, and the development of fine motor skills through play.

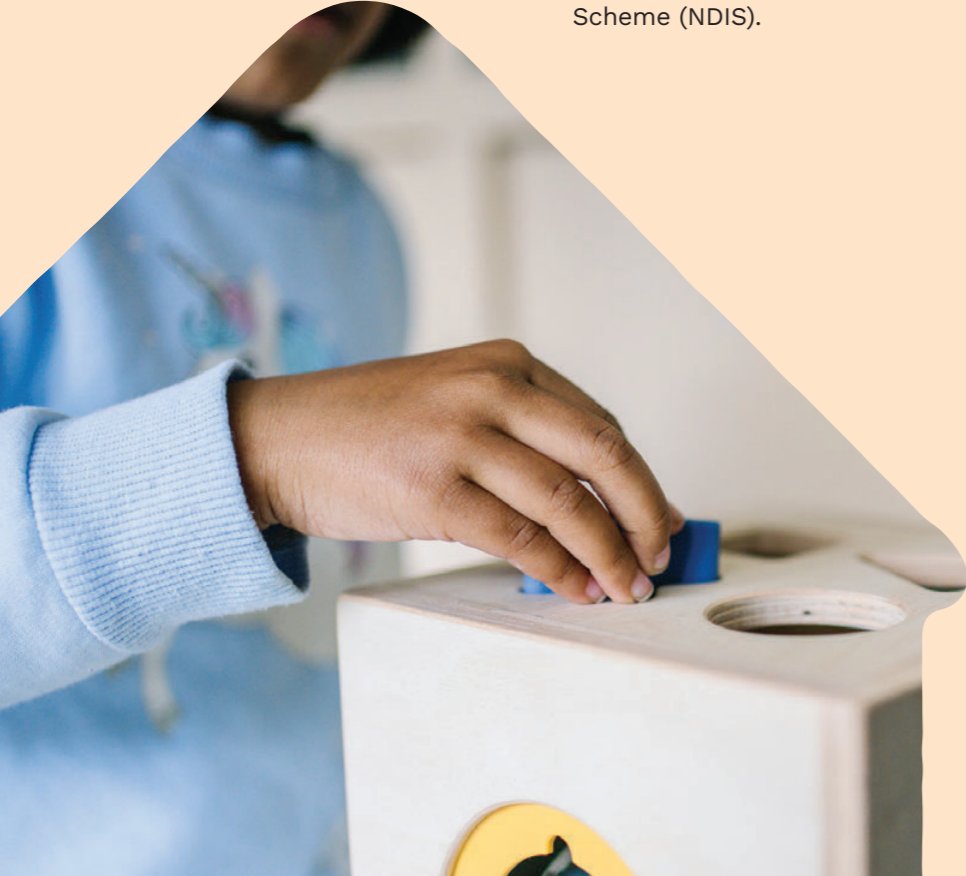
This integrated approach strengthened the capacity of educators and improved daily participation outcomes for children and families.

KU as a registered NDIS provider

KU has been a registered NDIS provider since 2014, providing services under the NDIS Early Childhood Approach for children under nine years of age.

In 2025, we undertook a review of KU's allied health services offered within the community, and the age range of children receiving support by our therapists.

As an outcome of this review, KU allied health services were no longer offered within school settings. Our therapists worked with families to transition our school-age children to other allied health therapists or offered before and after school therapy sessions for families. This change aligned KU allied health services more closely with KU's early childhood focus.



Sustainability and growth

As part of broader efforts to strengthen growth and long-term financial sustainability of KU's allied health program, a difficult decision was made in the last quarter of 2025 to close KU's Penrith regional office and integrate the Penrith allied health team into the Macarthur program in the latter part of 2025.

To provide continuity of support to our families from the Penrith area, our therapists delivered allied health services to children and families in the Penrith area in both KU and non-KU services, ensuring ongoing access to supports.

During the year, KU expanded its early childhood intervention services into Victoria. This included introducing psychology services for the first time on the grounds of KU Koo Wee Rup Kindergarten and offering play-based early intervention therapy opportunities on the grounds of KU Birnbial Kindergarten, KU Dianella Kindergarten and KU Maidstone Children's Centre.

Strong community partnerships further enhanced KU's early childhood intervention offerings.

Referrals to the Little Buddies Toy Library and the on-site Maternal and Child Health Nurse service at KU Birnbial and KU Dianella have strengthened the support available to children and families and contributed to KU's growing footprint in Victoria.

Through collaborative partnerships, eight Bachelor of Occupational Therapy (Honours) students from Monash University joined four KU Victorian early childhood education and care services, along with KU's Early Careers and Allied Health Managers, to undertake a Participatory Community Practice (PCP) program.

Working in pairs, the students collaborated closely with KU to design projects that support children, families and educators through an occupational therapy lens, with final project outcomes to be delivered in mid-2026. This partnership approach was further strengthened through KU's ongoing guidance on ethical, child-centred decision making, which remains foundational to high-quality early childhood and allied health practice.

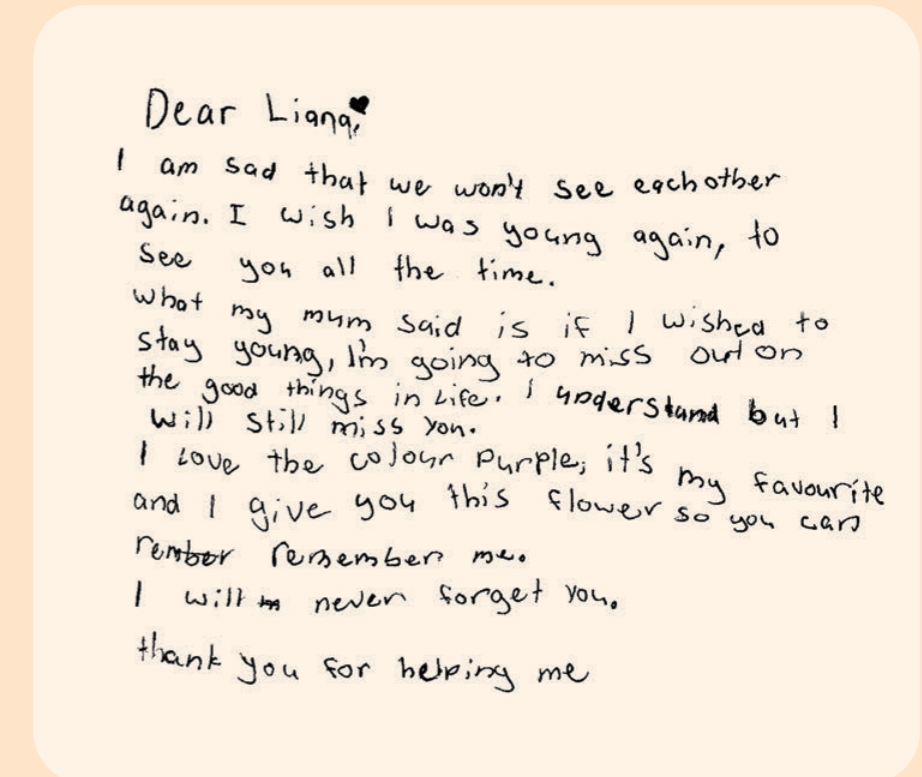
The difference we make

The positive impact of KU's allied health services is strongly reflected in the experiences shared by families. Our therapists receive consistent positive feedback highlighting the meaningful progress children have made, the supportive relationships built with therapists, and the value placed on high-quality, child-centred intervention.



“ The availability of our KU therapist to support my children with play skills in a pre-school environment has been amazing. ”

“ Keep doing what you're doing. My child has come a long way from where we first started. ”



A child's voice

“ I am truly so grateful for all the support for not only my son but for myself as a parent. ”

“ The work, observations, reports and recommendations that have been provided by our KU speech pathologist have been invaluable. ”



KU Marcia Burgess Foundation

The KU Marcia Burgess Foundation continued to make a positive social impact in 2025. We highlight two major initiatives.

The KU Marcia Burgess Foundation is grateful for the many donors whose kind support in 2025 reinforced the importance of our initiatives that improve social outcomes for children, families and the community. Our thanks extend to the James N Kirby Foundation, and the McGregor Family Fund via the Australian Communities Foundation, whose grants will continue to support initiatives in 2026.

Dharawal Early Language Program

Following three years of funding provided for delivery of the Dharawal Early Language Program by the Gujaga Foundation, this funded program concluded in June 2025. Educators and children alike immensely valued the privilege of this opportunity, together with meaningful relationships formed with Gujaga's qualified language and cultural educators.

Our sincere gratitude to the Gujaga Foundation for sharing local Dharawal Language and cultural learnings with hundreds of KU children across four Sydney services. The feedback shared was filled with children's excitedness and eagerness to learn through play and songs, and how quickly they adapted to remembering Dharawal Language.

Early childhood intervention



My son has autism and is significantly impacted across all areas of development, and he requires substantial support always. It's been wonderful to see him get support and be able to separate from us willingly to the Step Ahead group in a different room, and for us parents to meet separately and form a core support network. The financial assistance has meant he can access Early Intervention Therapy, which has made a real difference in his overall development and social skills.



In 2025, 20 children from low-income families received financial assistance to access support through KU's Early Intervention and Allied Health services.

Support included speech and language assessments and therapy, psychology, early intervention therapy sessions, and access to KU Stepping Stones Early Intervention Preschool.

Early intervention support provides a play-based therapeutic and educational approach to support and develop children's language, fine and gross motor skills, and social and cognitive skills.

Play-based early intervention is widely considered best practice, especially for children with developmental concerns, developmental delays or diagnosed disabilities including autism.

Access to individual and group therapy at KU Stepping Stones Early Intervention Preschool and the Step Ahead Autism Group program enabled children to participate in a preschool program and receive timely early intervention therapy through the Step Ahead program while parents were provided with space to connect.

In 2025, the KU Marcia Burgess Foundation received a total of \$57,807, including \$25,000 in grant income. The KU Marcia Burgess Foundation is the charitable entity of KU Children's Services. All donations \$2 and over are tax-deductible.

ABN: 85 383 844 260.

Board of Directors and Executive Team



Board of Directors



Helen Conway

**Chair of the Board
Board Member**

BA, LL.B., FAICD, MICDA,
Member of Chief
Executive Women



Norman Pack

Deputy Chair of the Board
(Until 27 May 2025)

Board Member

BCom (Accounting &
Finance), MBA, FCPA,
GAICD



Birgitte Maibom

Deputy Chair of the Board
*(27 May 2025 to
3 December 2025)*

Board Member

(Retired 3 December 2025)
BA, MA, MBA, GAICD



Prof. Patricia Eadie

Board Member

BSpeech Pathology,
Grad Dip, PhD, Fellow
of Speech Pathology
Australia

Executive Team



Christine Legg

Chief Executive Officer

DipT., B.Ed



Walter Galanti

Chief Financial Officer

MBA, CPA, GAICD



Colette Eyers

**General Manager,
Early Childhood
Education Support**

DipCS, BTeach,
PGCertSPed, Cert IV in
Training & Assessment



Natalie Grenfell

**General Manager,
Inclusion Programs**

DipTeach, BEd,
GradCertBusAdmin,
GradDipBusAdmin



Joshua Gilbert

Board Member

(Retired 27 May 2025)
BComm (Accounting),
RG416 Graduate Diploma,
MAICD



Prof. Linda Harrison

Board Member

BSc (Hons), MSc,
DipT (EC), MEd, PhD
(Developmental
Psychology), GAICD



Elisa Holmes

Board Member

LL.B. (Hons), BA, BCL,
MPhil, GAICD



Susan Kench

Board Member

(Appointed 18 June 2025)
BEc, GradDipMktg, MA,
GAICD



Jane Robinson

**General Manager,
People Services & IT**

BBus



Cherylanne Williams

**General Manager,
Early Childhood
Education Operations**

AssocDipSocSci, BTeach,
Cert IV in Assessment &
Workplace Training



Ana Marinkovic

Board Member

(Retired 27 May 2025)
BA, MBA, MAICD



Alexandra Taylor

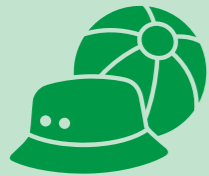
Board Member

BBus (Accounting and
Finance), CA, GAICD

Snapshot 2025



Our Family



13,219 children
12,183 families
experienced the KU Difference.



141 services and programs
provided early education and care services directly to children and families.



2,086 staff
helped us make the KU Difference, including
29
Aboriginal and/or Torres Strait Islander staff.



5,412 members
formed the foundational basis of KU's constitutional and governance status.

Our Impact

KU Family Programs

723

families increased their child's engagement with the community through KU Family Programs.

Social impact investment

4.7m

dollars invested by KU, of its own funds, in socially impactful programs.

KU Learning and Development reach

8,244

educators and support staff furthered their professional learning through KU's Learning and Development programs.

Aboriginal and/or Torres Strait Islander children

315

Aboriginal and/or Torres Strait Islander children accessed early childhood education through KU services.

KU Marcia Burgess Foundation

57,808

dollars raised by the KU Marcia Burgess Foundation.

KU Learning and Development sessions

375

Learning and Development sessions were delivered for educators and staff nationally.

Adult Migrant English Program (AMEP)

1,312

children from refugee and new migrant families were welcomed to Australia through early childhood education in KU's AMEP services.

Inclusion Agency

9,284

early childhood education services were supported by KU Inclusion Agency staff.

KU Annual Conference

395

KU staff attended KU's Annual Conference.

Sector Capacity Building Program

355

community preschools supported by KU's Sector Capacity Building Program.

Student awards and sponsorships

2

early childhood education university students supported through KU's student awards and professional learning sponsorships.

Children with additional needs

1,084

children with additional needs were included in KU services assisted by KU's Education Support team.

Early intervention and allied health

5,729

early intervention and allied health sessions delivered.

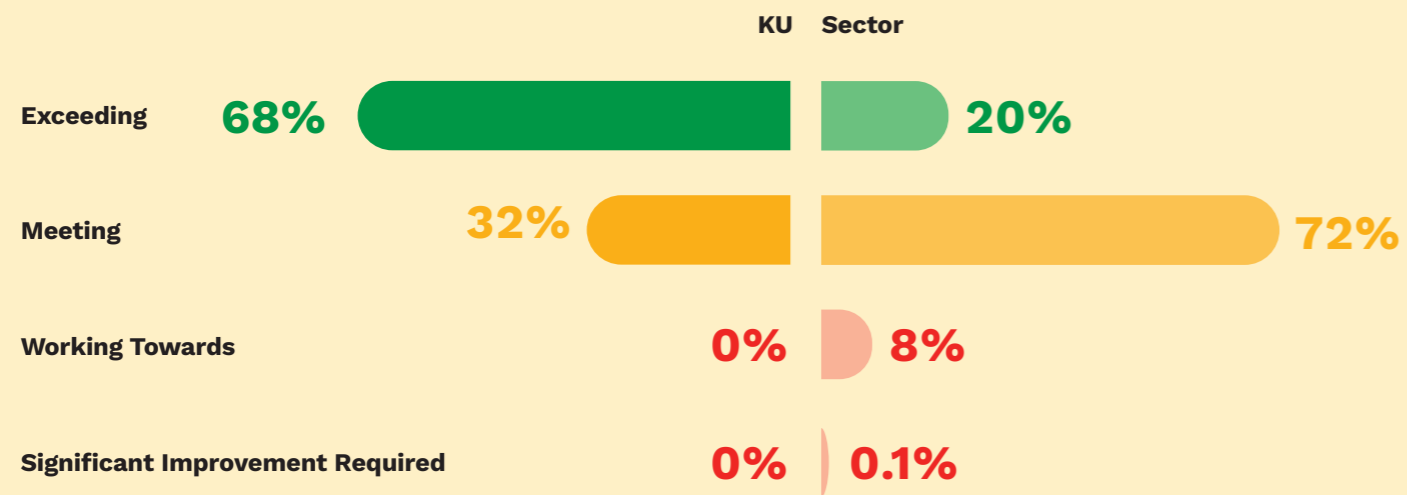
Research

13

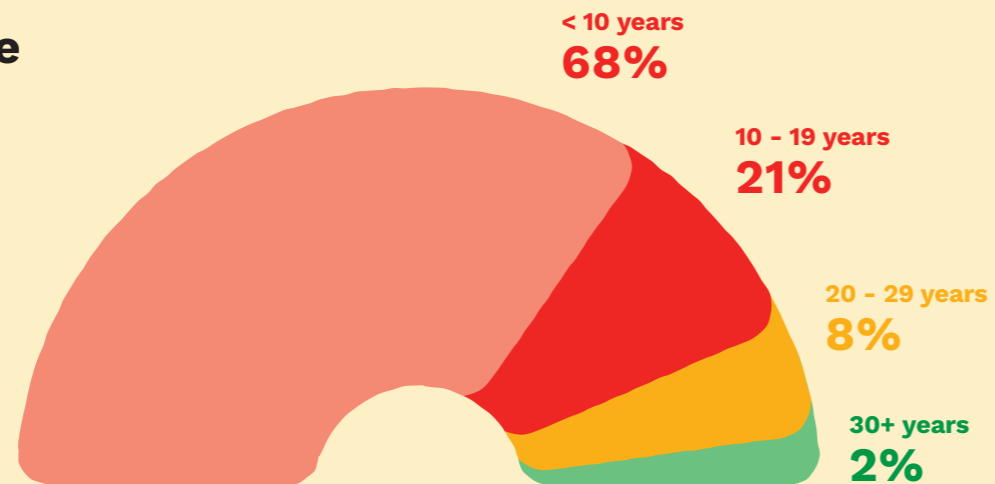
research projects were participated in.

Our Results

KU Quality (NQS Ratings)



Staff Tenure



Staff Retention Rates

89%

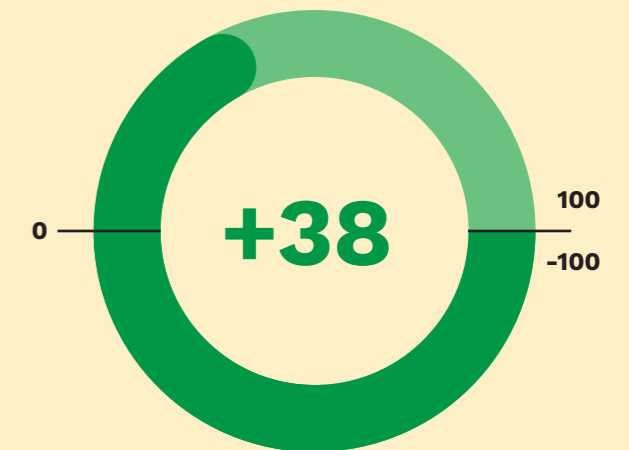


Employee Engagement Rate

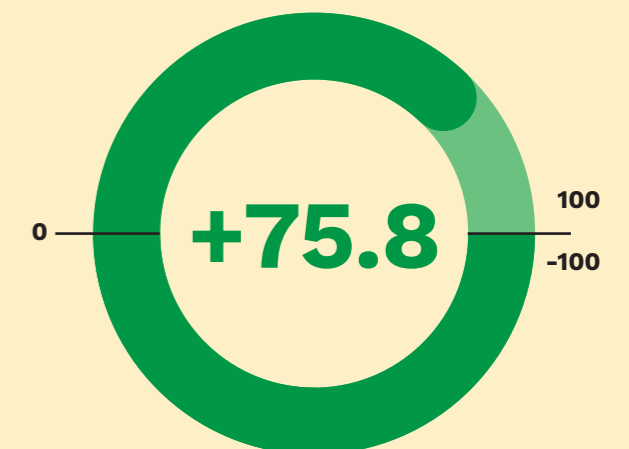
92%



Employee Net Promoter Score



Net Promoter Score (Families)



Financial Report



Directors' Report

The Directors present their report on KU Children's Services (the company) for the financial year ended 31 December 2025.

Operating Result and Cash Flow

KU's finances are overseen by KU's Board of Directors and KU's Audit & Risk Management Committee who review the financial reports regularly and provide strategic direction to KU management.

KU is a financially viable organisation with a strong balance sheet and adequate reserves. KU's long history of responsible financial management confirms KU is financially sound and progressive with a solid balance sheet and cash reserves, enabling it to pursue its strategic objectives. KU has no subsidiary or related organisations.

At 31 December 2025, KU had a net surplus of \$436,826 (2024: net surplus of \$1,432,431), total assets of \$119,595,244 (2024: \$116,095,589) and net assets of \$40,879,035 (2024: \$40,442,209).

Short and Long Term Objectives of the Company

KU Children's Services has been operating continually since 1895 and has a strong commitment to the provision of high quality early education and care, inclusion and social responsibility.

The KU Strategic Plan guided operations during 2025 which sets out key Pillars (see 'Our Pillars') for the organisation. KU's ongoing focus on the key priority areas ensured the organisational objectives continued to be pursued and achieved.

Our Vision

is to lead and inspire young children's learning for life.

Our Purpose

is to partner with families and communities to nurture children's learning, development and wellbeing.

Our Pillars

1. Educational excellence
2. Thriving workforce
3. Financially sustainable
4. Social responsibility

Principal Activities of the Company

The principal activities of KU during the current year have been the provision of early childhood education and care services. There were no changes to the principal activities during the year.

Performance Measurement

The Annual Report of the Company details the achievements and performance over the past year measured against the strategic goals. KU continued to achieve and perform strongly when measured against these strategic goals. KU's key performance indicators are utilisation, staff turnover and financial performance of individual services.

Company Limited by Guarantee

The Company is incorporated as a company limited by guarantee. In accordance with the Constitution, every member of the Company undertakes to contribute \$2 to the assets of the Company in the event of it being wound up, while he/she is a member or within one year after he/she ceases to be a member.

The Company has 5,412 members (2024: 4,158 members).

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

Directors

The Directors of the Company at any time during or since the end of the year are set out below:

Director's Name & Qualifications	
Helen Conway BA, LL.B., FAICD, MICDA, Member of Chief Executive Women	Chair of the Board Board Member Member of People, Remuneration & Nominations Committee (formerly People & Remuneration Committee) Member of Audit & Risk Management Committee
Norman Pack BCom (Accounting & Finance), MBA, FCPA, GAICD	Board Member Deputy Chair of the Board (until 27 May 2025) Chair of Audit & Risk Management Committee Member of People, Remuneration & Nominations Committee (formerly People & Remuneration Committee) (until 27 May 2025)
Birgitte Maibom BA, MA, MBA, GAICD	Board Member (until 3 December 2025) Deputy Chair of the Board (from 27 May 2025 to 3 December 2025) Member of KU Marcia Burgess Foundation Committee (until 27 May 2025) Member of Audit & Risk Management Committee (until 3 December 2025) Member of People, Remuneration & Nominations Committee (formerly People & Remuneration Committee) (from 27 May 2025 to 3 December 2025)
Prof. Patricia Eadie BSpeech Pathology, Grad Dip, PhD, Fellow of Speech Pathology Australia	Board Member Member of KU Marcia Burgess Foundation Committee
Joshua Gilbert BComm (Accounting), RG146 Graduate Diploma, MAICD	Board Member (until 27 May 2025) Chair of KU Marcia Burgess Foundation Committee (until 27 May 2025)
Prof. Linda Harrison BSc (Hons), MSc, DipT (EC), MEd, PhD (Developmental Psychology), MAICD	Board Member Member of KU Marcia Burgess Foundation Committee
Elisa Holmes LL.B. (Hons), BA, BCL, MPhil, GAICD	Board Member Member of KU Marcia Burgess Foundation Committee (until 27 May 2025) Chair of KU Marcia Burgess Foundation Committee (from 27 May 2025)
Susan Kench BEc, GradDipMktg, MA, GAICD	Board Member (from 18 June 2025) Member of Audit & Risk Management Committee (from 18 June 2025) Member of KU Marcia Burgess Foundation Committee (from 18 June 2025)
Ana Marinkovic BA, MBA, MAICD	Board Member (until 27 May 2025) Member of Audit & Risk Management Committee (until 27 May 2025)
Alexandra Taylor BBus (Accounting & Finance), CA, GAICD	Board Member Chair of People, Remuneration & Nominations Committee (formerly People & Remuneration Committee)

Directors' Attendance at Board Meetings (1 January to 31 December 2025)

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member).

Directors	Board of Directors		Audit & Risk Management Committee		People & Remuneration Committee		KU Marcia Burgess Foundation Committee	
	A	B	A	B	A	B	A	B
Helen Conway	10	10	3	3	3	3	-	-
Norman Pack	10	8	3	3	1	1	-	-
Birgitte Maibom**	10	10	3	3	2	2	1	1
Prof. Patricia Eadie	10	6	-	-	-	-	1	1
Joshua Gilbert*	3	1	-	-	-	-	1	1
Prof. Linda Harrison	10	9	-	-	-	-	1	1
Elisa Holmes	10	10	-	-	-	-	2	2
Susan Kench	6	6	1	1	-	-	1	1
Ana Marinkovic*	3	1	2	-	-	-	-	-
Alexandra Taylor	10	10	-	-	3	3	-	-

A Number of meetings held during the year while the Director was a member of the Board or Committee.

B Number of meetings attended by the Director during the year while the Director was a member of the Board or Committee.

Please note:

* Director retired from the Board and Committee(s) at AGM

**Director retired from Board and Committees at an agreed date

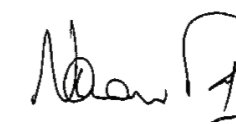
The auditors' independence declaration is included on page 60.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors



Helen Conway
Chair, Board of Directors
Sydney, 31 March 2026



Norman Pack
Chair, Audit & Risk Management Committee
Sydney, 31 March 2026



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Auditor's Independence Declaration to the Directors of KU Children's Services

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2025 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit, and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely,

Crowe Audit Australia

Alison Swansborough
Partner

7 April 2026
Sydney

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Independent Auditor's Report to the Members of KU Children's Services

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of KU Children's Services (the "Company"), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the declaration by the Board of Directors.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for Opinion

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

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 31 December 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 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 that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Company'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 director'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 the Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Crowe Audit Australia

Crowe Audit Australia

Alison Swansborough

Alison Swansborough
Partner

8 April 2026
Sydney

Directors' Declaration

The Directors declare that:

- (i) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (ii) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (Cth) and Charitable Fundraising Act 1991, including compliance with accounting standards, and give a true and fair view of the financial position and performance of the Company.

Signed in accordance with a resolution of the Directors made pursuant to S.60.15 of the Australian Charities and Not-for-profits Commission Regulations 2022.

On behalf of the Directors

Helen Conway
Chair, Board of Directors
Sydney, 31 March 2026

Norman Pack
Chair, Audit & Risk Management Committee
Sydney, 31 March 2026

Declaration by Board of Directors in Respect of Fundraising Appeals

In the opinion of the Board of Directors:

- (i) the financial statements give a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- (ii) the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (iii) the provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority are complied with; and
- (iv) the internal controls exercised by the Company are appropriate and effective in accounting for all income received.

Signed in accordance with a resolution of the Board of Directors.

Helen Conway
Chair, Board of Directors
Sydney, 31 March 2026

Norman Pack
Chair, Audit & Risk Management Committee
Sydney, 31 March 2026

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2025

	Note	2025 \$	2024 \$
Revenue from fees	5 (i)	66,758,349	65,000,036
Revenue from non-capital government funding	5 (ii)	118,133,178	110,270,144
Other revenue	5 (iii)	8,898,806	8,878,574
		193,790,333	184,148,754
Employee costs		151,240,729	142,840,621
Operational expenses		13,977,674	13,596,027
Occupancy expenses		8,162,402	7,690,810
Depreciation	8	2,905,115	2,641,455
Amortisation		1,519,335	1,684,632
Depreciation & amortisation	5 (v)	4,424,450	4,326,087
Administrative expenses		7,984,271	8,396,060
Repairs & maintenance		5,317,897	3,655,711
Marketing expenses		1,006,755	634,824
Finance costs	5 (v)	158,894	201,203
Disposals and (asset write-off)		-	33,908
Other expenses		1,106,775	1,425,175
		193,379,847	182,800,426
Surplus (deficit) from ordinary operations		410,486	1,348,328
Other income			
Government capital grant funding	5 (iv)	26,340	84,103
Surplus (deficit) for the year		436,826	1,432,431
Total comprehensive income for the year		436,826	1,432,431

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position as at 31 December 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents		39,299,462	39,160,400
Term deposits		24,500,000	27,500,000
Trade and other receivables	6	7,761,694	5,055,543
Other assets	7	1,432,242	977,508
Total current assets		72,993,398	72,693,451
Non-current assets			
Right-of-use assets	15	4,187,604	3,377,155
Property, plant and equipment	8	42,414,242	40,024,983
Total non-current assets		46,601,846	43,402,138
Total assets		119,595,244	116,095,589
Liabilities			
Current liabilities			
Trade and other payables	9	18,844,340	18,080,458
Lease liabilities	10	1,750,175	1,743,336
Unearned income	11	29,368,321	28,881,467
Provisions	12	21,252,080	21,268,386
Total current liabilities		71,214,916	69,973,647
Non-current liabilities			
Provisions	12	4,714,211	3,370,086
Lease liabilities	10	2,787,082	2,309,647
Total non-current liabilities		7,501,293	5,679,733
Total liabilities		78,716,209	75,653,380
Net Assets		40,879,035	40,442,209
Equity			
Retained earnings			
General funds	13	39,985,949	39,404,253
Fundraising reserve	14	893,086	1,037,956
Total retained earnings		40,879,035	40,442,209

The above Statement of Financial Position should be read in conjunction with the notes

Statement of Changes in Equity for the Year Ended 31 December 2025

	General Funds \$	Fundraising Reserve \$	Total \$
Balance at 1 January 2024	37,971,822	1,037,956	39,009,778
Surplus for the year	1,432,431	-	1,432,431
Balance at 31 December 2024	39,404,253	1,037,956	40,442,209
Balance at 1 January 2025	39,404,253	1,037,956	40,442,209
Surplus for the year	436,826	-	436,826
Transfer from/(to) general funds	144,870	(144,870)	-
Balance at 31 December 2025	39,985,949	893,086	40,879,035

The above Statement of Changes in Equity should be read in conjunction with the notes

Statement of Cash Flows for the Year Ended 31 December 2025

	2025 \$	2024 \$
Cash flows from operating activities		
Receipts from customers, government bodies and centres	167,845,738	155,925,211
Receipts from brokered programs	33,456,234	27,986,844
Payments to suppliers and employees	(166,841,717)	(150,102,032)
Allocations to recipients of brokered programs	(32,391,428)	(34,664,660)
Net cash (utilised in)/generated by operating activities	2,068,827	(854,637)
Cash flows from investing activities		
Payment for property, plant and equipment	(5,294,374)	(4,146,805)
Receipts from government capital grants	26,340	84,103
Interest received	2,082,348	2,214,560
Finance costs	(1,630)	(8,268)
Investments - term deposits	3,000,000	(20,000,000)
Proceeds from disposal of fixed assets	-	645
Net cash (utilised in)/generated by investing activities	(187,316)	(21,855,765)
Cash flows from financing activities		
Payment of lease liabilities	(1,742,449)	(2,044,562)
Net cash (utilised)/generated by financing activities	(1,742,449)	(2,044,562)
Net increase/(decrease) in cash and cash equivalents	139,062	(24,754,964)
Cash and cash equivalents at the beginning of the financial year	39,160,400	63,915,364
Cash and cash equivalents at the end of the financial period	39,299,462	39,160,400
Non-cash investing and financing activities		
Additions to the right-of-use assets	2,173,866	561,515
	2,173,866	561,515

The above Statement of Cash Flows should be read in conjunction with the notes

Notes to the Financial Statements for the Year Ended 31 December 2025

1. Corporate Information

The financial statements of KU Children's Services (the Company) for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 31 March 2026.

The Company is incorporated as a company limited by guarantee. The financial statements are presented in Australian dollars, which is KU Children's Services' functional and presentation currency.

2. Application of New and Revised Australian Accounting Standards

Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2025.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Material Accounting Policy Information

Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991, and associated regulations as appropriate for not-for-profit oriented entities.

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars. The following material accounting policies have been adopted in the preparation and presentation of the financial report. The accounting principles adopted are consistent with those of the previous financial year, unless otherwise stated.

a) Property, plant and equipment

Land and buildings, leasehold improvements, furniture and office equipment, motor vehicles and computers are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on furniture and office equipment, motor vehicles and computers, including freehold and leasehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The useful life of an asset is determined by Management in line with guidelines as specified in AASB 16 *Property, Plant and Equipment*. The below estimates of useful life per class of asset are provided as a guide only. The actual estimation and application of the useful life and salvage value of the asset is a reasonable judgement made by Management based on the experience of the entity with similar assets.

The following estimated useful lives are used as a guide in the calculation of depreciation:

- Buildings owned: 33-50 years
- Buildings fixtures and fittings: 5-40 years
- Leasehold improvements: lease term or 5-15 years
- Furniture and fittings: 5-40 years
- Computers and hardware: 3-5 years
- Motor vehicles: 4-10 years

The Company reviews its estimate of the useful lives of leasehold improvements at each reporting date, based on the period over which an asset is expected to be available for use by the Company. Land is carried at cost and is not depreciated.

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and rostered days off 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 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 Company in respect of services provided by employees up to reporting date.

The Company pays contributions to certain defined contribution plans. Contributions are recognised in profit or loss in the periods during which services are rendered by employees.

c) Financial instruments

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Impairment of trade and other receivables

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

d) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

e) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is presented as a separate line in the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the Statement of Financial Position.

The Company applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

The Company has the right to use certain buildings for children's services under concessionary lease terms up to 10 years each. The Company applies the accounting policy choice under AASB 16 to measure the right-of-use-assets at cost.

f) Revenue recognition

The Company recognises income from its main revenue/income streams, as listed below:

- Government grants
- Donations
- Capital grants
- Parent fees

Government grants and donations

When the Company receives government grants, donations and bequests that are in the scope of AASB 1058 (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the Company to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058 where the Company:

- Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)
- Considers whether any other financial statement elements should be recognised ('related amounts') in accordance with the relevant applicable Australian Accounting Standard including:
 - contributions by owners (AASB 1004)
 - a lease liability (AASB 16)
 - a financial instrument (AASB 9)
 - a provision (AASB 137)
- Recognises income immediately in profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised.

Capital grants

For capital grants received under an enforceable agreement where it includes a transfer to enable the Company to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the Company when completed, the Company recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income as it satisfies its obligations under the transfer.

g) Income tax

The Company is an exempt charitable entity, under Subdivision 50-B of the Income Tax Assessment Act 1997, consequently there is no income tax attributable to Company operations.

h) General funds and reserves

General funds

The general funds represent the retained earnings of the Company that are not designated for particular purposes.

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Fundraising reserve

The fundraising reserve arises from the accumulated surpluses generated as a result of the efforts of parents and staff to allow services to purchase toys and equipment, to assist the service to expand and develop to meet local needs and to allow parents to share in the life of the service and to make a concrete contribution to their children's lives.

i) Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. These amounts are usually settled within 30 days. The carrying amount of the creditors and payables is deemed to reflect fair value.

j) Unearned income

The liability for unearned income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

k) Comparatives

Comparatives have been realigned where necessary, to agree with current year presentation. There was no change in the profit or net assets.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results

of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

4.1 Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- discounted future increases in wages and salaries;
- discounted future on-cost rates; and
- experience of employee departures and period of service including future years in which long service leave is expected to be taken.

4.2 Estimation of useful lives of assets

As described at 3(a) above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

4.3 Impairment

In assessing impairment, the Company estimates the recoverable amount of each asset based on the depreciable replacement cost in accordance with AASB 136 *Impairment of assets*.

4.4 Impairment of trade and other receivables

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

4.5 Revenue recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Company has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific',

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

the Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties.

Income recognition from grants received by the Company have been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Determining the timing of satisfaction of performance obligations (and therefore whether to use an output or input method to recognise revenue over time) requires particular judgement in the case of grant contracts not directly linked to enrolment numbers. In most cases the best measure of performance obligations being satisfied was determined to be the Input method. As such revenue is recognised on these types of contracts as costs are incurred as this was determined to be the most accurate measure of satisfaction of performance obligations.

4.6 Leases (Company as a lessee)

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of

the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right of use asset, with similar terms, security and economic environment.

Concessionary leases

The Company leases various buildings from local councils with significantly below-market terms and conditions principally to enable it to further its objectives in the provision of childcare services.

The lease terms are between 1-10 years for buildings including any fixtures and improvements, to operate site as childcare centres or related services. The lease payments are typically \$1 per annum, plus outgoings contributions as agreed in each instance.

As outlined in the Company's accounting policy in Note 3, the Company has elected to measure these leases at cost.

4.7 Workers compensation claims (LPR model)

In determining whether a present obligation exists and the extent to which claims fall within the Company's retention under the LPR model, management exercised judgement in assessing the contractual terms of the icare arrangement, historical claims patterns, and the point at which liabilities transfer to icare.

The measurement of the provision involves significant estimation uncertainty. Key assumptions include the frequency and severity of claims, the likely development of known claims, and the extent of claims incurred but not reported (IBNR). Additional uncertainty arises from potential changes in medical cost inflation, legislative reforms, and the discount rate applied. Management considers the range of possible outcomes and uses actuarial valuations provided by icare as the basis for its estimates. A 10% increase in estimated claim costs would increase the provision by approximately \$0.1 million (2024: n/a).

The timing of the expected outflows is uncertain, as settlement of claims may occur over a number of years depending on the nature and severity of injuries. The Company does not expect significant reimbursements beyond the operation of the LPR thresholds, as icare assumes responsibility for claims above those limits.

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

5. (Deficit)/Surplus for the Year

	2025 \$	2024 \$
Revenue from contracts with customers		
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows: All revenue is derived from within Australia		
(i) Revenue from fees		
Parent's fees	66,758,349	65,000,036
(ii) Revenue from non-capital government funding		
Government funding	118,133,178	110,270,144
(iii) Other revenue		
Other revenue from ordinary operations consisted of the following items:		
Management fees	4,632,977	4,580,914
Gross fundraising income	61,842	105,413
Interest income	2,082,348	2,214,560
Consultancy fees	1,177,106	1,091,511
Sales of publications and courses	37,039	99,075
Sponsor support	635,605	566,784
Other sundry revenue	271,889	220,317
	<u>8,898,806</u>	<u>8,878,574</u>
(iv) Other income		
Government capital grant funding	26,340	84,103
(v) Surplus		
Surplus has been arrived at after charging the following items:		
Depreciation		
Property, plant and equipment	(2,905,115)	(2,641,455)
Right-of-use assets	(1,519,335)	(1,684,632)
Total depreciation	<u>(4,424,450)</u>	<u>(4,326,087)</u>
Net expected credit losses and bad debts written off	(16,345)	(64,296)
Finance costs		
Interest charges paid/payable	(32)	-
Interest on lease liabilities	(158,862)	(201,203)
	<u>(158,894)</u>	<u>(201,203)</u>
Lease payments		
Short-term and low value leases	(3,960,407)	(3,902,376)
	<u>(3,960,407)</u>	<u>(3,902,376)</u>
Gain/(Loss) on disposal of assets	-	(33,908)

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

6. Trade and Other Receivables

	2025 \$	2024 \$
Trade receivables		
Trade receivables	6,693,335	3,682,347
Allowance for expected credit losses	(92,221)	(92,221)
Accrued income	974,792	1,251,618
	<u>7,575,906</u>	<u>4,841,744</u>
Other receivables		
Other receivables	185,787	213,798
Grants due from Government	1	1
	<u>7,761,694</u>	<u>5,055,543</u>

7. Other Assets

	2025 \$	2024 \$
Prepayments	1,432,242	977,508
	<u>1,432,242</u>	<u>977,508</u>

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

8. Property, Plant and Equipment

	Land and buildings \$	Leasehold improvements \$	Furniture and office equipment \$	Motor vehicles \$	Make good \$	Total \$
Gross Carrying Amount						
Balance at 1 January 2025	27,952,554	31,242,840	7,239,241	73,438	1,866,658	68,374,731
Additions	690,961	3,426,692	1,142,997	-	44,400	5,305,050
Reverse assets under construction (WIP) 2024	(64,913)	(327,901)	(910)	-	-	(393,724)
Current WIP uncapitalised	60,771	321,258	1,019	-	-	383,048
As at 31 December 2025	28,639,373	34,662,889	8,382,347	73,438	1,911,058	73,669,105
Accumulated Depreciation						
Balance at 1 January 2025	(3,996,957)	(17,929,634)	(4,505,319)	(73,438)	(1,844,400)	(28,349,748)
Disposals	-	-	-	-	-	-
Depreciation expense	(445,151)	(1,652,827)	(779,632)	-	(27,505)	(2,905,115)
As at 31 December 2025	(4,442,108)	(19,582,461)	(5,284,951)	(73,438)	(1,871,905)	(31,254,863)
Net Book Value						
As at 31 December 2024	23,955,597	13,313,206	2,733,922	-	22,258	40,024,983
As at 31 December 2025	24,197,265	15,080,428	3,097,396	-	39,153	42,414,242

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

9. Trade and Other Payables

	2025 \$	2024 \$
Salary and superannuation accruals	1,225,827	1,213,370
Prepaid centre fees and holding deposits	4,972,811	4,783,455
GST payable	786,223	906,763
Other payables and accruals	3,715,611	3,981,356
Trade payables	1,948,301	585,061
WBS & brokered program surpluses	6,195,567	6,610,453
	18,844,340	18,080,458

10. Lease Liabilities

	2025 \$	2024 \$
(a) Current liabilities		
Lease liability	1,750,175	1,743,336
(b) Non-current liabilities		
Lease liability	2,787,082	2,309,647
Future lease payments		
Future lease payments are due as follows:		
within one year	1,750,175	1,980,385
one to five years	3,116,524	3,061,208
more than five years	26,069	223,089
	4,892,768	5,264,682

Reconciliations

Reconciliations of lease liabilities (current and non-current) at the beginning and end of the financial year are set out below:

Balance at beginning of year	4,052,983	5,264,682
Modifications	(106,004)	70,144
Additions	2,173,866	561,515
Repayment of lease liabilities	(1,742,449)	(2,044,562)
Interest	158,862	201,203
Balance at end of year	4,537,257	4,052,983

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

11. Unearned Income

	2025 \$	2024 \$
Prepaid government funding	23,278,349	22,937,796
Prepaid special education income	6,089,972	5,943,671
	<u>29,368,321</u>	<u>28,881,467</u>

12. Provisions

	2025 \$	2024 \$
Current		
Employee benefits:		
Provision for annual leave and rostered days off	11,463,021	11,965,510
Provision for long service leave	8,812,150	8,308,991
	<u>20,275,171</u>	<u>20,274,501</u>
Provisions		
Make good liability	976,909	993,885
	<u>21,252,080</u>	<u>21,268,386</u>
Non-current		
Employee benefits:		
Provision for long service leave	2,644,616	2,497,353
Provisions		
Workers compensation	1,182,149	-
Make good liability	887,446	872,733
	<u>4,714,211</u>	<u>3,370,086</u>

13. General Funds

	2025 \$	2024 \$
Balance at beginning of financial year	39,404,253	37,971,822
Net surplus	436,826	1,432,431
Transfers from fundraising reserve	144,870	-
Balance at end of financial year	<u>39,985,949</u>	<u>39,404,253</u>

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

14. Fundraising Reserve

	2025 \$	2024 \$
Balance at beginning of financial year	1,037,956	1,037,956
Transfer to general funds	(144,870)	-
Balance at end of financial year	<u>893,086</u>	<u>1,037,956</u>

The fundraising reserve arises from the accumulated efforts of parents and staff to allow services to purchase optional toys and equipment, to assist the service to expand and develop to meet local needs and to allow parents to share in the life of the service and to make a concrete contribution to their children's lives.

15. Non-Current Assets - Right-of-Use Assets

	2025 \$	2024 \$
Right-of-use assets	9,990,361	8,573,561
Less: Accumulated depreciation	(5,802,757)	(5,196,406)
Balance at end of financial year	<u>4,187,604</u>	<u>3,377,155</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below.

Balance at beginning of year	3,377,155	4,461,202
Additions	2,173,866	561,515
Disposals	-	(31,074)
Adjustments	155,918	70,144
Depreciation expense	(1,519,335)	(1,684,632)
Balance at end of year	<u>4,187,604</u>	<u>3,377,155</u>

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

16. Contingent Liabilities

The Company has given the following bank guarantees to various landlords:

	2025 \$	2024 \$
Bank Guarantee 12 September 2016 to Abalon Properties Pty Ltd	7,400	7,400
Bank Guarantee 12 September 2016 to Kearley Investments Pty Ltd	9,900	9,900
Bank Guarantee 30 April 2015 to Marrickville Council	15,400	15,400
Bank Guarantee 19 June 2021 to Monarch (Sales) Pty Limited	36,300	36,300
	69,000	69,000

At various times, claims are made against the entity in regards to historical events. These claims are managed by management and directors in conjunction with legal representatives and insurers.

17. Economic Dependency

As disclosed at Note 5, a significant source of revenue is government funding. This funding supports programs for early childhood education and care.

18. Related Party Disclosures

a) Directors' compensation

The Directors act in an honorary capacity and receive no compensation for their services (2024: nil).

b) Transactions with Director-related entities

During the year, no amounts were paid to Director-related parties. No amounts are payable to or receivable from Directors or Director-related entities at the reporting date. If a Director utilises the services of KU Children's Services they pay the arms length market rates for provision of these services.

c) Key management personnel remuneration

The aggregate compensation of the key executive management personnel of the Company is set out below:

Aggregate compensation	2,222,863	1,999,373
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KU Executive salaries are independently benchmarked regularly by a specialist remuneration consultancy firm, against open market and not for profit sector trends.

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

19. Commitments

The company had no commitments as at 31 December 2025 (2024: nil).

20. Events After the Reporting Period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect, the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

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

Under this Act, KU Children's Services holds a single authority to fundraise for KU centres. The authority does not extend to services which KU manages on behalf of another organisation. Preparation of the following information reflects the level of disclosure existing in management systems in use by the organisation.

(a) Statement of Fundraising Income and Expenditure

Detailed income statement for the year ended 31 December 2025

	2025 \$	2024 \$
Raffles	3,553	2,682
Functions	23,853	51,765
Sale of items	26,815	30,078
Interest	37	33
Donations	7,584	20,855
Gross proceeds from fundraising	<u>61,842</u>	<u>105,413</u>
Raffles	(213)	(498)
Functions	(68,210)	(68,939)
Sale of items	(39,664)	(35,479)
Total cost of fundraising	<u>(108,087)</u>	<u>(104,916)</u>
Net proceeds from fundraising	<u>(46,245)</u>	<u>497</u>

(b) Accounting Principles and Methods Adopted in Fundraising Accounts

The fundraising financial statements have been prepared on an accrual basis and in accordance with Australian Accounting Standards as per Note 3.

(c) Application of Fundraising Proceeds

Opening balance	1,037,956	1,037,956
Net proceeds from fundraising	(46,245)	497
Centre improvement and equipment	(98,595)	(497)
Bank charges	(30)	-
Total Reserve at year end	<u>893,086</u>	<u>1,037,956</u>

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

21. Information & Declarations to be Furnished Under the Charitable Fundraising Act 1991 (continued)

(d) Details of Gross Income and Aggregate Expenditure of Appeals Conducted Jointly with Traders

For the purpose of this note all fundraising involving the Sale of Items (e.g. chocolates, sun hats, sunscreen, etc) is deemed to have involved a trader.

	2025 \$	2024 \$
Gross income received from sale of items	26,815	30,078
Total expenditure incurred	39,664	35,479

(e) Forms of Fundraising Appeals Conducted in 2025

For the purposes of reporting under the requirements of the Charitable Fundraising Act 1991, KU Children's Services classifies all fundraising activities under five categories; raffles, functions, sale of items, donations and interest.

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

22. Government Grant Funding

During the course of the calendar year, specific government funding that required acquittal reporting included the following programs:

Program	Funding \$ 30/06/2025	Funding \$ 30/06/2024
Acquittal for the year ended		
KU Inner West Supported Playgroups – NSW Department of Communities and Justice	439,406	428,908
KU Newcastle Supported Playgroups – NSW Department of Communities and Justice	178,606	130,225
Inclusion Development Fund Manager (IDFM) – Commonwealth Department of Education	3,522,490	2,515,000
IDFM Project Funding – Commonwealth Department of Education	-	793,449
Inclusion Agency – Commonwealth Department of Education	25,243,669	24,081,153
Steps to Starting School – The Smith Family	134,973	122,976
KU Starting Points - 1 - Start Strong Pathways Program NSW D.O.E	n/a	155,805
KU Starting Points - 2 - Start Strong Pathways Program NSW D.O.E	n/a	362,655
Commonwealth Individualised Grant – Briar Cottage	n/a	23,000

23. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by Crowe Audit Australia, and prior year by Crowe Audit Australia.

	2025 \$	2024 \$
Audit of the financial statements & acquittals		
Crowe Audit Australia	156,750	169,450
	<u>156,750</u>	<u>169,450</u>

24. Additional Company Information

KU Children's Services is a public company limited by guarantee, incorporated and operating in Australia.

Principal Registered Office and Principal Place of Business
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Since 1895

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Authority holder under the provisions of
Section 16 of the Charitable Fundraising Act 1991.
Fundraising Authority No. CFN 10313

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