



FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY
ABN 26 001 273 105

FINANCIAL REPORT - 31 DECEMBER 2025

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FUSION AUSTRALIA LIMITED
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DIRECTORS' REPORT

The parent entity, Fusion Australia Limited (Fusion) is registered as a company limited by guarantee and not having share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The Directors present the financial report on the parent entity and its controlled entity Fusion Property Pty Limited which are together referred to in this report as the group, for the year ended 31 December 2025 and report as follows:

DIRECTORS

The names of the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

Paul Ryan	Beverley Rankin
Dorothy Knox	Rohan Prowse
Stephen Hamilton	Thomas Griffiths
Annelise Schroder	Lashitha Devadason
Sarah Fraser	

PRINCIPAL ACTIVITIES

The principal activities of the consolidated group during the reporting period were to provide support and relief for young people and those in the community requiring benevolent relief through practical means. This has occurred through the provision of mentoring; the provision of community services to those in need and the training of team members and others who are providing these services.

OPERATING RESULT AND REVIEW OF OPERATIONS

The results for the year show a deficit from operations of \$627,536 (2024: deficit from operations of \$750,072).

Several significant factors, outlined below, have affected the reported result:

- Planning and preparing for a major new community housing development in the Mornington Centre continued during 2025. Fusion Supported Housing (Vic) Ltd aims to provide affordable community accommodation. Charitable and other registrations are progressed through the year.
- Fusion's Opportunity Shops (second-hand clothing shops) saw reduced demand over parts of the country but managed to maintain steady revenues of \$1.49M overall (2024: \$1.53M).
- Fusion Building and Maintenance (FBM) continued preparations for changes to the funding model for core Commonwealth home support program services. Returns on recent investment in business processes became visible with efficiencies rising significantly and results responding accordingly. The business unit saw a surplus of \$305K (2024: \$188K deficit).
- Fusion released a new strategy during the year and the investment in business operation and program portfolio realignment saw transition costs of \$365K. These changes will continue in 2026 but are expected to reduce.
- Fusion participates in the National Redress Scheme and there are currently claims in progress.

OBJECTIVES OF THE GROUP

The short-term objectives of the consolidated group are to:

- Identify and provide specialist services, programs and mentoring that develop wellbeing, resilience and transferable life skills for young people, their families and their communities.
- Support underprivileged and needy people by engaging all sectors of the community in ongoing partnership and support programs.
- Be a recognised leader in the provision of specialist youth and community services as evidenced by the success of programs and practices.

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DIRECTORS' REPORT

OBJECTIVES OF THE GROUP (continued)

- values, skills and awareness necessary to those in need and those providing services, so all involved are able to be effective in their life and community.

The long-term objectives of the consolidated group are to:

- Be a catalyst for community transformation through establishing and maintaining relationships that foster community reconnection, social inclusion and vocational rehabilitation for needy and disconnected people, and a range of specialist youth and community work programs.
- Be sustainable and strive for continuous improvement so as to offer the best possible outcomes for people requiring our assistance.
- Provide training, education, vocational rehabilitation and support to those in need and those involved in providing services with the values, skills and awareness's necessary to become loving, truthful, creative, autonomous and responsible persons in community.
- Be a model of Christianity through our life together and to others.

To achieve these objectives the consolidated group has adopted the following strategies:

Our youth and community work across the country is built around a service portfolio designed to maximise impact and long-term sustainability. We are continually reviewing the effectiveness of our programs to ensure that we are delivering quality, innovative programs that produce strong outcomes in the lives of individuals and communities.

Fusion Australia has always been at its best when working with people on the margins of society. We work to engage with issues that impact on the lives of individual, families and our communities.

At the heart of this has been the continued development of **Fusion Australia's Strategic Framework (2025-27)** — a practical framework that sharpens our focus on our core mission: supporting young Australians aged 12 to 25 to build connected, meaningful lives. This work has helped us clarify the outcomes we are seeking, the unique value Fusion brings, and the conditions required to make a lasting difference in young lives. It is shaping our programs, partnerships, and how we measure impact as we commit to refocusing on our core cohort, strengthening our organisational capacity, and building a sustainable future. Together, these commitments guide how we strengthen services for vulnerable young people, invest in our workforce and systems, and grow a diverse, resilient portfolio that supports long term impact.

We've also been **strengthening and repositioning Fusion as a professional, for-purpose, Christian organisation**. This means building trust with funders, partners, and the communities we serve through excellence in governance, financial stewardship, and service delivery—while staying grounded in the compassionate, relational ethos that has defined Fusion Australia for decades. We're investing in clearer systems, better support for our people, and deeper alignment between our values and our day-to-day work.

In order for our teams to operate well we build a governance and resource framework that is robust and resilient to ensure a sustainable future for the organisation and individuals involved.

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DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

	Attended	Eligible
Paul Ryan	12	12
Dorothy Knox	11	12
Stephen Hamilton	12	12
Annelise Schroder	12	12
Beverley Rankin	10	12
Rohan Prowse	10	12
Thomas Griffiths	9	12
Lashitha Devadason	10	12
Sarah Fraser	11	12

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under s60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 31 December 2025 has been received and can be found on the following page, which forms part of the Directors' Report.

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

Signed by:


2D397C4427994C6...
Paul Ryan
Director

Ballarat, 17 March 2026



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FINANCIAL REPORT - 31 DECEMBER 2025

AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40
OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF FUSION AUSTRALIA LIMITED

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

- (a) 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
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Stewart Brown

StewartBrown
Chartered Accountants

David Gallery

David Gallery
Partner

17 March 2026

FUSION AUSTRALIA LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 \$	2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,610,672	3,769,303
Trade and other receivables	7	352,458	298,170
Inventories	8	63,420	78,384
Financial assets	9	2,273,543	1,673,770
Assets held for sale	10	3,037,286	-
<i>Total current assets</i>		<u>7,337,379</u>	<u>5,819,627</u>
Non-current assets			
Trade and other receivables	7	112,638	116,664
Property, plant and equipment	11	6,072,551	9,190,262
Right-of-use assets	12	671,334	691,294
<i>Total non-current assets</i>		<u>6,856,523</u>	<u>9,998,220</u>
TOTAL ASSETS		<u>14,193,902</u>	<u>15,817,847</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	13	2,053,162	2,876,304
Lease liabilities	14	321,773	346,898
Provisions	15	160,860	284,441
<i>Total current liabilities</i>		<u>2,535,795</u>	<u>3,507,643</u>
Non-current Liabilities			
Lease liabilities	14	378,845	382,164
Provisions	15	1,087,811	1,109,053
<i>Total non-current liabilities</i>		<u>1,466,656</u>	<u>1,491,217</u>
TOTAL LIABILITIES		<u>4,002,451</u>	<u>4,998,860</u>
NET ASSETS		<u><u>10,191,451</u></u>	<u><u>10,818,987</u></u>
FUNDS			
Accumulated funds		4,772,700	5,400,236
Reserves	16	5,418,751	5,418,751
TOTAL FUNDS		<u><u>10,191,451</u></u>	<u><u>10,818,987</u></u>

The accompanying notes form part of these financial statements

FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$	2024 \$
Revenue	4	11,559,226	11,720,444
Other income	4	192,133	150,419
		<u>11,751,359</u>	<u>11,870,863</u>
Expenses			
Administration and other expenses		(2,319,712)	(2,447,299)
Depreciation	5	(667,756)	(734,080)
Finance costs	5	(34,569)	(44,248)
Fundraising and other expenses		(52,243)	(78,965)
Other operating costs		(1,723,807)	(1,584,502)
Salaries and employee benefits		(7,348,757)	(7,538,680)
Utilities		(232,051)	(193,161)
		<u>(12,378,895)</u>	<u>(12,620,935)</u>
Surplus (deficit) before income tax		(627,536)	(750,072)
Income tax expense		-	-
Surplus (deficit) for the year		(627,536)	(750,072)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		<u><u>(627,536)</u></u>	<u><u>(750,072)</u></u>

The accompanying notes form part of these financial statements

FUSION AUSTRALIA LIMITED
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STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Accumulated Funds	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2024	6,150,308	5,418,751	11,569,059
Comprehensive income			
Surplus (deficit) for the year	(750,072)	-	(750,072)
Other comprehensive income	-	-	-
Total comprehensive income (loss) for the year	<u>(750,072)</u>	<u>-</u>	<u>(750,072)</u>
Balance at 31 December 2024	<u>5,400,236</u>	<u>5,418,751</u>	<u>10,818,987</u>
Balance at 1 January 2025	5,400,236	5,418,751	10,818,987
Comprehensive income			
Surplus (deficit) for the year	(627,536)	-	(627,536)
Other comprehensive income	-	-	-
Total comprehensive income (loss) for the year	<u>(627,536)</u>	<u>-</u>	<u>(627,536)</u>
Balance at 31 December 2025	<u>4,772,700</u>	<u>5,418,751</u>	<u>10,191,451</u>

The accompanying notes form part of these financial statements

FUSION AUSTRALIA LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers and government		11,415,035	10,588,650
Payments to suppliers and employees		(13,136,737)	(12,163,258)
Receipts from donations and fundraising		719,973	955,871
Interest received		10,314	17,906
Interest paid - other		(23)	(497)
<i>Net cash flows from operating activities</i>		<u>(991,438)</u>	<u>(601,328)</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		14,286	69,183
Purchase of financial assets		(544,743)	(68,882)
Purchase of property, plant and equipment		(200,547)	(184,939)
<i>Net cash flows from investing activities</i>		<u>(731,004)</u>	<u>(184,638)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(401,643)	(393,499)
Interest paid on lease liabilities		(34,546)	(43,751)
<i>Net cash flows from financing activities</i>		<u>(436,189)</u>	<u>(437,250)</u>
Net increase (decrease) in cash and cash equivalents		(2,158,631)	(1,223,216)
Cash and cash equivalents at the beginning of the financial year		<u>3,769,303</u>	<u>4,992,519</u>
Cash and cash equivalents at the end of the financial year	6	<u>1,610,672</u>	<u>3,769,303</u>

The accompanying notes form part of these financial statements

FUSION AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Note 1 - Corporate information

The consolidated financial report includes the consolidated financial statements and notes of Fusion Australia Limited and its controlled entity (group). Fusion Australia Limited is registered with the *Australian Charities and Not-for-profits Commission Act 2012* and is domiciled in Australia.

Fusion Australia Limited provides support and relief for young people and others in the community. The group operates 16 centres across Australia that have focussed on meeting the needs of the communities in which they work. This is done with support and cooperation from government agencies, other organisations, businesses, community groups and the Church.

The registered address of the group is:

185 Warrigal Road
Hughesdale VIC 3166

The financial statements were approved by the Board of Directors on 17 March 2026.

Note 2 - Basis of preparation

Statement of compliance

These general-purpose financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures*. The group is a not-for-profit entity for the purposes of preparing these financial statements.

Basis of measurement

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates

Impairment

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

FUSION AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Note 2 - Basis of preparation (continued)

New and revised standards that are effective for these financial statements

For the year ended 31 December 2025 there is only one new mandatory accounting applicable to the group:

- *AASB 2023-5: Amendments to Australian Accounting Standards – Lack of Exchangeability*

The application of AASB 2023-5 has not had a material impact on the carrying values of the group's asset, liability or equity balances; nor a material impact on the disclosures in the financial report nor the recognition and measurement of the group's revenue or expenses.

New standards and interpretations not yet adopted – financial reporting framework

For the year ended 31 December 2025 there is only one new accounting standard, amendment and interpretation that has been published that is not mandatory for the 31 December 2025 reporting period and has not been early adopted by the group:

- *AASB 18 – Presentation and Disclosure in Financial Statements* (applicable for the year ending 31 December 2027)

It is not expected that AASB 18 will have a material impact on the group in future reporting periods.

New standards and interpretations not yet adopted – sustainability reporting framework

The Australian Accounting Standards Board approved Australian Sustainability Reporting Standards in September 2024, having both voluntary and mandatory reporting implications for Australian companies over differing periods of implementation depending on revenue, gross assets and full-time equivalent employee number metrics. These standards are:

- *AASB S1 – General Requirements for Disclosure of Sustainability-related Financial Information* (voluntary disclosure available for the year ended 31 December 2025)
- *AASB S2 – Climate-related Disclosures* (applicable for the year ending 31 December 2027, depending on criteria qualification outcomes)

It is not expected that AASB S1 or AASB S2 will have a material impact on the group in future reporting periods. AASB S1 and AASB S2 will only have mandatory application to entities required to report under Chapter 2M of the *Corporations Act 2001* for annual reporting periods commencing on or after 1 January 2025. The group is currently assessing whether there will be any material change to disclosures in financial reporting in future years as a consequence of sustainability reporting requirements. As at the date of this financial report AASB S1 and AASB S2 do not have mandatory application to the group as the group prepares its financial report under the *Australian Charities and Not-for-profits Commission Act 2012* financial reporting framework.

Note 3 - Accounting policies

The material accounting policies adopted in the preparation of the consolidated financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Principles of Consolidation

The controlled entity is consolidated with Fusion Australia Limited as the parent entity as it has the capacity to dominate the decision making of the entity and the consolidated group operates for the benefit of the parent entity. All inter-company balances and transactions have been eliminated or consolidated.

The financial statements of the subsidiary are prepared using accounting policies consistent with those used by the parent entity.

FUSION AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Note 3 - Accounting policies (continued)

Income tax

The group is a not-for-profit Charity & Public Benevolent Institution and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. Fusion Australia Limited has deductible gift recipient (DGR) status.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Sale of goods and services

Revenue from the sale of goods is recognised when title to the good subject to sale passes from the group to the customer. Revenue from the rendering of services is recognised upon delivery of the service to the customer.

Government grants

Government grant revenue is recognised in the statement of comprehensive income when the group obtains control of the grant, and it is probable that the economic benefits gained from the grant will flow to the group and the amount of the grant can be measured reliably.

Grants, donations and fundraising

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the group obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the group; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest

Revenue from interest is recognised on an accrual's basis.

Property income

Property income is accounted for on an accruals basis and is recognised when the tenancy has been agreed, it is probable that the future economic benefits will flow to the group and those benefits can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

FUSION AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Note 3 - Accounting policies (continued)

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables.

Inventories

Inventories are initially recognised at cost and subsequently held at the lower of cost or net realisable value at balance date.

Assets held for sale

Non-current assets are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale " occurs when management has committed to a plan for immediate sale, the sale is expected to occur within one year from the date of classification and active marketing of the asset has commenced. Such assets are classified as current assets.

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Property

Freehold land and buildings are carried at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in funds. Revaluation decreases that offset previous increases in the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Freehold land and buildings that have been contributed at no cost or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

FUSION AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Note 3 - Accounting policies (continued)

Property, plant and equipment (continued)

Impairment

Property, plant and equipment including land and buildings are subject to the group's policy for impairment review whereby an asset is tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Depreciation and amortisation

The depreciable amount of all property, plant and equipment including capitalised lease assets, but excluding freehold land and buildings, is depreciated on a straight line basis over the asset's useful life to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The depreciation effective life used for each class of depreciable assets are:

Buildings	25 - 50 years
Leasehold improvements	3 to 20 years
Plant and equipment	3 to 20 years

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

Leases

The group leases several assets including office space. A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

Right-of-use assets

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position within a classification relevant to the underlying asset.

Right-of-use assets are initially measured at cost, comprising of the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred.
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequently, right-of-use assets are measured using a cost model. The right-of-use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight-line method and is recognised in the statement of profit or loss and other comprehensive income in "Depreciation and amortisation".

FUSION AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Note 3 - Accounting policies (continued)

Lease liability

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate.

The tenor of a lease includes any renewal period where the lessee is reasonably certain that they will exercise the option to renew. The group has reviewed all its leases and included any extensions where the group assessed it is reasonably certain the lease agreement will be renewed.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the group commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately. Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial assets

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

FUSION AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Note 3 - Accounting policies (continued)

Government grants received in advance

The group receives government grants in connection with its operations. If conditions are attached to the government grant receipts which must be satisfied by the group, the recognition of the government grant receipts as revenue will be deferred until those conditions are satisfied by the group and a liability for government grants received in advance will be recognised.

Employee benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Future maintenance provision

The group is an accredited National Housing Provider and under the terms of its accreditation must maintain all of its buildings at a level satisfactory to retain accreditation. Provision is made for future maintenance at a rate of 1% per annum of the carrying value of the building.

FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	\$	\$
<u>Note 4 - Revenue and other income</u>		
Operating revenue		
Sale of goods and services	2,723,147	3,029,666
Government grants and subsidies (refer note 22i)	7,341,443	7,168,669
Non-government grants	74,763	-
Other operating revenue	103,242	37,773
	<u>10,242,595</u>	<u>10,236,108</u>
Other revenue		
Property income	586,344	510,559
Interest income	10,314	17,906
Fundraising donations and other fundraising income	535,247	794,596
Staff support donations	184,726	161,275
	<u>1,316,631</u>	<u>1,484,336</u>
<i>Total revenue</i>	<u><u>11,559,226</u></u>	<u><u>11,720,444</u></u>
Other income		
Investment income received	129,192	77,899
Fair value gain on financial assets	55,030	50,804
Gain on disposal of property, plant and equipment	7,911	21,716
<i>Total other income</i>	<u>192,133</u>	<u>150,419</u>
<i>Total revenue and other income</i>	<u><u>11,751,359</u></u>	<u><u>11,870,863</u></u>
<u>Note 5 - Expenses</u>		
Depreciation: property, plant and equipment	274,597	338,796
Depreciation: right-of-use assets	393,159	395,284
Finance costs: borrowings	23	497
Finance costs: lease liability	34,546	43,751
Bad debts	3,966	7,151
Provision for impairment - doubtful debts	972	(1,781)
Short-term lease expenses	132,410	168,021
<u>Note 6 - Cash and cash equivalents</u>		
Cash at bank and on hand	1,483,271	3,642,572
Term deposits	127,401	126,731
<i>Total cash and cash equivalents</i>	<u>1,610,672</u>	<u>3,769,303</u>
<u>Note 7 - Trade and other receivables</u>		
<u>Current</u>		
Trade receivables	145,425	169,760
Provision for impairment	(4,445)	(3,473)
Other receivables	211,478	131,883
<i>Total current trade and other receivables</i>	<u>352,458</u>	<u>298,170</u>

FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	\$	\$
<u>Note 7 - Trade and other receivables (continued)</u>		
<u>Non-current</u>		
Rental bonds and deposits	112,638	116,664
<i>Total non-current trade and other receivables</i>	<u>112,638</u>	<u>116,664</u>
<i>Provision for impairment</i>		
Opening net carrying amount	3,473	5,254
Increase (decrease) in provision	972	(1,781)
Closing net carrying amount	<u>4,445</u>	<u>3,473</u>
<u>Note 8 - Inventories</u>		
Stock on hand	63,420	78,384
<i>Total inventories</i>	<u>63,420</u>	<u>78,384</u>
<u>Note 9 - Financial assets</u>		
<u>Current</u>		
Financial assets at fair value through profit and loss		
Units in managed funds	2,273,543	1,673,770
<i>Total financial assets</i>	<u>2,273,543</u>	<u>1,673,770</u>
<i>Movements in carrying amount</i>		
Opening net carrying amount	1,673,770	1,554,084
Additions	544,743	68,882
Fair value movement	55,030	50,804
Closing net carrying amount	<u>2,273,543</u>	<u>1,673,770</u>
<u>Note 10 - Assets held for sale</u>		
<u>Current</u>		
Property - at cost	3,037,286	-
<i>Total assets held for sale</i>	<u>3,037,286</u>	<u>-</u>
<i>Movements in carrying amount</i>		
Opening net carrying amount	-	-
Reclassification - property, plant and equipment	3,037,286	-
Closing net carrying amount	<u>3,037,286</u>	<u>-</u>

**FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

Note 11 - Property, plant and equipment

	Land and Buildings	Leasehold Building Improvements	Plant and Equipment	Work in Progress	Total
	\$	\$	\$	\$	\$
At 31 December 2024					
Cost	-	396,134	1,448,047	40,000	1,884,181
Valuation	8,992,403	-	-	-	8,992,403
Accumulated depreciation	(298,279)	(200,458)	(1,187,585)	-	(1,686,322)
<i>Net carrying amount</i>	<u>8,694,124</u>	<u>195,676</u>	<u>260,462</u>	<u>40,000</u>	<u>9,190,262</u>
Movements in carrying amounts					
Opening net carrying amount	8,694,124	195,676	260,462	40,000	9,190,262
Additions	-	4,210	46,288	150,049	200,547
Disposals	-	-	(6,375)	-	(6,375)
Reclassification - assets held for sale	(3,037,286)	-	-	-	(3,037,286)
Depreciation charge for the year	(152,006)	(21,820)	(100,771)	-	(274,597)
Closing net carrying amount	<u>5,504,832</u>	<u>178,066</u>	<u>199,604</u>	<u>190,049</u>	<u>6,072,551</u>
At 31 December 2025					
Cost	-	400,344	1,397,854	190,049	1,988,247
Valuation	5,723,175	-	-	-	5,723,175
Accumulated depreciation	(218,343)	(222,278)	(1,198,250)	-	(1,638,871)
<i>Net carrying amount</i>	<u>5,504,832</u>	<u>178,066</u>	<u>199,604</u>	<u>190,049</u>	<u>6,072,551</u>

Valuation of land and buildings

The company's land and buildings were independently revalued effective 31 December 2022. The revaluation was based upon independent valuations carried out by Mr Mark Youngman AAPI and Mr Kris Sell AAPI, Certified Practising Valuers of Opteon Property Group Australia, Mr Peter Chuck AAPI Certified Practising Valuer of Peter Chuck (Valuations) Pty Limited, and Mr Trent Goodman AAPI Certified Practising Valuer of Herron Todd White (South East Regional Australia) Pty Ltd.

The valuation methodologies utilised were "market value as is", "fair value vacant possession" and "market value fee simple in possession".

For the year ended 31 December 2025, the Directors have made an assessment and are not aware of any impairment that would indicate a decrease in the fair value of land and buildings. Further to this they are not aware of any material change in underlying assumptions that encompassed the current year valuation and will reperform an external valuation in future years.

	2025	2024
	\$	\$
Note 12 - Right-of-use assets		
Non-current		
Leased premises	1,766,972	1,983,036
Accumulated depreciation	(1,095,638)	(1,291,742)
<i>Net carrying amount</i>	<u>671,334</u>	<u>691,294</u>
Movements in carrying amounts		
Opening net carrying amount	691,294	1,040,752
Additions - new leases entered into	373,199	45,826
Depreciation expense	(393,159)	(395,284)
Closing net carrying amount	<u>671,334</u>	<u>691,294</u>

FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	\$	\$
<u>Note 13 - Trade and other payables</u>		
<u>Current</u>		
Trade payables	120,682	292,284
Government grants and subsidies in advance (refer note 22ii)	762,900	1,174,217
Non-government grants and subsidies in advance	113,015	38,636
Liabilities to employees	605,668	459,243
Other payables	450,897	911,924
<i>Total current trade and other payables</i>	<u>2,053,162</u>	<u>2,876,304</u>
<u>Note 14 - Lease liabilities</u>		
<u>Current</u>		
Lease liability	<u>321,773</u>	<u>346,898</u>
<i>Total current lease liabilities</i>	<u>321,773</u>	<u>346,898</u>
<u>Non-current</u>		
Lease liability	<u>378,845</u>	<u>382,164</u>
<i>Total non-current lease liabilities</i>	<u>378,845</u>	<u>382,164</u>
<i>Movements in carrying amounts</i>		
Opening net carrying amount	729,062	1,076,735
Additions	373,199	45,826
Repayments	(436,189)	(437,250)
Interest	34,546	43,751
Closing net carrying amount	<u>700,618</u>	<u>729,062</u>
<u>Note 15 - Provisions</u>		
<u>Current</u>		
Employee entitlements - long service leave	<u>160,860</u>	<u>284,441</u>
<i>Total current provisions</i>	<u>160,860</u>	<u>284,441</u>
<u>Non-current</u>		
Employee entitlements - long service leave	171,004	239,156
Future maintenance	916,807	869,897
<i>Total non-current provisions</i>	<u>1,087,811</u>	<u>1,109,053</u>
<i>Movements in carrying amount</i>		
Opening net carrying amount	1,393,494	1,243,090
Additional provision recognised	13,990	193,855
Provision utilised during the year	(158,813)	(43,451)
Closing net carrying amount	<u>1,248,671</u>	<u>1,393,494</u>
<u>Note 16 - Reserves</u>		
Asset revaluation reserve	<u>5,418,751</u>	<u>5,418,751</u>
<i>Total reserves</i>	<u>5,418,751</u>	<u>5,418,751</u>

Nature and purpose of reserves

The asset revaluation reserve is maintained in respect to the revalued amount of the group's non-current assets in order that such amounts are separately identified.

FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	\$	\$
<u>Note 17 - Key management personnel</u>		
<i>Remuneration of key management personnel</i>		
The aggregate amount of compensation paid to key personnel during the year was:	<u>1,127,544</u>	<u>971,718</u>
<u>Note 18 - Auditor's remuneration</u>		
Fees paid to StewartBrown, Chartered Accountants:		
Audit of the financial report	59,000	56,200
Preparation of the financial report	2,400	2,300
Other advisory services	750	15,100
<i>Total auditor's remuneration</i>	<u>62,150</u>	<u>73,600</u>

Note 19 - Related party transactions

Transactions between related entities are on normal commercial terms and conditions no more favourable than those available to other parties.

Poatina Body Corporate (Stratum Plan 120167)

Fusion Property Pty Ltd is responsible to pay corporate body fees as charged by the corporate body.

Fees paid for 2025 were \$69,535 (2024: \$67,166)

Note 20 - Limitation of members' liability

The company is registered as a company limited by guarantee, and in accordance with the Constitution the liability of members in the event of the group being wound up would not exceed \$20 per member. At 31 December 2025 the number of members of this group was 60 (2024: 64).

Note 21 - Contingent liability

National Redress Scheme

At 31 December 2025, the group had a contingent liability in relation to possible claims made by former clients under the National Redress Scheme which the group has joined as a respondent. Due to the outcome of claims being indeterminable at this point in time, it is considered that the amount of any contingent liability cannot be reliably estimated as at 31 December 2025.

FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	\$	\$
<u>Note 22 - Government grants and subsidies</u>		
<i>i. Income recognised during the year:</i>		
Commonwealth government:		
Department of Health and Aged Care	1,981,671	1,773,124
Department of Industry, Science, Energy and Resources	-	60,254
	<u>1,981,671</u>	<u>1,833,378</u>
State governments and local councils:		
New South Wales Department of Education	148,023	188,658
New South Wales Department of Communities and Justice	1,584,826	1,445,228
Victoria Department of Families, Fairness and Housing	1,521,834	1,685,293
Western Australia Mental Health Commission	1,551,967	1,490,170
Western Australia Department of Communities	503,161	421,739
Other state departments and local councils	49,961	104,203
	<u>5,359,772</u>	<u>5,335,291</u>
<i>Total income recognised during the year</i>	<u>7,341,443</u>	<u>7,168,669</u>
<i>ii. Government grants and subsidies in advance at balance date:</i>		
Commonwealth government:		
Department of Health and Aged Care	-	76,479
	<u>-</u>	<u>76,479</u>
State governments and local councils:		
New South Wales Department of Communities and Justice	66,914	441,264
Victoria Department of Families, Fairness and Housing	591,273	571,522
Other state departments and local councils	104,713	84,952
	<u>762,900</u>	<u>1,097,738</u>
<i>Total government grants and subsidies in advance at balance date</i>	<u>762,900</u>	<u>1,174,217</u>

Note 23 - Events occurring after balance date

No significant events occurred after balance date.

FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Note 24 - Charitable fundraising activities

Fusion Australia Limited operates as a charity with the objective of serving youth at risk and their communities. Apart from external funding for specific activities, Fusion Australia raises funds from a variety of sources to enable its charitable purposes to be carried out. Income is, therefore, not necessarily reported in the same category as the resulting expense. Operating expenses are incurred in the following segments:

	2025	2024	2025	2024
	%	%	\$	\$
Income				
Government funding	63.7%	61.0%	7,416,205	7,168,669
Fundraising income	6.2%	6.8%	719,973	794,596
Self generated income	30.5%	32.6%	3,552,240	3,835,077
Passive income	0.5%	0.6%	62,941	72,521
Deduct: subsidiary income (Note 25)	-1.0%	-1.0%	(114,000)	(114,000)
	<u>100.0%</u>	<u>100.0%</u>	<u>11,637,359</u>	<u>11,756,863</u>
Expenses				
Training and education	3.3%	1.5%	402,203	190,832
Housing and accommodation services	35.3%	28.0%	4,302,438	3,489,574
Frail and aged assistance	16.2%	13.8%	1,977,601	1,713,939
Youth activities	24.1%	26.8%	2,940,236	3,331,097
Community activities	1.4%	0.8%	171,469	102,932
Social enterprises - second hand clothing shops	7.5%	7.3%	913,320	906,650
Social enterprises - building and maintenance	1.5%	7.1%	180,291	887,275
Social enterprises - other	5.7%	5.6%	695,809	696,286
Marketing and promotion	0.3%	0.2%	34,014	30,239
Administration and other unclassified expenses	6.3%	10.2%	761,514	1,272,111
Deduct: subsidiary expenses (Note 25)	-1.6%	-1.4%	(196,084)	(179,955)
	<u>100.0%</u>	<u>100.0%</u>	<u>12,182,811</u>	<u>12,440,980</u>
			2025	2024
			\$	\$

The following information is disclosed in accordance with the requirements of the New South Wales *Charitable Fundraising Act 1991* :-

(a) Fundraising income and expenditure

Gross proceeds from charitable fundraising		
Fundraising Income	90,538	134,111
Donations Income	629,435	660,485
	<u>719,973</u>	<u>794,596</u>
Expenditure from charitable fundraising appeals		
Fundraising expenditure	51,863	64,108
	<u>51,863</u>	<u>64,108</u>
Net surplus from charitable fundraising	<u>668,110</u>	<u>730,488</u>

(b) Key charitable fundraising ratios

Total cost of fundraising (A)	51,863	64,108
Gross proceeds from fundraising (B)	719,973	794,596
(A) divided by (B)	7.2%	8.1%
Net surplus from fundraising (A)	668,110	730,488
Gross proceeds from fundraising (B)	719,973	794,596
(A) divided by (B)	92.8%	91.9%

FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2025
\$ 2024
\$

Note 25 - Parent entity information

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position

Assets

Current assets	8,149,330	9,462,014
Non-current assets	<u>6,856,523</u>	<u>7,087,845</u>
Total assets	<u>15,005,853</u>	<u>16,549,859</u>

Liabilities

Current liabilities	2,533,650	3,507,643
Non-current liabilities	<u>1,142,951</u>	<u>1,167,512</u>
Total liabilities	<u>3,676,601</u>	<u>4,675,155</u>

Net assets	<u>11,329,252</u>	<u>11,874,704</u>
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Funds

Accumulated funds	7,785,346	8,330,798
Reserves	<u>3,543,906</u>	<u>3,543,906</u>
Total funds	<u>11,329,252</u>	<u>11,874,704</u>

Statement of Profit or Loss and Other Comprehensive Income

Income for the year	11,637,359	11,756,863
Expenses for the year	<u>(12,182,811)</u>	<u>(12,440,981)</u>
Total surplus (deficit) for the year	<u>(545,452)</u>	<u>(684,118)</u>
Income tax expense	-	-
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	<u>(545,452)</u>	<u>(684,118)</u>

Note 26 - Controlled entities

Details of entities controlled by Fusion Australia Limited during the year are as follows:

Name	Country of Incorporation	Ownership Interest	
		2025	2024
Parent			
Fusion Australia Limited	Australia	100%	100%
Subsidiaries			
Fusion Property Pty Limited	Australia	100%	100%

FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY
ABN 26 001 273 105

FINANCIAL REPORT - 31 DECEMBER 2025

DIRECTORS' DECLARATION

The Directors of Fusion Australia Limited and controlled entity declare that:

1. The financial statements, which comprises the statement of financial position as at 31 December 2025 and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, and notes to the financial statements, including material accounting policy information are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
 - (b) give a true and fair view of the financial position of the group as at 31 December 2025 and of its performance for the year ended on that date.
2. In the opinion of the Directors, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

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

Signed by:

20397C4427994C6...
Paul Ryan
Director

Ballarat, 17 March 2026

FUSION AUSTALIA LIMITED
AND CONTROLLED ENTITY
ABN 26 001 273 105

FINANCIAL REPORT - 31 DECEMBER 2025

DIRECTORS' DECLARATION
UNDER THE NEW SOUTH WALES CHARITABLE FUNDRAISING ACT 1991,
WESTERN AUSTRALIA CHARITABLE COLLECTIONS ACT 1946 AND
QUEENSLAND COLLECTIONS ACT 1966

In the opinion of the Directors of Fusion Australia Limited and controlled entity:

- (i) The financial statements and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals conducted by the group for the year ended 31 December 2025;
- (ii) The statement of financial position as at 31 December 2025 gives a true and fair view of the state of affairs of the group with respect to fundraising appeals conducted by the group;
- (iii) The provisions of the New South Wales *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with by the group;
- (iv) The provisions of the Western Australia *Charitable Collections Act 1946*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with by the group;
- (v) The provisions of the Queensland *Collections Act 1966*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with by the group; and
- (vi) The internal controls exercised by the group are appropriate and effective in accounting for all income received and applied by the group from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors and signed for and on behalf of the Board of Directors by:

Signed by:

2D397C4427994C6...
Paul Ryan
Director

Ballarat, 17 March 2026

FUSION AUSTRALIA LIMITED
AND CONTROLLED ENTITY
ABN 26 001 273 105

FINANCIAL REPORT - 31 DECEMBER 2025

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF
FUSION AUSTRALIA LIMITED AND CONTROLLED ENTITY

Opinion

We have audited the financial report of Fusion Australia Limited (the parent entity) and its controlled entity (the group) 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 funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the Directors' Declaration of the consolidated group comprising the parent entity and the entity it controlled during the year.

In our opinion, the accompanying financial report of Fusion Australia Limited (the parent entity) and its controlled entity (the group) is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the parent entity's and consolidated group'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 the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the group, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The Directors of the parent entity and consolidated group 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 *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of a 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 parent entity's and the consolidated group'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 the Directors either intend to liquidate the parent entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the parent entity's and consolidated group's financial reporting process.

FUSION AUSTALIA LIMITED
AND CONTROLLED ENTITY
ABN 26 001 273 105

FINANCIAL REPORT - 31 DECEMBER 2025

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF
FUSION AUSTRALIA LIMITED AND CONTROLLED ENTITY

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.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board*, and the website address is <http://www.auasb.gov.au/Home.aspx>

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

Report on the Requirements of Charitable Fundraising Regulations

We have audited the financial report as required by Section 24 of the New South Wales *Charitable Fundraising Act 1991*, section 15(1) of the Western Australia *Charitable Collections Act 1946* and section 31(1) of the Queensland *Collections Act 1966*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the New South Wales *Charitable Fundraising Act 1991*, Western Australia *Charitable Collections Act 1946* and the Queensland *Collections Act 1966* and Regulations.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Act and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

FUSION AUSTALIA LIMITED
AND CONTROLLED ENTITY
ABN 26 001 273 105

FINANCIAL REPORT - 31 DECEMBER 2025

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF
FUSION AUSTRALIA LIMITED AND CONTROLLED ENTITY

Opinion

In our opinion:

- a) The financial report of the group has been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2025, in all material respects, in accordance with:
 - i. Sections 20(1), 22(1-2), 24(1) of the New South Wales *Charitable Fundraising Act 1991*;
 - ii. Section 17 of the New South Wales *Charitable Fundraising Regulations 2021*;
 - iii. Section 30C of the Western Australia Charitable Collections Act 1946; and
 - iv. Section 30C of the Queensland Collections Act.
- b) The money received as a result of fundraising appeals conducted by the group during the financial year ended 31 December 2025 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Act and Regulations.



StewartBrown
Chartered Accountants



David Gallery
Partner

17 March 2026