



Chai
Charitable Foundation

THE CHAI CHARITABLE FOUNDATION LTD

ABN: 82617023293

**Financial Report For The Year Ended
30 June 2025**



The Chai Charitable Foundation Ltd

ABN: 82617023293

Financial Report For The Year Ended 30 June 2025

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THE CHAI CHARITABLE FOUNDATION LTD
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DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2025.

Directors

The names of each person who has been a director during the year and to the date of this report are:

	Date Appointed
Joseph Gestetner	17/01/2017
Robyn Goldhirsch	14/02/2024
Yehuda de Vries	17/01/2017

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

Principal Activities

The principal activity of the entity during the financial year was:

During the year, the principal activities of The Chai Charitable Foundation Limited was to raise funds through gifts, donations, legacies, philanthropic grants, annual appeals and regular giving programs.

Chai's main aim is to provide practical financial assistance to low income families and individuals in Australia and overseas. Particularly single income families and families with a member suffering from an illness or disability with the aim of providing low cost food and essentials in Australia.

These activities have assisted the entity in achieving its objectives by enabling it to:

- Maintain a website providing information about appeals and events it was running to support the community in need;
- financially assist disadvantaged people in the community;
- assist overseas communities or charities;
- provide financial support to local community members by providing food, drink, payment of medical expenses and rents;
- the provision of emergency overseas aid to women and children in areas experiencing famine or war;
- people with chronic illness (including terminal illness);
- people with Disabilities;
- people at risk of homelessness/ people experiencing homelessness.

The Chai Charitable Foundation Limited provides direct relief for persons suffering from poverty, sickness, suffering, distress, misfortune, disability or helplessness in Australia and overseas.

There have been no significant changes in the nature of these activities during the year.



THE CHAI CHARITABLE FOUNDATION LTD
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DIRECTORS' REPORT

Review of operations and financial results

The profit of the entity for the financial year amounted to \$219,340 (2024: \$1,347,486).

A review of the operations of the entity during the financial year found that the entity had settled returning to its usual levels after prior year was a significant year of growth due to the increased demand for critical humanitarian support worldwide. There has been a 27.5% decrease in general donations to \$13,597,649 (2024: \$18,755,534), a 10.00% decrease in Other Donations to \$301,647 (2024: \$335,326). Payments to local charitable causes decreased 29.35% to \$1,143,148 (2024: 1,618,182) while payments to overseas charitable causes decreased by 22.90% to \$11,865,457 (2024: \$15,390,174).

Going Concern Without Material Uncertainties

Management has considered the consequences of various events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

Significant changes in state of affairs

No significant changes in the entity's state of affairs occurred during the financial year.

Short-term and Long-term Objectives

The entity's short-term objectives are to:

- offer support services that directly relieves poverty, sickness, suffering, distress, misfortune, disability, destitution or helplessness in Australia and overseas;
- support underprivileged people by engaging all sectors of the community in ongoing partnerships and support programs;
- be a recognised leader in the provision of community support services as evidenced by the success of programs and practices.

The entity's long-term objectives are to:

- the saving of human lives, regardless of race, religion or creed;
- establish and maintain relationships that foster social inclusion and community re-connection for underprivileged people;
- provide relief of poverty, suffering and misfortune through the following means:
 - provision of material support following a natural disaster;
 - aged care and support;
 - blood donation campaigns;
 - disaster relief training; and
 - fundraising campaigns to support relief of poverty, suffering and misfortune in Australia and overseas.



THE CHAI CHARITABLE FOUNDATION LTD
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DIRECTORS' REPORT

Strategies

To achieve its stated objectives, the entity has adopted the following strategies:

- The Chai Charitable Foundation strives to attract and retain quality staff and volunteers who are committed to the entity's objectives, and this is evidenced by low staff turnover. The entity believes that attracting and retaining quality staff and volunteers will assist with the success of the entity in both the short and long term;
- staff and volunteers work in partnership with a range of community stakeholders, and this is evidenced by ongoing support of the entity's projects and initiatives. The entity ensures community stakeholders understand and are committed to the objectives of the entity through ongoing education in order for the projects to succeed;
- staff and volunteers are committed to creating new and maintaining existing programs in support of the underprivileged people. Committed staff and volunteers allow the entity the ability to engage in continuous improvement;
- the entity's staff and volunteers strive to meet consistent standards of best practice and provide clear expectations of professional accountability and responsibilities to all stakeholders.

Performance measures

The entity measures performance through the establishment and monitoring of benchmarks:

- to assess the cost effectiveness of fundraising activities
- to assess control over the entity's administrative and other indirect cost
- to ensure that revenue derived is effectively being directed towards assisting malaise, patients treatment in Australia and overseas, treatment towards aiding child sufferers in famine and war zones overseas and to assess the effectiveness of overseas emergency aid
- to assess the effectiveness of Australian residential care.

Information on Directors

Joseph Gestetner	— Director; Honorary Treasurer
Qualifications	— FCPA; Master's Degree in Taxation
Experience	— has been involved in a number of Jewish organisations, including JCCV as honorary treasurer
Special Responsibilities	— Company Secretary
Robyn Goldhirsch	— Director
Qualifications	— BA/LLB (Hons)
Experience	— Practised as a lawyer and currently volunteer at a number of communal organisations including Hatzolah and Caring mums
Special Responsibilities	— Compliance & Governance
Yehuda de Vries	— Director
Qualifications	— BBus:Acc
Experience	— Practiced as Accountant; has 30+ years experience in informal education and communal organisations
Special Responsibilities	— Executive Director; overall running of organisation.



THE CHAI CHARITABLE FOUNDATION LTD
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DIRECTORS' REPORT

Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Joseph Gestetner	4	4
Robyn Goldhirsch	4	4
Yehuda de Vries	4	4

The entity is incorporated under the Corporations Act 2001 and is a entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2025, the total amount that members of the entity are liable to contribute if the entity is wound up is \$30 (2024: \$30).

Auditor's Independence Declaration

A consolidated entity disclosure statement has not been included as the entity does not consolidate any other entity.

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 5 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director



Yehuda de Vries

Director



Joseph Gestetner

Dated this

30th

day of

November 2025



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE CHAI CHARITABLE FOUNDATION LTD

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of The Chai Charitable Foundation Ltd. As the lead audit partner for the audit of the financial report of The Chai Charitable Foundation Ltd for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm iaudit suite pty ltd



Name of Partner Kevin Topliff CPA
Principal

Date 30/11/2025

Address PO Box 33
Oakleigh South VIC 3167



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		\$	\$
Donations and other income	2	14,070,201	19,181,392
Employee benefits expense		(221,523)	(168,244)
Accounting and bookkeeping admin		(12,702)	(19,894)
Audit fees		(7,500)	(6,150)
Charitable distributions - local		(1,143,147)	(1,618,182)
Charitable distributions - overseas		(11,865,458)	(15,390,174)
Function, events, food donations		(508,811)	(506,821)
Marketing, advertising, office running expenses		(7,032)	(19,819)
Finance costs		(55,530)	(71,012)
Travel & accommodation		(16,871)	(31,224)
Other expenses		(12,287)	(2,386)
Current year surplus before income tax		219,340	1,347,486
Income tax expense	1c	-	-
Net current year surplus		219,340	1,347,486
Total comprehensive income attributable to members of the entity		219,340	1,347,486

The accompanying notes form part of these financial statements.



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	2025	2024
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,804,633	1,500,223
Trade and other receivables	4	16,559	35,626
Other current assets	5	730,000	1,257,485
TOTAL CURRENT ASSETS		2,551,192	2,793,334
NON-CURRENT ASSETS			
Financial assets	6	301,329	-
TOTAL NON-CURRENT ASSETS		301,329	-
TOTAL ASSETS		2,852,521	2,793,334
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	20,296	8,386
Borrowings		-	200,000
Employee provisions	9	56,532	28,595
TOTAL CURRENT LIABILITIES		76,828	236,981
TOTAL LIABILITIES		76,828	236,981
NET ASSETS		2,775,693	2,556,353
EQUITY			
Retained surplus		2,775,693	2,556,353
TOTAL EQUITY		2,775,693	2,556,353

The accompanying notes form part of these financial statements.



THE CHAI CHARITABLE FOUNDATION LTD
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Note	Retained Surplus	Total
		\$	\$
Balance at 1 July 2023		1,208,867	1,208,867
Comprehensive Income			
Surplus for the year attributable to owners of the entity		1,347,486	1,347,486
Total comprehensive income attributable to owners of the entity		<u>1,347,486</u>	<u>1,347,486</u>
Balance at 30 June 2024		2,556,353	2,556,353
Balance at 1 July 2024		2,556,353	2,556,353
Comprehensive Income			
Surplus for the year attributable to owners of the entity		219,340	219,340
Total comprehensive income for the year		<u>219,340</u>	<u>219,340</u>
Balance at 30 June 2025		<u>2,775,693</u>	<u>2,775,693</u>

The accompanying notes form part of these financial statements.



THE CHAI CHARITABLE FOUNDATION LTD
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		13,924,437	19,089,096
Payments to suppliers and employees		(13,722,788)	(17,782,740)
Interest received		132,135	70,814
(Interest / finance charges)		(55,530)	(71,012)
Net cash generated from operating activities		<u>278,254</u>	<u>1,306,158</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for financial assets		(301,329)	-
Net cash used in investing activities		<u>(301,329)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan funds received (repaid) for charitable causes		(200,000)	200,000
(Funds loaned to charitable causes)		527,485	(1,148,945)
Net cash used in financing activities		<u>327,485</u>	<u>(948,945)</u>
Net increase in cash held		304,410	357,213
Cash on hand at beginning of the financial year		1,500,223	1,143,010
Cash on hand at end of the financial year	3	<u>1,804,633</u>	<u>1,500,223</u>

The accompanying notes form part of these financial statements.



THE CHAI CHARITABLE FOUNDATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The financial statements cover The Chai Charitable Foundation Ltd as an individual entity, incorporated and domiciled in Australia. The Chai Charitable Foundation Ltd is a company limited by guarantee.

Note 1 Summary of Material Accounting Policy Information

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

Accounting Policies

(a) Foreign Currency Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

(b) Revenue and Other Income

The Entity is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the Entity is required to consider whether any other financial statement elements should be recognised (for example, financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.



THE CHAI CHARITABLE FOUNDATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Revenue and Other Income

Operating Grants, Donations and Bequests

When the entity receives operating grant funding, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Other Income

Contributed Assets

The Entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Entity recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

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

Interest income

Interest income is recognised using the effective interest method.

Sale of Goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

All revenue is stated net of the amount of goods and services tax.



THE CHAI CHARITABLE FOUNDATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Plant and Equipment

Plant and equipment are measured on a cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment 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.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity 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 lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Office furniture and equipment	10-25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.



THE CHAI CHARITABLE FOUNDATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity can make an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the company's accounting policy.



THE CHAI CHARITABLE FOUNDATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The entity recognised a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.



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Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

For a financial asset that is considered credit-impaired (not on acquisition or origination), the entity measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Purchased or originated credit-impaired approach

For purchased or originated credit-impaired financial assets, the general approach is modified such that at the reporting date, an entity shall only recognise the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance. The expected credit losses for purchased or originated credit-impaired financial assets shall be discounted using the credit-adjusted effective interest rate determined at initial recognition.



THE CHAI CHARITABLE FOUNDATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

(e) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(f) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the entity receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(i) 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.



THE CHAI CHARITABLE FOUNDATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

(j) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(k) Provisions

Provisions are recognised when the entity 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 reporting period.

(l) Comparative Figures

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

(m) 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 company.

Key judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(n) Fair Value of Assets and Liabilities

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

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

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

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).



THE CHAI CHARITABLE FOUNDATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(o) New and Amended Accounting Standards Adopted by the Entity

AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants – Tier 2

AASB 2023-3 amends AASB 1060 to align the disclosure requirements of Tier 2 entities with the Tier 1 equivalents in AASB 2020-1 and AASB 2022-6.

AASB 2023-3 amends AASB 1060 to:

- (a) clarify that a liability is classified as non-current if an entity has the right at the reporting date to defer settlement of the liability for at least twelve months after the reporting date;
- (b) clarify the reference to settlement of a liability by the issue of equity instruments in classifying liabilities; and
- (c) require the disclosure of information that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The adoption of the amendment did not have a material impact on the financial statements.



THE CHAI CHARITABLE FOUNDATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 2 Revenue and Other Income

	2025	2024
	\$	\$
Revenue		
— Charitable income and fundraising	13,597,649	18,755,534
Total revenue	13,597,649	18,755,534
Other Income		
— Interest received	132,135	70,814
— Other	6,074	-
— Credit card re-charges	32,696	19,718
— Donations - Non tax deductible	301,647	335,326
Total other income	472,552	425,858
Total revenue and other income	14,070,201	19,181,392

Note 3 Cash and Cash Equivalents

	2025	2024
	\$	\$
CURRENT		
Cash at bank	875,606	921,177
Cash management account	929,027	579,046
	1,804,633	1,500,223
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	1,804,633	1,500,223

Note 4 Trade and Other Receivables

	Note	2025	2024
		\$	\$
CURRENT			
Trade receivables		5,602	21,482
Amount receivable from tax office		10,957	14,144
Total current accounts receivable and other debtors		16,559	35,626



THE CHAI CHARITABLE FOUNDATION LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 5 Other Assets

	2025	2024
	\$	\$
Unsecured loans	-	257,485
Secured loans	730,000	1,000,000
	<hr/>	<hr/>
	730,000	1,257,485
	<hr/>	<hr/>

Note 6 Financial Assets

	2025	2024
	\$	\$
NON-CURRENT		
Investments in equity instruments designated as at fair value through other comprehensive income	301,329	-
Total non-current assets	<hr/>	<hr/>
	301,329	-
	<hr/>	<hr/>
a. Investments in equity instruments designated as at fair value through other comprehensive income		
Unlisted investments at cost		
— shares in unrelated entities	301,329	-
	<hr/>	<hr/>

Note 7 Property, Plant and Equipment

	2025	2024
	\$	\$
PLANT AND EQUIPMENT		
Office furniture and equipment		
At cost	3,555	3,555
(Accumulated depreciation)	(3,555)	(3,555)
	<hr/>	<hr/>
Total plant and equipment	-	-
	<hr/>	<hr/>
Total property, plant and equipment	-	-
	<hr/>	<hr/>



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 8 Trade and Other Payables

	Note	2025	2024
		\$	\$
CURRENT			
Superannuation payable		7,688	4,970
Wages payable		3,416	3,416
PAYG payable		9,192	-
	8a	20,296	8,386
		2025	2024
		\$	\$
a Financial liabilities at amortised cost classified as accounts payable and other payables			
Accounts payable and other payables:			
— Total current		20,296	8,386
— Total non-current		-	-
		20,296	8,386
Financial liabilities as trade and other payables		20,296	8,386

Note 9 Provisions

	Note	2025	2024
		\$	\$
CURRENT			
Provision for employee benefits: annual leave		56,532	28,595
		56,532	28,595

Provision for employee benefits

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 10 Future obligations and outlook

(a) Committed funds

The entity has the following commitments in relation to funds received. These amounts have not been recognised as liabilities since there is no enforceable obligation and the entity can direct the funds elsewhere.

	2025	2024
	\$	\$
CURRENT		
Helping Melbourne and domestic families in need	180,000	256,806
	<hr/>	<hr/>
	180,000	256,806

(b) Overseas aid commitments

The entity has entered undertakings to provide \$1,070,409 (2024: \$1,642,126) to support care to be provided to women, children and the poor suffering 'malaise' in Israel, Thailand, The United States and other Third World Countries by other not-for-profit aid agencies. These amounts have not been recognised in the financial report, as payment is conditional on that aid agency meeting certain terms and conditions. The ultimate amount to be paid in respect of these undertakings is dependent on the exchange rate ruling on the date the undertaking is settled.

Note 11 Related parties and related-party transactions

(a) Directors' compensation

Two of the directors acts in an honorary capacity and receives no compensation for their services, the other Director receives compensation for their work.

During the year, business travel expenses totalling \$16,871 (2024: \$31,223) was paid to visit overseas relief payment recipients by the directors in fulfilling their role were reimbursed.

(b) Transactions with director-related entities

During the year, there were no payments made to any director related company. Where services are provided, they are provided under normal commercial terms and conditions.

No amounts are payable to or receivable from directors or director-related entities at the reporting date.

(c) Key management personnel compensation

The compensation paid to key management personnel during the year was \$189,424 (2024: \$152,000).



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 12 Cash Flow Information

	2025	2024
	\$	\$
Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year surplus	219,340	1,347,486
Movement in working capital:		
(Increase)/decrease in accounts receivable and other debtors	19,067	(30,250)
Increase/(decrease) in accounts payable and other payables	11,910	(23,864)
Increase/(decrease) in employee provisions	27,937	12,786
Net cash generated by operating activities	<u>278,254</u>	<u>1,306,158</u>

Note 13 Auditor's Remuneration

	2025	2024
	\$	\$
Remuneration of the auditor:		
— auditing or reviewing the financial statements	6,150	5,000
— other	<u>3,500</u>	<u>2,500</u>
	<u>9,650</u>	<u>7,500</u>

Note 14 Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised within tolerable risk parameters. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

Note 15 Events after the reporting date

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

Note 16 Going concern

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 17 Entity Details

The registered office of the entity is:

The Chai Charitable Foundation Ltd
23 Denman Avenue
EAST ST KILDA VIC 3183

The principal place of business is:

The Chai Charitable Foundation Ltd
23 Denman Avenue
EAST ST KILDA VIC 3183

Note 18 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$30 towards meeting any outstanding obligations of the entity. At 30 June 2025 the number of members was three (3).



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Chai Charitable Foundation Ltd, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 27, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - (a) comply with Australian Accounting Standards - Simplified Disclosures applicable to the entity; and
 - (b) give a true and fair view of the financial position of the Registered Entity as at 30 June 2025 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2022.

Director



Yehuda de Vries

Director



Joseph Gestetner

Dated this 30th day of November 2025



THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CHAI CHARITABLE FOUNDATION LTD

Opinion

We have audited the financial report of The Chai Charitable Foundation Ltd (the registered entity), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the entity:

- i. presents fairly, in all material respects, the entity's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 – AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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 Registered Entity in accordance with the auditor independence requirements of the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The directors of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes 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.

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THE CHAI CHARITABLE FOUNDATION LTD
ABN: 82617023293
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CHAI CHARITABLE FOUNDATION LTD

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Auditor's name and signature:

Kevin Topliff CPA
 Principal
 iaudit suite pty ltd

Address: PO Box 33
 Oakleigh South VIC 3167

Dated this 30th day of November 2025

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