

The Sefa logo is a stylized lowercase 'sefa' in a white, sans-serif font, positioned within a dark red circular area at the top of the page. The background of the entire page is composed of large, overlapping, curved shapes in shades of red and dark red.

sefa

2026 Annual Report

Yirranma Place
Level 1, 262 Liverpool Street
Darlinghurst NSW 2010

info@sefa.com.au
www.sefa.com.au

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ACKNOWLEDGEMENT OF COUNTRY

Sefa acknowledges Aboriginal and Torres Strait Islander peoples as the traditional custodians of this country we call home. We pay our respect to Indigenous elders past, present and future. We recognise the significant importance of their cultural heritage, values and beliefs and how these contribute to the positive health and wellbeing of the whole community.

This is, was, and always will be Aboriginal land.

A message from our Chair

FY26 was a big year for Sefa. We celebrated how far we've come, got clearer about the impact we want to create, and set a bold ambition for what comes next. This year, we brought our Theory of Change and outcomes measurement framework to life. It has helped us sharpen our impact thesis and be clearer about the role Sefa can play – strengthening impact-led organisations, unlocking more appropriate capital and helping build a better social impact investment market.

Our 15th anniversary celebration was a special moment. Clients, investors, funders, partners, Board members and team members who have shaped Sefa since 2011 came together to celebrate what we've achieved. We also used the occasion to look forward, launching our moonshot to **unlock \$500 million in flexible, fit-for-purpose capital for impact-led organisations by 2030**.

It's deliberately ambitious and the scale of the problems we're trying to solve demands it. Our thinking on **impact stacks** sits at the heart of this ambition. No single type of capital can help us reach this moonshot. Philanthropy can take early risk and test new ideas. Government can create the conditions and demand for solutions to grow. Private capital can bring scale. The biggest opportunities for impact come when these different forms of capital work together – and when capability support sits alongside them.

We saw more of this in action during FY26. Backing the Bold, developed with Hand Heart Pocket, moved from design into delivery, with our first two loans disbursed and seven impact-led organisations going through advisory support. We're learning as we go, using feedback from participants to make the journey from capability building to investment readiness and capital simpler and more effective.

We also started working with Minderoo Foundation on its Build and Flourish Fund. The program responds to a clear gap: community organisations can be ready to grow their impact without yet being ready for debt or investment capital. By bringing capability building and patient, blended finance together, we can test how different forms of capital can better support these organisations.

Our work with Centrecorp in Central Australia took us into another important area. We helped them better connect its commercial investments and Foundation activities to social impact – developing a clearer impact strategy, Theory of Change and practical tools to guide decisions and measurement. The work reinforced something we already know well: good strategy has to be rigorous, but it also has to work in the real world and reflect community, culture and place.

Financially, the year was tougher. We invested in the team we need for our next stage of growth, while early loan repayments reduced revenue and a significant impaired loan contributed to a net loss. This result has sharpened our focus on rebuilding the lending pipeline and maintaining strong portfolio discipline.

Fifteen years has given Sefa a strong foundation, trusted relationships and plenty of hard-earned experience. Now it's time to put all three to work – and unlock much more.

Catherine Brown

Chair, Sefa



A message from our CEO

Fifteen years in, Sefa is ready to make a step change. We know what we're good at. We know where we add the most value. And we're clearer than ever about what needs to change if more capital is going to reach the organisations creating impact across Australia.

For years, we've talked about bringing capital and capability together. Now we're doing it more deliberately: meeting organisations where they are, strengthening what needs strengthening, and matching the right capital to the next stage of their journey. Backing the Bold shows what this looks like in practice. I'm grateful to the Paul Ramsay Foundation for supporting the program's national expansion alongside founding partner Hand Heart Pocket. What started in Queensland can now reach many more organisations, helping them strengthen their foundations, become investment-ready and access fit-for-purpose capital.

We're also excited to partner with Creative Australia on its second investment readiness program, building on what we've learned rather than starting again. In Queensland, we're launching the Financing Growth Fund, supported by Treasury's Office of Social Impact, to provide capability building and capital support matched to an organisation's stage of growth.

This integrated approach brings us closer to our \$500 million moonshot. To get there, Sefa also needs to grow. We'll continue building our team in Sydney and Queensland, bringing together investment expertise with the advisory, impact and program skills needed to support organisations well.

Sefa has spent 15 years working where finance and social impact meet. We've built trusted relationships and learned valuable lessons from the deals, programs and partnerships we've been part of. We'll share more of those lessons, challenge the sector where it needs challenging, and play a stronger role in shaping how Australia finances social impact.

Our impact-stack thinking is part of that. Philanthropy, government and private capital each bring something different. The opportunity is to make them work together rather than in parallel. Sefa can help build those connections and turn good intentions into capital that reaches organisations.

As we grow, we'll stay focused on the communities and organisations that have always mattered to us: regional organisations, First Nations-led organisations, and women-led and gender-diverse enterprises. We'll also continue building on our expertise in housing, community services and social enterprise business models.

Behind every loan, capability program, investment committee paper and capital structure is an organisation working hard to make its community stronger. Our job is to back them with the capital, capability and connections they need to do more. We've spent 15 years learning how. Now we're ready to do it at a very different scale.

Hanna Ebeling

CEO, Sefa



The Sefa Board



Dr Catherine Brown, OAM,
Chair



David Rickards, OAM



Ben Gales



Councillor Charles Lynch



Councillor Leeanne Hampton



Melanie Rayment

Our sincere thanks also go to Sefa's Investment Committee members:

- Ben Gales, Chair
- Anna Schell
- Deborah Williamson
- Jeremy Burke
- Sharyn Jaques
- Akhil Sharma

2026 HIGHLIGHTS

15 years of doing more good

Fifteen years in, we know where we can make the greatest difference.

In 2026, we're bringing capital and capability together more deliberately, expanding Backing the Bold nationally, continuing our work with Creative Australia and launching the Financing for Growth Fund in Queensland.

With our \$500 million moonshot, a growing team and trusted partners alongside us, we're ready to help more impact-led organisations build confidence, access fit-for-purpose capital and grow without compromising on their mission.

Fifteen years of learning has brought us here and now we're ready to do more good at a greater scale.

\$172M+

unlocked for social good since 2011

195+

organisations backed across Australia

90+

deals structured, approving \$65M+ in loans

Theory of Change

Impact-led organisations create meaningful change in communities but often struggle to access the investment they need to grow and stay strong. Their unique business models and often limited asset bases don't always align with traditional finance.

Enabling their potential – individually and as a sector – requires more flexible, diverse and fit-for-purpose finance solutions.



INPUTS

What is needed to fuel our work

We draw on funding, partnerships, research, and expertise from across the ecosystem — combining capital, capability, and connections to shape tailored solutions.



ACTIVITIES

How we put it into action

We design and deploy flexible finance, build financial literacy, deliver investment readiness programs, and advocate for inclusive social investment.



OUTPUTS

What emerges from our efforts

More impact-led organisations access finance, complete readiness programs, and trial new models that strengthen their ability to deliver change.



SHORT-MEDIUM OUTCOMES

Where shifts begin to happen

We see stronger, more resilient organisations ready to take on investment, greater access to finance and resources, and stronger investor engagement across diverse geographies.



LONG-TERM OUTCOMES

The long-term difference we're working toward

Impact-led organisations become financially sustainable, grow their reach, and create measurable improvements for communities they serve — with more investors aligning to inclusive finance principles.



VISION

Unlocking \$500m for social good by 2030

By unlocking capital and capability, we aim to fuel \$500m for social good by 2030 — building a more inclusive, equitable, and sustainable impact economy across Australia.

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**Unlocking
\$500 million
for social
good by 2030**

Unlocking
\$500m
for social good by 2030!





“

We are treating trillion-dollar problems as sub-scale investment opportunities, and that must change.

OUR \$500M MOONSHOT

What is the moonshot?

At our 15th birthday event, we launched a national commitment to unlock **\$500 million in flexible, fit-for-purpose capital for community-led organisations by 2030**. The goal is to reach at least 1,000 local charities, social enterprises and not-for-profits that traditional finance overlooks – the organisations keeping people safe, housed and supported, yet too often seen as too small or too risky to access the funding they need.

Based on our experience so far we expect the impact will focus on five areas: homelessness and affordable housing, thriving communities, women's safety, mental health and jobs for people facing disadvantage.

Getting to this moonshot goal requires coordination as much as capital. Sefa acts as the architect of impact stacks, bringing philanthropy, government and private capital together in the right combination at the right time – blended, sequenced or syndicated depending on what an organisation needs. Alongside finance, our capability building support helps organisations get the most from the funding they receive.

We measure progress across three things: the capital we help unlock through access to finance, loans contracted directly by Sefa, and the capability building we deliver. Having already unlocked more than \$172 million over 15 years, and with over 30 per cent of disbursed loans repaid early, we know the model works.

Programs already underway are helping build toward the \$500 million goal. Queensland Treasury's Funding for Growth Fund, the Build and Flourish Fund, and our partnership with Creative Australia are strong examples of what becomes possible when coordinated capital reaches organisations that would otherwise miss out.



“

There is a role in the stack for every kind of funder. We'd love you to join us.

OUR \$500M MOONSHOT

Find your role in the impact stack

Community organisations across Australia keep people housed, safe and supported. But the capital that reaches them is often fragmented, arriving in the wrong form or at the wrong time. Impact stacks are our answer to this.

An impact stack is a capital structure built on purpose. Different types of funding, from grants to concessional finance to market-rate investment, are layered together, each doing a specific job towards a shared outcome. Think of it less like a funding round and more like architecture. Every layer has a role, and the sequencing can make all the difference

Within the stack, each funder brings something the others cannot.



Philanthropy takes the first risk, backing organisations before anyone else will and paving the way for others to follow.



Government builds demand through procurement and contracting, and sets the conditions that make investment possible.



Private capital brings the scale and discipline to grow what already works.



Sefa is the architect. We structure each stack, coordinate the funders, and hold the blueprint so the whole thing works as one. We do this at three levels: individual transactions, portfolios of deals, and across the wider system.

We already know this model works. In 2011, a \$20 million foundation of government and private capital gave us our start. Since then, we have leveraged it into more than \$172 million unlocked for impact-led organisations across the country.

There is a role in the stack for every kind of funder come and join the moonshot, and let us help you find yours.

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Stories of Impact



Inventorium Academy

Inventorium provides online, one-to-one education for secondary students who have disengaged from mainstream school, with 95% achieving the outcomes they set for themselves. A \$1.245m Sefa loan funded the set-up and working capital for Inventorium Academy, a new special assistance school in Adelaide, helping to bridge the gap before recurrent government funding arrived. Inventorium has grown from 10 students in 2019 to more than 300 today, with the Academy welcoming 60 students by July 2026.

Our approach

- Provided a tailored impact loan to bridge the gap between establishment costs and future government funding
- Developed a robust, sustainable business model and strengthen long-term financial viability.

Outcomes

- Secured a premises and expanded access to personalised education for young people experiencing disengagement from mainstream schooling
- Strengthened organisational capability through improved financial planning, impact measurement and risk management practices.
- Positioned Inventorium Academy for growth, increasing its capacity to support more students and demonstrate the effectiveness of alternative education models.

“

With Sefa, they're encouraging you to put together a business case that shows your organisation is actually sustainable, and so failure is less likely.”

Eddie Blass, CEO
INVENTORIUM ACADEMY



CAPITAL

CAPABILITY



EMPLOYMENT

Ability Enterprises

Ability Enterprises provides meaningful, full award-wage employment and tailored support for people facing complex barriers to work, employing more than 500 people since 2012.

For people facing complex barriers to employment, finding a job is often about much more than earning an income. Work can bring connection, confidence and dignity. Yet many people fall into a 'missing middle', excluded from mainstream employment while also missing out on the specialist or sustained support they need to succeed at work. Ability Enterprises exists to help these people in the 'missing middle'.

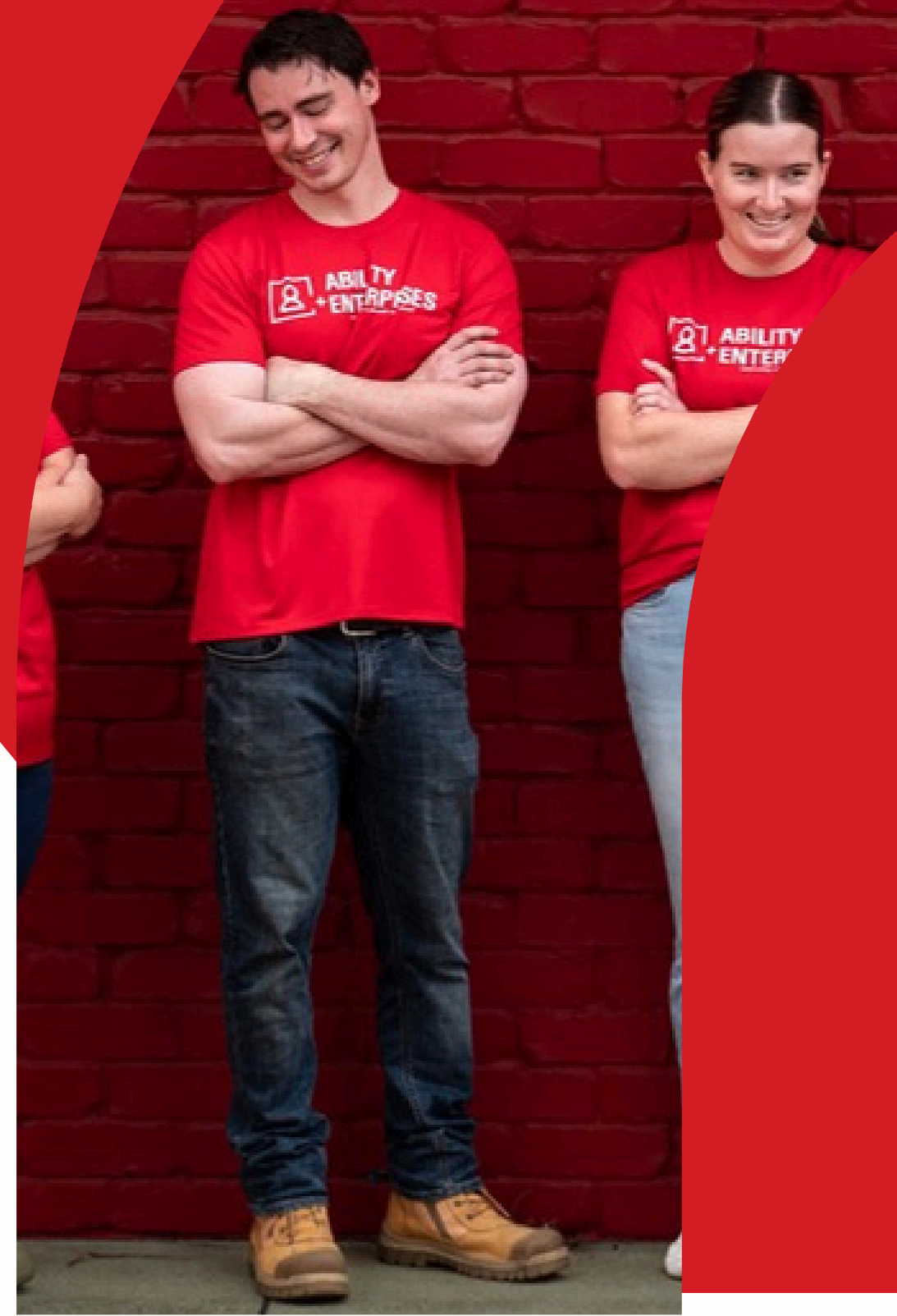
How we worked together:

- Sefa first supported Ability Enterprises to navigate significant commercial challenges while keeping its employment mission at the centre of its recovery.
- We helped Ability Enterprises develop their Theory of Change, which allowed them to stay anchored their purpose while addressing the commercial issues that threatened its ability to deliver on that purpose. Their turnover has now doubled since 2024, with expectations to exceed \$6 million in 2026.
- Through a second engagement with Sefa, Ability Enterprises strengthened its ability to assess new opportunities against both its mission and commercial capacity, recognising that consolidation is the most sustainable path for its next stage of growth.

“

The Theory of Change helped keep the focus on the mission whilst we fixed our commercials.”

Claire Torkington
CEO, ABILITY ENTERPRISES



“

We now have the tools and knowledge to be much more confident in assessing business opportunities alongside our mission and making sure we don't stray into areas that we cannot deliver on very strongly.”

Claire Torkington

CEO ABILITY ENTERPRISES



Strengthening financial literacy for Australia's impact-led organisations

Sefa is proud to partner with Xero to bring the Xero For Good: Financial fitness program to impact-led organisations across Australia.

Together, we're making it easier for social enterprises, not-for-profits and purpose-driven businesses to build the financial confidence and capability needed to sustain and grow their impact. The free program combines practical financial education with one-on-one mentoring, helping leaders better understand and manage their finances through flexible learning resources and support from experienced Xero accountants and bookkeepers.

We know that strong financial foundations are essential for long-term impact. Yet many organisations face barriers to accessing financial training, coaching and trusted advice. This partnership helps remove those barriers, giving more impact leaders the tools, knowledge and confidence to make informed financial decisions and build resilient organisations.

What the content covers:

- **Business finances** – the basics of how money flows through your organisation, and how to separate your business and personal finances
- **Financial statements** – how to read a profit and loss statement, balance sheet, and cash flow statement with confidence
- **Cash flow forecasting** – understanding what's coming in and going out, so you can plan ahead
- **Budgeting** – how to build a budget that's actually useful for your organisation
- **Financial terms** – plain-language help to make sense of common finance terminology





Behind the impact

DOING MORE GOOD IN QUEENSLAND

Sefa expands to QLD!

Sefa is growing its presence in Queensland, with four team members now based across the state and plans to expand further over the next year. This reflects our long-term commitment to backing impact-led organisations, particularly in rural and regional communities where access to tailored support and finance can be harder to secure.

What makes our approach different is that we bring capability building and flexible finance together. Rather than treating them as separate stages, we work alongside organisations to strengthen their foundations, build confidence and unlock opportunities for growth.

Queensland has played a pivotal role in that journey. Our Backing the Bold program was first piloted in the sunshine state and its success became the blueprint for national expansion. With support from Hand Heart Pocket, the pilot demonstrated the value of combining practical capability support with access to capital that meets organisations where they are.

Today, our Queensland team continues to spend time in communities across the state, building trusted relationships and delivering support that is grounded in local context. Since 2012, Sefa has deployed more than \$13 million to Queensland impact-led organisations, with a strong focus on regional, women-led and First Nations-led enterprises. As we grow our local presence, our focus remains the same: helping impact-led organisations do more good through the right mix of capability, capital and connection.





WHAT'S NEW AT SEFA

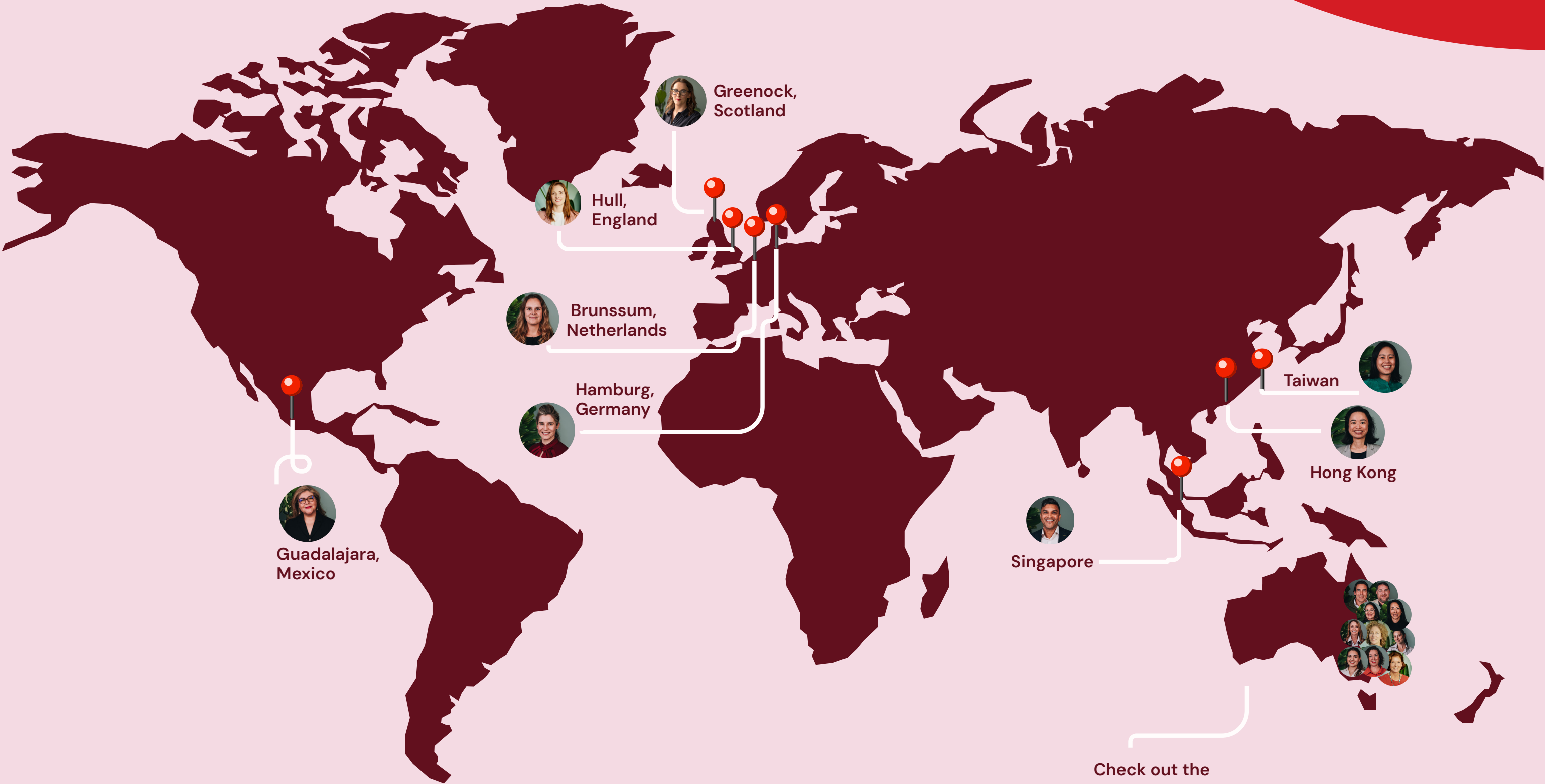
New team members

We've had some fantastic humans join us in the past year!

- **Chelsea Baker** stepped into the role of Impact & Advisory Manager
- **Noel Nallaiah** joined us as Impact & Advisory Manager
- **Ben King** came on board as Impact Investment Manager
- **Georgia Theodos** took on the role as Team Assistant
- **Kyle Westgarth** joined as COO

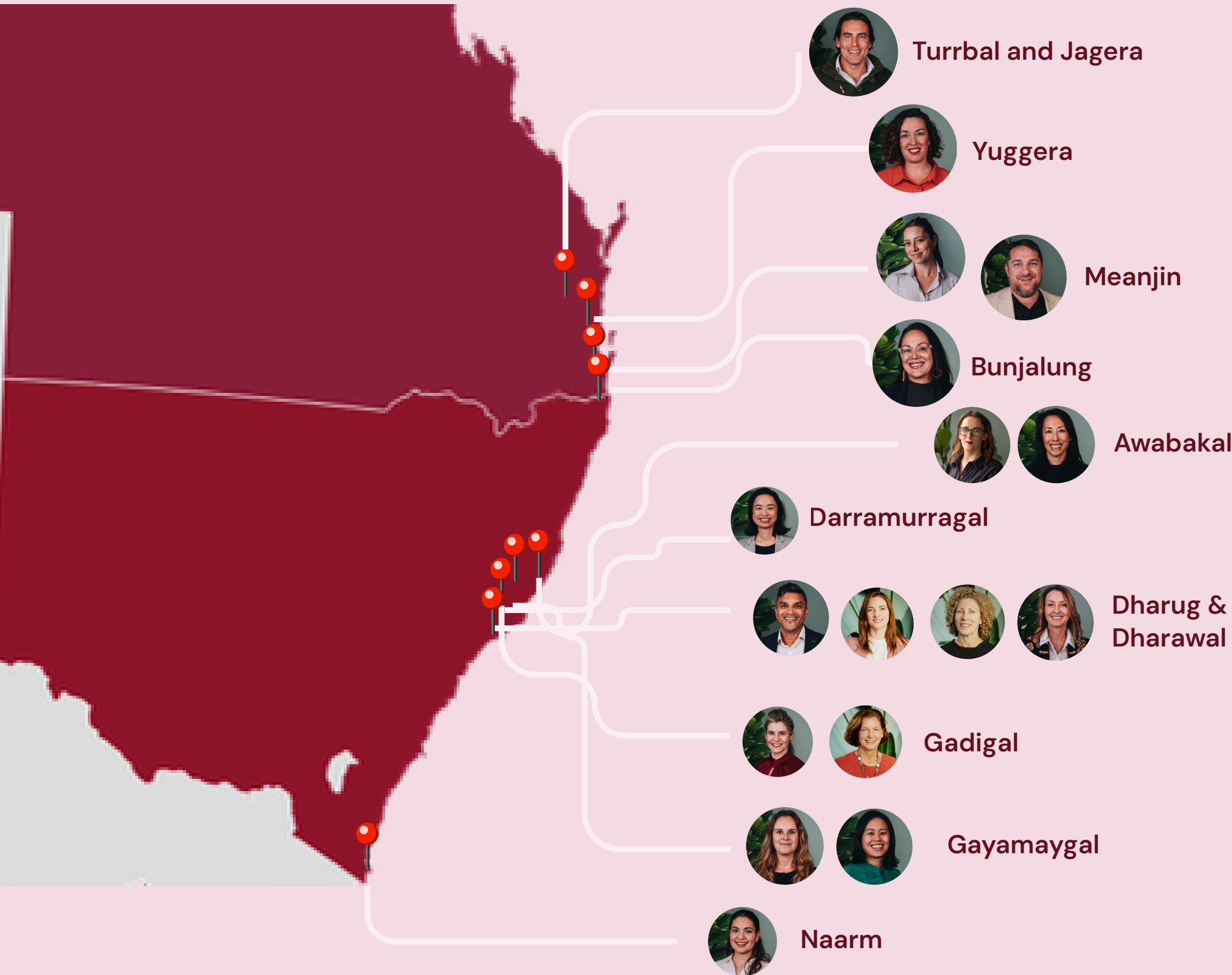
We are so delighted they've chosen to join us and the difference they have made to both the organisations we support, and to Sefa itself is already palpable.

The Sefa team are from all over the globe!



Check out the next page to learn more about Sefa on Country...

Sefa's connection to Country



We're proud to live and work on Aboriginal land, and are grateful for the enduring wisdom and knowledge of the world's oldest living culture, which we continue to learn and benefit from every day.

OUR FOCUS AREAS FOR THE YEAR TO COME

Looking ahead to 2027

Turning our ambition into action

Putting our integrated model into practice by bringing capital, capability, networks and partnerships together in a more connected way. Backing the Bold, Build & Flourish and the Financing Growth Fund will be key to bringing this approach to life.

Unlocking \$500 million for social impact

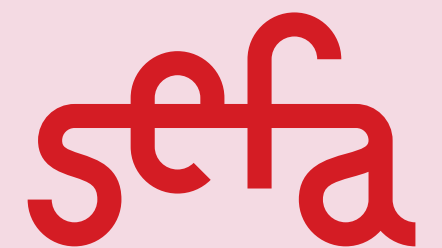
Building momentum towards our Moonshot goal to mobilise \$500 million for social impact, unlocking more flexible and fit-for-purpose capital from philanthropy, government and investors.

Backing community-led futures

Continuing to prioritise First Nations organisations, women-led enterprises, and regional and rural communities, and working with trusted partners to reach changemakers who are often overlooked by traditional systems of support.

Growing Australia's social impact market

Helping strengthen the broader ecosystem around impact-led organisations – creating stronger pathways for growth, improving financial sustainability, and expanding participation in Australia's social impact market.





2026 Financials

AUDITED FINANCIAL STATEMENTS

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Directors Report

Social Enterprise Finance Australia Limited ("Sefa" or the "Company") is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office is Level 1, 262 Liverpool Street, Darlinghurst NSW 2010.2 The directors present their report together with the consolidated financial report of the company, being the Company and its controlled entities – Sefa Investments Limited, the Sefa Loan Fund and the Backing the Bold Loan Fund, or collectively the "Group", for the 30 June 2026 financial year, and the auditor's report thereon.

Directors:

The following persons were directors of Social Enterprise Finance Australia Limited during the financial year and up to the date of this report:

Dr Catherine Brown OAM (appointed November 2025, appointed Chair May 2026)

David Rickards AM (appointed 23 June 2020)

Ben Gales (appointed 11 May 2022)

Councilor Charles Lynch (appointed 21 March 2023)

Councilor Leeanne Hampton (appointed 28 November 2023)

Heidi Hardy (appointed 28 November 2023 and resigned 24 July 2026)

Melanie Rayment (appointed November 2025)

Biographies of Directors:

Dr Catherine Brown OAM

Catherine is a Board Director and a part-time Enterprise Professor at the Melbourne Business School where she is leading the blended finance for climate initiative. Catherine was Chair of the Australian Environmental Grantmakers Network until November 2025 and is a Board member of Impact Investing Australia, Philanthropy Australia and InfoXchange (technology for social justice). Previously, Catherine led the Lord Mayor's Charitable Foundation (now Greater Melbourne Foundation), the largest community foundation in Australia, for 12 years until early 2024. Priority impact areas included affordable housing, economic inclusion and social enterprise, climate change (mitigation and resilience), and sector capacity building. Catherine was a member of the Social Impact Investing Taskforce which advised the current and former Federal Government on strengthening the impact investment ecosystem in Australia.

Catherine is the author of Great Foundations: A 360° guide to building resilient and effective not-for-profit organisations (ACER Press, 2010). She completed a PhD titled Unlocking the innovation potential of philanthropic organisations at the Centre for Social Impact, Faculty of Business and Law, Swinburne University in 2019. She is a lawyer and a Fellow of the Australian Institute of Company Directors. Catherine was awarded a Medal in the Order of Australia for services to charitable organisations in 2020.

David Rickards OAM

David was formerly the Head of Research and an Executive Director at Macquarie Bank. After he retired in 2012 he co-founded Sefa Ltd. David then founded Sefa Partnerships in 2016 to provide further support to social enterprises and charities wishing to move towards impact investment readiness. Before joining Macquarie Bank he was responsible for establishing the risk management company, BARRA International, in Australia. David was the Director and Treasurer of Bush Heritage Australia for nine years. David is a previous Director of the Australian Environmental Grant Makers Network and is Chair of the Sefa Partnerships Board.

Ben Gales

Ben has been until recently Executive Advisor to Queensland Treasury Department setting up the Office of Social Impact in Queensland. He was previously the Chief Impact Officer at Paul Ramsay Foundation from March 2022 to January 2025. Between 2013 and 2016 he was the CEO of Sefa. Ben is an economist by training with expertise in impact investing, social impact measurement, and delivering innovation. He has led the delivery of several major reforms and initiatives and held senior positions in government, finance, and social sectors.

In the UK Ben was involved with the genesis of the impact investing sector with the launch of the social investment taskforce in 2000 under Sir Ronald Cohen when he worked in the HM Treasury. During his time in NSW Government, he was instrumental in developing the first Social Impact Bonds in Australia, "Newpin" and "Resilient Families", and was responsible for the office of Social Impact Investment where he oversaw over \$200 million of impact investments and payment by outcome contracts. He led the establishment of the NSW Productivity Commission and set up the NSW Evidence Bank in NSW Treasury. Ben is Chair of Sefa's Investment Committee, Board member of the NSW Justice Health & Australian Spatial Analytics.

Councilor Charles Lynch

A proud Aboriginal – Gomeroi man from Tamworth NSW, Charles has 30 years of experience working with Aboriginal communities and businesses within the NSW Aboriginal Land Council (NSWALC). During this time, he has co-chaired Closing the Gap and represented NSWALC at the United Nations. This helped hone his expertise in governance, place-based arrangements in communities, financial stewardship, legislation, and policy. At Sefa he uses these skills and his deep knowledge to help us continue to bring people together for a common good.

Councilor Leeanne Hampton

Leeanne Hampton has dedicated 18 years to advancing community welfare, with a focus on empowering Aboriginal communities. As a board member at Sefa, her incisive questioning and empathetic communication skills drive her passion for societal progress. Leeanne’s journey began in the private sector as a small business owner before transitioning to the nonprofit space, where she has served as CEO of the West Wyalong Local Aboriginal Land Council and currently holds multiple roles within the NSW Aboriginal Land Council.

Heidi Hardy

Heidi is a proud Ngemba woman from Brewarrina, NSW, and a leader committed to driving meaningful change. With deep cultural connections and a sharp focus on impact, she brings extensive experience in policy, project, and financial management. Recently serving as Interim CEO of the NSW Aboriginal Land Council, Heidi champions strategic collaboration to strengthen community representation. She believes that listening and learning from others is key to ensuring Aboriginal communities have the voice and support they deserve. Known for her innovative approach and big-picture thinking, she continues to lead with purpose, working alongside communities and stakeholders to create lasting change.

Melanie Rayment

Melanie is internationally experienced senior executive leader with over two decades working at the intersection of community, government, philanthropy, not-for-profit service delivery, academia, and the private sector. She believes that when we centre care, equity, and imagination, we unlock the collective power of communities to enable meaningful, intergenerational change. Melanie brings a distinctive blend of strategic policy capability, design-led participatory practice, and systems stewardship to complex reform and transformation efforts across Australia, Japan, and the UK. She currently works in NSW government to build strong, connected and resilient communities, having previously worked with The Australian Centre for Social Innovation (TACSI), Barnardo’s UK, and the Designing Out Crime Research Centre at UTS and held board-level and advisory roles unlocking opportunities for people and planet.

Meetings of Directors

The number of meetings of the Company's board of directors held during the financial year ended 30 June 2026 was eight, and the number of meetings attended by each director was:

	Meetings Eligible to attend	Meetings Attended
Ben Gales	7	7
Catherine Brown	5	5
Charles Lynch	8	7
David Rickards	8	6
Councillor Leeanne Hampton	8	7
Heidi Hardy	8	0
Melanie Rayment	5	5

Principal Activities:

The principal activity of the Group during the 2026 financial year was the provision of fit-for-purpose finance, support and advice to Australian impact-led organisations. This included loans, syndicated and blended capital solutions, investment readiness and capability-building support, impact advisory services and integrated program delivery in partnership with philanthropic, government and sector partners. Assisting organisations to build confidence, resilience and sustainable impact remained Sefa’s core focus, and there were no significant changes to the nature of the company’s principal activities during the financial period.

Review of operations:

Sefa’s integrated program strategy of providing capital and capability-building support to impact-led organisations continued during the year ending 30 June 2026, with the Backing the Bold program increasing reach in market and attracting additional partners. The operating environment included strong demand for integrated programs and advisory work, while unscheduled early loan repayments and a significant borrower provision affected recurring interest revenue and the reported financial result.

Financial Performance

For FY26, Sefa recorded total operating income of \$2.65 million, compared with \$2.93 million in FY25. This comprised interest income of \$1.23 million, revenue from fee-for-service contracts of \$1.32 million and other income of \$96K. Interest income reduced from the prior year, reflecting the lower average loan book following significant early repayments, while fee-for-service service revenue remained broadly consistent with FY25.

Total expenses were \$3.78 million, including employee-related expenses of \$2.05 million, operating expenses of \$527K, finance costs of \$249K and a loan provision reserve movement of \$941K. Sefa reported a loss before income tax and total comprehensive loss for the year of \$1.13 million, compared with a profit of \$75K in FY25. At 30 June 2026, cash and cash equivalents were \$7.08 million, net loans and advances to customers were \$8.31 million and net assets were \$7.83 million.

The loss result was primarily driven by the significant increase in the loan provision reserve, reflecting exposure to an impaired loan, together with lower recurring interest income from a reduced loan book following early repayments. Excluding the provision impact, the underlying operating result was materially closer to break-even.

Capability Building

Capability-building activity continued to develop through Backing the Bold, government procurement support, financial literacy partnerships and the design and stand-up of additional integrated programs. Backing the Bold maintained a steady pipeline, with several capability builds underway and further national momentum supported by additional funding commitments and sector recognition. Sefa also continued work with NSW Treasury on certified and verified social enterprise supplier lists and buyer-demand support, and progressed opportunities for a social procurement strategy.

Provision of Capital

The capital side of the business continued to support impact-led organisations through direct lending and syndicated investment activity. At 30 June 2026, gross loans and advances to customers were \$9.57 million, compared with \$12.32 million in FY25. After recognising provisions for loan impairment of \$1.26 million, net loans and advances to customers were \$8.31 million, compared with \$12.00 million in FY25. The reduction reflected significant loan principal repayments during the year and lower new loan deployment. Impaired loans continue to be actively monitored. During FY26, Sefa received \$5.13 million in loan principal repayments from customers and advanced \$2.12 million in new loans. Cash and cash equivalents increased to \$7.08 million at year end, reflecting the level of repayments and available liquidity. External borrowings were \$7.43 million at 30 June 2026, including the NAB facility and other investor loans, and Sefa continued to maintain funding capacity to support future impact lending.

Market Building and Thought Leadership

Sefa remained active in market building and thought leadership. Highlights included visibility and traction for the Impact Stacks series, underpinning the June 2026 launch of Sefa's Moonshot, an ambition to help mobilise \$500 million of capital for social impact by 2030 in partnership with government, philanthropic and private investors. Sector engagement through the Impact Investment Summit, Social Impact Summit, Growth Capital panel participation and contributions to eco-system reference groups. Sefa also joined regional and First Nations business development activities, including the Narrabri Pitch Day with Local Aboriginal Land Councils and other First Nations businesses.

Looking Ahead

As Sefa moves into FY27, the organisation remains focused on delivering fit-for-purpose finance, support and advice for sustainable impact. Key priorities include rebuilding loan deployment to grow the outstanding loan book, progressing integrated programs, confirming further funding for Backing the Bold, focusing on market opportunities in Queensland, and continuing to strengthen systems, processes and team capability to be able to grow the company's capacity to deliver the Moonshot.

Significant Events After Balance Sheet Date:

There has not arisen in the interval between the end of the financial year and the date of this report any item, any other transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years.

Future Developments:

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Insurance and Indemnity of Directors and Officers:

During the financial year, the officers of the Company, including the directors as named earlier in this report, general managers, company secretaries and other executive officers were covered by insurance obtained by Sefa. This insurance indemnifies Directors and Officers against allegations of wrongdoing (other than intentional wrongdoing).

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001:

The Lead Auditor's Independence Declaration, as required under Section 307C of the Corporations Act 2001, is set out on page 7.

This report has been made in accordance with a resolution of the Directors.
Dated at Sydney 12 October 2026.

For and on behalf of the Board of Directors.



Dr Catherine Brown OAM
Chair of the Board



Shape the future
with confidence

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Social Enterprise Finance Australia Limited

As lead auditor for the audit of the financial report of Social Enterprise Finance Australia Limited for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- (b) no contraventions of any applicable code of professional conduct in relation to the audit; and

This declaration is in respect of Social Enterprise Finance Australia Limited and its controlled entities during the financial year.

Ernst & Young
Ernst & Young

Gamini Martinus
Gamini Martinus
Partner
12 October 2026

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2026

	Note	Year ended 30 June 2026 \$	Year ended 30 June 2025 \$
Interest income	2	1,231,133	1,400,168
Revenue from contracts with customers	2	1,322,918	1,339,032
Other income	2	95,624	190,481
Total operating income		2,649,675	2,929,681
Employee-related expenses	2	(2,054,592)	(1,957,735)
Depreciation and amortisation	2	(8,862)	(6,938)
Operating expenses	2	(526,792)	(578,830)
Finance costs	2	(249,139)	(266,025)
Loan provision reserve movement		(941,072)	(45,339)
Total expenses		(3,780,457)	(2,854,867)
Profit before income tax		(1,130,782)	74,814
Income tax expense	3	-	-
Profit for the year		(1,130,782)	74,814
Total comprehensive income		(1,130,782)	74,814
Total comprehensive income attributable to: Owners of Social Enterprise Finance Australia		1,231,133	1,400,168

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	Year ended 30 June 2026 \$	Year ended 30 June 2025 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	7,080,659	4,626,448
Loans and advances to customers	7	252,965	2,932,098
Receivables	6	223,869	50,817
Contract assets	8	0	55,000
Other current assets	9	61,001	29,925
Total Current Assets		7,618,494	7,694,288
Non-Current Assets			
Property, plant and equipment	10	14,977	9,683
Loans and advances to customers	7	8,060,165	9,070,562
Total Non-Current Assets		8,075,142	9,080,245
TOTAL ASSETS		15,693,636	16,774,533
LIABILITIES			
Payables	11	39,732	18,557
Contract liabilities	12	65,688	134,026
External borrowings	15	450,000	350,000
Provisions	13	69,244	72,134
Other current liabilities	14	217,336	268,414
Total Current Liabilities		842,000	843,131
Non-Current Liabilities			
Provisions	13	38,614	48,194
External borrowings	15	6,978,939	6,851,143
Total Non-Current Liabilities		7,017,553	6,899,337
TOTAL LIABILITIES		7,859,553	7,742,468
NET ASSETS			
		7,834,083	9,032,065
EQUITY			
Issued share capital	16	2,240,000	2,240,000
Retained earnings		5,594,083	6,792,065
TOTAL EQUITY		7,834,083	9,032,065

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Note	Issued Share Capital \$	Retained earnings \$	Total \$
As at 1 July 2024				
		2,240,000	6,784,451	9,024,451
Profit after tax				
		-	74,814	74,814
Total comprehensive income for the year				
		-	74,814	74,814
Transactions with owners in their capacity as owners:				
Share capital issued				
		-	-	-
Dividends paid				
		-	67,200	67,200
As at 30 June 2025				
		2,240,000	6,792,065	9,032,065
As at 1 July 2026				
		2,240,000	6,792,065	9,032,065
Profit after tax				
			(1,130,782)	(1,130,782)
Total comprehensive income for the year				
			(1,130,782)	(1,130,782)
Transactions with owners in their capacity as owners:				
Share capital issued				
		-	-	-
Dividends paid				
		-	67,200	67,200
As at 30 June 2026				
		2,240,000	5,594,083	7,834,083

Consolidated Statement of Cash flows

For the year ended 30 June 2026

		30 June 2026	20 June 2025
	Note	\$	\$
Cash flows from operating activities			
Payments			
Finance costs paid		(243,700)	(274,345)
Employee-related payments		(2,140,444)	(2,016,324)
Payments to suppliers		(527,250)	(576,902)
Total Payments		(2,911,394)	(2,867,571)
Receipts			
Interest received		966,952	1,055,289
Other income received		85,718	199,195
Revenue from contracts with customers received		1,158,480	739,886
Total Receipts		2,211,150	1,994,370
Net cash flows from operating activities	22	(700,244)	(873,201)
Cash flows from investing activities			
Purchase of property, plant and equipment		(14,157)	(8,265)
Loan principal repayments received from customers		5,129,360	5,136,226
Loans advanced to customers		(2,123,999)	(5,534,230)
Net cash flows from investing activities		2,991,204	(406,269)
Cash flows from financing activities			
Payment of dividends		(66,750)	(66,750)
External borrowing received		230,000	-
External borrowing repaid		-	(300,000)
Net cash flows from financing activities		163,250	(366,750)
Net increase in cash and cash equivalents		2,454,210	(1,646,220)
Cash and cash equivalents at beginning of year		4,626,448	6,272,668
Cash and cash equivalents at end of year		7,080,658	4,626,448

Notes to the consolidated financial statements

1. Summary of Material Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated. The financial statements are for the consolidated entity consisting of Social Enterprise Finance Australia Limited (Sefa, or the Company) and its subsidiaries. The Company is a for profit company limited by shares and incorporated in Australia.

(a) Basis of preparation

The company's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the Government Sector Finance Act 2018 (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Sefa has not early adopted any new standards, amendments to standards and interpretations that are not yet effective. None of these are expected to have a significant effect on the financial statements.

The accounting policies applied in 2025–26 are consistent with those of the previous financial year.

Historical cost convention
These financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1 (p) below.

These general purpose financial statements have been prepared in compliance with the requirements of the Corporations Act 2001 and Australian Accounting Standards – Simplified Disclosures. The Group is a for-profit entity for the purposes of preparing these consolidated financial statements

Authorisation of financial statements

These financial statements for the year ended 30 June 2025 have been authorised for issue by the Board on 9th October 2026.

(b) Foreign currency translation

Functional and Presentation currency

The company's financial statements are presented in Australian dollars, which is Social Enterprise Finance Australia's and its subsidiaries functional and presentation currency. Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition. Differences arising on settlement or translation of monetary items are recognised in net result.

(c) Revenue recognition

Revenue recognition is in accordance with AASB 15 Revenue from Contracts with Customers. Assessment is carried out to identify the contract with the customer, performance obligations under the contract and transaction price. The transaction price is allocated to each performance obligation and revenue is recognised when a specific performance obligation has been satisfied.

Contracts with customers

Sefa recognises revenue from contracts with customers for the provision of professional services. Revenue is recognised when the service is provided or by reference to the stage of completion, which is based on time incurred to date as a percentage of total estimated duration for each contract. When the contract outcome cannot be measured reliably, revenue is recognised as the services are provided. Customers are invoiced and payment is due in 21 days. Revenues relating to future activities is transferred to deferred income (contract liabilities) and recognised in the year the service is provided.

Interest income

Interest income is recognised using the effective interest method, with interest accrued over the relevant period using the effective interest rate, which is the rate that exactly discounts the estimated future cash flows over the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income includes reimbursement income and other minor revenue amounts. Revenue is recognised when the service is provided.
set transferred.

(d) Principles of consolidation

i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Social Enterprise Finance Australia Limited ('Company') as at 30 June 2026 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

(e) Dividends

Provision is made for any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the financial year but not distributed at the balance date.

(f) Taxation

Income tax on the profit or loss for the period comprises of current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates at the statement of financial position date.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(g) 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 three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

For statements of cash flows presentation purposes, cash and cash equivalents consists of the cash and cash equivalent as defined above.

Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Loans, advances and other receivables

Loans and advances are initially recognised at cost. Loans and advances are held at cost less provision for impairment. Loans, advances and other receivables are presented as current assets unless collection is not generally expected for more than 12 months after the reporting date. Individual impairment is identified at a counterparty specific level following objective evidence that a financial asset is impaired. This may be after an interest or principal payment is missed or when a banking covenant is breached. The present value of estimated cash flows recoverable is determined after considering any security held. The amount of any impairment is calculated by comparing the present value of the cash flows discounted at the loan's original effective interest rate with the statement of financial position carrying value. If impaired, the carrying value is adjusted and the difference charged to the statement of comprehensive income.

A write-off is made when all or part of a claim is deemed uncollectible or forgiven. Write-offs are charged against previously established provisions for impairment or directly to the statement of comprehensive income. In circumstances where an asset has been individually assessed for impairment

and no objective evidence of impairment exists, then it will be subject to a collective assessment. Collective impairment is identified for classes of assets that share similar risk characteristics.

The loan provision reserve is currently based on a general provision following the application of AASB 9 Financial Instruments as at year end. Applying AASB 9, credit risk assessment has been performed on Sefa portfolio with all loans currently assessed as Stage 1 (Performing). These stage 1 loans have been further split out with growth capital having different metrics applied to recognise the different risk profile. The 12 month expected credit losses for the standard portfolio is calculated based on the following parameters: actual interest rate of each individual loan, 2.6% probability of default and 85% expected loss given default. The 12 month expected credit losses for the growth capital is calculated based on the following parameters: actual interest rate of each individual loan, 5.5% probability of default and 95% expected loss given default.

(i) Impairment of assets

Assets are tested 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 stated at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or classes of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and are stated at cost. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Borrowings

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

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

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

(l) Non-loan provisions

A non-loan provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation because of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(m) Employee benefits

Employee benefits are recognised in accordance with AASB 119 Employee Benefits

i) Annual leave and sick leave

Unused non-vesting sick leave does not give rise to a liability, as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

ii) Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii) Superannuation

The Company makes superannuation contributions in line with the Superannuation Guarantee (Administration) Act 1992. Contributions are recognised as an expense when employees provide the related service, with the Company's obligation limited to these payments.

iv) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax and workers' compensation insurance.

(n) Issued share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the company reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority 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 taxation authority, are presented as operating cash flows.

(p) Accounting estimates and judgements

The preparation of the financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances. Specific areas of accounting estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment losses on loans and advances

The Group regularly reviews its loan portfolios carried at cost to assess for impairment. This review is conducted across all asset types and impairment provisions are established to recognise the risk of losses within the loan portfolios. As explained in the company's accounting policy on Loans, advances and other receivables, impairment loss calculations involve the estimation of future cash flows of loans and advances based on observable data at the statement of financial position date, historical loss experience for assets with similar credit risk characteristics and other factors including, inter alia, future prospects of the customers, value of collateral held and reliability of information.

The actual amount of the future cash flows and their timing may differ significantly from the assumptions made for the purposes of determining the impairment provisions given the range of asset types, number of customers and current economic conditions. Consequently, these allowances can be subject to variation.

(q) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the financial statements of Social Enterprise Finance Australia Limited.

The subsidiary is Sefa Investments Limited which is a sole beneficiary of Sefa Loan Fund and the Backing the Bold Loan Fund, both single unit trusts.

(r) Changes to Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. The Group is in the process of assessing the effects to the consolidated financial statements.

2. Profit Before Income Tax

	2026 \$	2025 \$
Interest income		
Interest income on cash deposits	226,923	123,146
Interest income on loans and advances to customers	1,004,210	1,277,022
Total interest income	1,231,133	1,400,168
Interest expense – external	(249,139)	(266,025)
Interest expense – lease	–	–
Total interest expense	(249,139)	(266,025)
Net interest income	981,994	1,134,143
Revenue from contracts with customers		
Professional services	1,247,616	1,241,119
Management and establishment fees	75,302	97,913
Total revenue from contracts with customers	1,322,918	1,339,032
Other income	95,624	190,481
Total other income	95,624	190,481
Employee-related expense		
• Salaries and wages	2,022,768	1,904,314
• Other employee-related expenses	8,862	53,421
Depreciation and amortisation		6,938
Operating expenses	38,222	
• Audit fees	51,244	60,645
• Insurance	131,629	54,911
• Consultants	9,600	71,614
• Other contractors	296,097	55,226
Other operating expenses	2,590,245	336,433
Total expenses	8,862	2,543,502

- i) Audit fees

Audit fees include the audit of the consolidated statutory accounts of the Group and the audit of the Australian Financial Services Licence ("AFSL") for the Company.
- ii) Payments to subcontractors

The company engages third-party service providers to help deliver specialist projects or program-based work. The cost of these services is expensed as they are incurred.
- iii) Lease expense

The company recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

Leases that meet the definition of short-term. i.e., where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.

Leases of assets that are valued at \$10,000 or under when new.

3. Income Tax		
	2026	2025
	\$	\$
Operating profit from ordinary activities before income tax	(1,130,782)	74,814
Prima facie income tax expense at 25% (2025: 25%)	(282,695)	18,703
Tax effect of non-deductible expenses/non-assessable income in determining taxable profit:		
Recognition of tax benefit associated with previously un-booked tax losses	282,695	(18,703)
	282,695	(18,703)
Total income tax benefit/(expense) from continuing operations	-	-
Recognised in the income statements		
Total income tax benefit/(expense) In Statement of Comprehensive Income	-	-

4. Deferred Tax Benefit

No current or deferred income tax benefit or expense was recognised for the year ended 30 June 2026 (2025: nil). The Group has estimated unconfirmed Australian tax losses of \$448,777 (2025: \$344,396) which have not been recognised in the statement of financial position as a deferred tax asset. The availability of the tax losses is subject to continuing to meet the relevant statutory tests.

5. Cash and cash equivalents

	2026	2025
	\$	\$
Cash at bank and on hand	7,080,659	4,626,448
	7,080,659	4,626,448

6. Receivables

	2026	2025
	\$	\$
Sundry debtors	223,869	50,817
	223,869	50,817

Details regarding credit risk of trade receivables and sundry debtors are disclosed in Note 21.

7. Loans and advances to customers

	2026	2025
	\$	\$
Loans and advances to customers	9,569,676	12,318,134
Provisions for loan impairment	(1,256,546)	(315,474)
Net loans and advances to customers	8,313,130	12,002,660

Classified as:

Current	252,965	2,932,098
Non-current	8,060,165	9,070,562
	8,313,130	12,002,660

Details regarding credit risk of loans and advances are disclosed in Note 21.

8. Contract assets

	2026	2025
	\$	\$
Accrued income	-	55,000
	-	55,000

A fee receivable is recognised if an amount of consideration that is unconditional is due from the customer. A contract asset represents the estimated value of performance obligations delivered up to the statement of financial position date that have yet to be billed to customers. Amounts recognised as contract assets are reclassified to fee receivables at the point at which they are invoiced to customers. Both fees receivable and contract assets are subject to impairment assessment.

9. Other current assets

	2026	2025
	\$	\$
Prepayments	35,511	19,647
GST Receivable	-	-
Accrued interest receivable Other Debtors	25,490	10,278
	61,001	29,925

2. Property, plant and equipment

	Computer Equipment \$	Total \$
At 30 June 2025		
Cost	19,637	19,637
Accumulated depreciation	(9,955)	(9,955)
<i>Net carrying amount at 30 June 2026</i>	9,682	9,682
Movements In carrying amounts		
Opening net carrying amount	9,682	9,682
Purchases	14,157	14,157
Disposals		
Depreciation charge for the year	8,862	8,862
Closing net carrying amount	14,977	14,977
At 30 June 2026		
Cost	33,794	33,794
Accumulated depreciation	(18,817)	(18,817)
<i>Net carrying amount at 30 June 2026</i>	14,977	14,977

a) Recognition and measurement

i) Initial recognition

Property, plant and equipment assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid. Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Cost includes expenditure that is directly attributable to the acquisition of the asset.

ii) Impairment of property, plant and equipment

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Management has assessed the property, plant and equipment assets for impairment at balance date and determined that it is not impaired.

iii) Depreciation and amortisation

Depreciation is caused by property, plants and equipment. Depreciation is calculated on a diminishing value basis to write off the depreciable amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. All material identifiable components of assets are depreciated separately over their useful lives. The depreciation expense has been included in the statement of comprehensive income as part of the depreciation and amortisation expense.

The estimated useful lives for current and comparative periods are:

- Computer equipment 2 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

iv) Disposal of fixed assets

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognised net within other income in the surplus or deficit for the year.

v) Capitalisation Threshold Property, plant and equipment costing \$1,000 and above individually are capitalised.

11. Payables

	2026 \$	2025 \$
Trade and sundry creditors	80,652	18,557
	80,652	18,557

12. Contract Liabilities

	2026 \$	2025 \$
Income in advance	65,688	134,026
	65,688	134,026

Contract liability is recognised if a payment is received, or a payment is due from a customer before the company transfers the related goods or services. Contract liabilities are recognised as revenue when the company performs under the contract and the control of goods or services is transferred to the customer. The balance of contract liabilities at 30 June 2025 represents the amount paid in advance less the amount of work delivered under the contract.

13. Provisions

	2026 \$	2025 \$
Annual leave – current	69,244	72,134
Long service leave – non-current	38,614	48,194
	107,858	120,328

14. Other Current Liabilities

	2026 \$	2025 \$
PAYG tax withholding	46,140	27,360
Accrued expenses	26,798	157,900
Accrued interest payables	67,101	61,661
Other current liabilities	36,377	21,493
Syndicate Clearing	40,920	
	217,336	268,414

15. Maturities of Liabilities

	2026			2025		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
External Borrowings	450,000	6,978,939	7,428,939	350,000	6,851,143	7,201,143
Total liabilities	450,000	6,978,939	7,428,939	350,000	6,851,143	7,201,143

The Non-current External Borrowings are for fixed terms of more than 12 months and are subject to roll over with agreement of the lenders. The majority of borrowings are at a fixed term of 5 years and the overall average fixed term is 4.13 years with an average interest rate of the RBA cash rate plus 2.27%

16. Issued Share Capital

Consolidated and Company

	2026 Number	2026 \$	2025 Number	2025 \$
Opening balance	2,240,000	2,240,000	2,240,000	2,240,000
Closing balance	2,240,000	2,240,000	2,240,000	2,240,000

The Company has issued 2,240,000 fully paid shares to its shareholders at A\$1 per share. The Company does not have an authorised capital limit for ordinary shares. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder's meetings. In the event of winding up the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

17. Interests in Company Undertakings

Shares in controlled entitles

Social Enterprise Finance Australia Limited holds share in its wholly owned subsidiary Sefa Investments Limited (10 shares at \$ 1.00 each) and acts as a trustee of Sefa Loan Fund and the Backing the Bold Loan Fund (created 28 August 2025). Sefa Investments Limited is the sole beneficiary of the Sefa Loan Fund and the Backing the Bold Loan Fund.

Name of Entity	Type of Entity	Trustee, partner or participant in a joint venture	Place of incorporation or formation	Percentage of issued share capital held	Australian resident or foreign resident
Social Enterprise Finance Australia Ltd	Body corporate	Trustee	Sydney, NSW	Not applicable	Australian Resident
Sefa Investments Ltd	Body corporate	Sole beneficiary	Sydney, NSW	100%	Australian Resident
Sefa Loan Fund	Trust	Not applicable	Sydney, NSW	Not applicable	Australian Resident
Backing the Bold Loan Fund	Trust	Not applicable	Sydney, NSW	Not applicable	Australian Resident

18. Key Management Personnel Disclosures

Key management personnel constitute those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of the company.

Key Management Personnel (KMP) compensation

	2025 \$	2025 \$
Short-term employee benefits	309,090	272,236
Post-employment benefits	33,940	31,307

Short term employee benefits which include base salary, directors' fees, allowances and leave entitlements expensed for the entire year or for that part of the year during which the employee occupied the specified position. Post-employment benefits include amounts expensed in respect of employer superannuation obligations. All KMPs are employed by the parent entity, Social Enterprise Finance Australia Limited.

Transactions with Key Management Personnel

At 30 June 2026, key management persons who had loans from or deposits with the parent entity or any of its controlled entities were

- David Rickards who is a shareholder and a director of the parent entity has a long-term loan to Social Enterprise Finance Australia Loan Fund of \$300,000 (2025: \$300,000) on which interest was paid \$19,023 (2025: \$20,195) via Carrawa Foundation of which David is a beneficiary.
- Louise Sylvan is a shareholder has a long-term loan to Social Enterprise Finance Australia Loan Fund of \$200,000 (2025: \$200,000) on which interest was paid \$11,182 (2025: \$11,932) to BRC Padua Pty Ltd acting in the capacity as trustee for the BRC Padua Superannuation Fund.

19. Financial Instruments

The company's principal financial instruments are outlined below. These financial instruments arise directly from the company's operations or are required to finance the company's operations. The company does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

The company's main risks arising from financial instruments are outlined below, together with the company's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements. The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the company, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the company on a continuous basis.

a) Financial Instrument categories

Class	Note	Category	Carrying Amount	
			2026 \$	2025 \$
Financial assets				
Cash and cash equivalents	5	Amortised Cost	7,080,658	4,626,448
Receivables	6	Amortised Cost	223,869	50,817
Loans and advances to customers	7	Amortised Cost	8,313,130	12,002,660
Contract assets	8	Amortised Cost	0	55,000
			16,734,925	16,734,925
Class	Note	Category	Carrying Amount	
			2026 \$	2025 \$
Financial liabilities				
Payables	11	Amortised Cost	39,732	18,557
Other liabilities	14	Amortised Cost	93,899	219,561
Borrowings	15	Amortised Cost	7,428,939	7,201,143
			7,562,570	7,439,261

The company determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, reevaluates this at each financial year end.

19. Financial Instruments

b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the company transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The company has transferred substantially all the risks and rewards of the asset; or
- The company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the company has transferred its rights to receive cash flows from an asset or has entered a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the company has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the company's continuing involvement in the asset. In that case, the company also recognises an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

c) Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

d) Financial Risk

i) Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the company. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment). Credit risk arises from the financial assets of the company, including cash, and receivables. No collateral is held by the company. The company has not granted any financial guarantees. The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the company.

Receivables – trade receivables, sundry debtors and contract assets

Collectability of trade receivables and sundry debtors is reviewed on an ongoing basis. Outstanding receivables > 30 days are contacted directly. The company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade as at 30 June 2026 and 2025 was determined to be \$0 as historically, the company has had an excellent record in collections and has not had to write off any bad debts. The balance at year end has all been confirmed and payment expected.

The company is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2025.

Loans and advances to customers

The overarching Risk Management Policy and Procedures set out the principles, framework and process upon which the company manages risk. In addition, a separate Risk Appetite Statement and Risk Register are maintained. Sefa's investment decisions are made by the Board under delegated authority to an independent Investment Committee (IC) consisting of independent skilled professionals from diverse backgrounds, relevant to Sefa's principle-based approach to investing for a financial and social return. The company's Concentration Risk Policy sits alongside the Investment Policy to emphasise the importance of managing exposure to single entities and groups of borrowers and sectors.

The company recognises an allowance for expected credit losses (ECLs) in line with AASB9. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). If a loan is considered to have low risk using all reasonable and supportable information, a 12-month ECL is applied.

The loan provision reserve is currently based on a general provision following the application of IFRS9 as at year end. Applying IFRS9, credit risk assessment has been performed on SEFA portfolio, 15 loans are assessed as Stage 1 (Performing). These stage 1 loans have been further split out with growth capital having different metrics applied to recognise the different risk profile. The 12 month expected credit losses for the standard portfolio is calculated based on the following parameters: actual interest rate of each individual loan, 2.6% probability of default and 85% expected loss given default. The 12 month expected credit losses for the growth capital is calculated based on the following parameters: actual interest rate of each individual loan, 5.5% probability of default and 95% expected loss given default.

Applying IFRS9, credit risk assessment has been performed on SEFA portfolio, 1 loan was assessed as Stage 3 (Credit Impaired). Sefa has had several conversations with the Administrator and Liquidator of the impaired client. In their most recent email communication on 4 June 2026 they confirmed that the recovery process continues to progress well the recoveries backed by existing assets estimated to be 31 to 43 cents. The provision has been calculated by applying a 67% loss given default (LGD) to the exposure at default (EAD), where EAD represents the outstanding loan balance

19. Financial Instruments

ii) Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its payment obligations when they fall due. The company continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility using loans and other advances. The company's Adequacy of Resources Policy outlines the financial adequacy requirements to ensure solvency under Sefa's AFSL licence, covering financial statements, audit reports, cash flow requirements, sufficient NTA (Net Tangible Assets), surplus liquid funds ('SLF') requirements where Sefa holds client money and standard adjusted surplus liquid funds ('ASLF') requirements where Sefa transacts with clients.

During the current and prior year, there were no defaults on borrowings. No assets have been pledged as collateral. The company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the contract terms. For small business suppliers, where terms are not specified, payment is made not later than 30 days from the date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

Table B

		Interest rate exposure					Maturity dates		
		Weighted Average Effective Int. Rate	Nominal Amount¹	Fixed Interest rate	Variable Interest rate	Non-Interest bearing	<1 year	1 to 5 years	>5 years
2025									
Payables	11	0%	39,732			39,732	39,732		
Other liabilities	14	0%	93,899			93,899	93,899		
Borrowings	15								
NAB Facility		0%	3,323,938			3,323,938		3,323,938	
Other Loans		6.72%	4,105,001		4,105,001		450,000	3,655,001	
			7,562,570		4,105,001	3,457,569	583,631	6,978,939	
2025									
Payables	11	0%	18,557			18,557	18,557		
Other liabilities	14	0%	267,964			267,964	267,964		
Borrowings	15								
NAB Facility		0%	3,326,142			3,326,142		3,326,142	
Other Loans		6.24%	3,925,001		3,925,001		350,000	3,575,001	
			7,537,664	-	3,925,001	3,612,663	636,521	6,901,143	-
Loan facilities									
NAB Facility			\$4,000,000	Drawn: \$3,323,938		Undrawn balance: \$676,062			
Lord Mayors Charitable Foundation			\$3,000,000	Drawn: \$1,900,000		Undrawn balance: \$1,100,000			

19. Financial Instruments

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The company's exposures to market risk are primarily through interest rate risk on the company's borrowings. The company has no exposure to foreign currency risk and does not enter commodity contracts.

The effect on profit due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after considering the economic environment in which the company operates and the time frame for the assessment (i.e., until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the company's interest-bearing liabilities. This risk is reduced due to the 0% interest NAB Facility.

A reasonably possible change of +/- 2% is used, consistent with current trends in interest rates (based on RBA interest rate volatility over the last year). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	Carrying Amount	-2% profit	-2% Equity	+2% profit	+2% Equity
Financial Assets					
2026					
Cash and cash equivalents	7,075,529	-141,511	141,511	141,511	141,511
Loans and Advances to Customers	8,313,130	-166,263	166,263	166,263	166,263
Financial Liabilities					
Borrowings	4,105,001	82,100	-82,100	-82,100	-82,100
	11,283,658	-225,673	225,673	225,673	225,673
2025					
Cash and cash equivalents	4,626,450	-92,529	92,529	92,529	92,529
Loans and Advances to Customers	12,002,660	-240,053	240,053	240,053	240,053
Financial Liabilities					
Borrowings	4,175,000	83,500	-83,500	-83,500	-83,500
	12,454,110	-249,082	249,082	249,082	249,082

20. Related party transactions		
a) Parent entities		
The parent entity within the Group is Social Enterprise Finance Australia Limited. Information relating to Social Enterprise Finance Australia Limited (the Parent)		
	2026 \$	2025 \$
ASSETS		
Current assets		
Cash and cash equivalents	458,481	661,857
Receivables	223,619	50,817
Contract assets	-	55,000
Other current assets	2,020,120	2,316,930
Total Current Assets	2,020,120	3,084,604
Non-current assets		
Property, plant and equipment	14,978	9,683
Total Non-Current Assets	14,978	9,683
Total assets	2,717,198	3,094,287
LIABILITIES		
Current liabilities		
Payables	39,732	18,557
Contract liabilities	65,688	134,026
Provisions	151,119	120,346
Other current liabilities	24,298	157,900
Total Current Liabilities	280,837	430,829
Non-Current Liabilities		
Provisions	38,614	48,194
Total Non-Current Liabilities	38,614	48,194
Total liabilities	319,451	479,023
NET ASSETS	2,615,264	2,615,264

20. Related party transactions		
EQUITY		
Issued share capital	2,240,000	2,240,000
Retained earnings	308,064	293,276
Current earnings	(150,317)	81,988
TOTAL EQUITY	2,397,747	2,615,264
Interest income	13,063	30,466
Revenue from contracts with customers	1,310,668	1,288,182
Other income	1,113,171	1,306,233
Total operating Income	2,436,902	2,624,881
Employee-related expenses	2,054,592	1,957,735
Depreciation and amortisation	103,195	6,938
Interest expense – leases	-	-
Operating expenses	429,434	578,220
Total expenses	2,587,221	2,542,893
Profit before income tax	(150,319)	81,988
Income tax (expense)/benefit	-	-
Profit for the year	(150,319)	81,988
Total comprehensive Income	(150,319)	81,988

b) Key management personnel

Disclosures relating to key management personnel are set out in note 18.

c) Transactions with related parties

Transactions between the parent entity and various related parties during the year consisted of:

Sefa Ltd provides a range of services to Sefa Loan Fund as per the management agreement signed 14th August 2015 and backdated to the commencement of the Sefa Loan Fund.

These services include:

- i) maintenance of the trust and statutory records of the Fund;
 - ii) liaison with ASIC with respect to compliance with the Australian Financial Services Licence;
 - iii) support for the maintenance and seeking of funds under management; and
 - iv) the provision of information necessary for the accounts of the Fund to be accurately maintained;
- and
- vi) governance.

These transactions were made on normal commercial terms and conditions.

As at 30 June 2026, the parent entity had loans and advances to Sefa Loan Fund of \$2,384,893 (2025: \$2,384,893) from which interest was received and receivable amounted to \$150,714 (2025: \$159,994). The Management fee charged by the parent entity to Sefa Loan Fund was \$893,734 (2025: \$1,048,623). As at June 2026, there is \$400,981 (2025: \$89,529) owed by the parent entity to SEFA Loan Fund that is to be settled, and the balance is not interest bearing.

20. Related party transactions

d) Loans to/from related parties

	2026 \$	2025 \$
Loans to Sefa Loan Fund		
Balance at beginning of the year	2,384,893	2,384,893
Addition during the year	-	-
Interest charged	150,715	159,994
Interest received	(150,715)	(159,994)
Balance at end of the year	2,384,893	2,384,893
Loans from other related parties		
Loans payable		
BRC Padua Pty Limited	200,000	200,000
Carrawa Pty Ltd	300,000	300,000
Interest paid	30,205	32,127

e.) During the year, the company entered transactions on arm's length terms and conditions with a related entity, Sefa Partnerships, of which the company is a member. The aggregate value of the transactions and outstanding balances are as follows:

	2026 \$	2025 \$
Services delivered	788,850	200,000
Services received	9,600	45,875
Accounts receivable closing balance	121,474	43,938

f.) Terms and conditions

Transactions relating to dividends, calls on partly paid shares and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.
All other transactions were made on normal commercial terms and conditions and at market rates. Loans are fixed for 5 years at commercial interest rates. Outstanding balances are unsecured and are repayable in cash.

21. Subsequent events

There were no subsequent events following 30 June 2026.

22. Reconciliation of cash flows from operating activities to profit for the year

	2026 \$	2025 \$
Net cash (used) in operations	(700,244)	(873,201)
Depreciation and amortisation expense	8,862	6,938
Increase/(decrease) in prepayments and other assets	(1,436,184)	128,543
Increase/(decrease) in loan provision	941,073	45,339
Increase/(decrease) in contract assets	(55,000)	50,000
(Increase)/decrease in payables	(21,175)	(12,242)
(Increase)/decrease in provisions	12,470	9,662
(Increase)/decrease in other current liabilities	51,078	120,851
(Increase)/decrease in contract liabilities	68,338	598,924
Profit for the year	(1,130,782)	74,814

Directors' Declaration

In the opinion of the directors of Social Enterprise Finance Australia Limited ("the Company"):

- a) the financial statements and notes set out on pages 1 to 34, are in accordance with the Corporations Act 2001, including:
 - i) being prepared in accordance with section 7.6 of the Government Sector Finance Act 2018, the Government Sector Finance Regulation 2018, and applicable Treasurer's directions;
 - ii) giving a true and fair view of the financial position of the Group as of 30 June 2026 and of financial performance and cash flows, for the year ended 30 June 2026; and
 - iii) complying with Australian Accounting Standard requirements—the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Dated at Sydney, 12 October 2026

Signed in accordance with a resolution of the directors.



Catherine Brown
Chair of the Board



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Social Enterprise Finance Australia Limited

Opinion

We have audited the financial report of Social Enterprise Finance Australia Limited (the Company and its subsidiaries (collectively the Group)), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial report and our auditor's report thereon.

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

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

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



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Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001 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.

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Ernst + Young

Ernst & Young

Gamini Martinus

Gamini Martinus

Partner

12 October 2026



Yirranma Place
Level 1, 262 Liverpool Street
Darlinghurst NSW 2010

info@sefa.com.au
www.sefa.com.au