

**KELLY PARTNERS GROUP HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**ABN 25 124 908 363**

**ANNUAL REPORT – 2025**

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Directors	Brett Kelly – Chairman, Executive Director Stephen Rouvray – Deputy Chairman, Non-Executive Independent Director Ryan Macnamee – Non-Executive Independent Director Paul Kuchta – Executive Director Ada Poon - Executive Director Lawrence Cunningham – Non-Executive Independent Director (resigned 31 March 2025)
Company secretary	David Franks
Registered office	Level 8 32 Walker Street North Sydney, NSW 2060 Telephone: (02) 9923 0800
Share register	Computershare Investor Services Pty Limited Level 4 44 Martin Place Sydney NSW 2000 Telephone: 1300 787 272
Auditor	BDO Audit Pty Ltd Level 25 252 Pitt Street Sydney, NSW 2000
Stock exchange listing	Kelly Partners Group Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: KPG) since 21 June 2017.
Website	<a href="http://www.kellypartnersgroup.com.au">http://www.kellypartnersgroup.com.au</a>
Corporate Governance Statement	<p>The directors and management are committed to conducting the business of Kelly Partners Group Holdings Limited in an ethical manner and in accordance with the highest standards of corporate governance. Kelly Partners Group Holdings Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance Compliance Manual can be found on the Company's website - <a href="http://www.kellypartnersgroup.com.au/investor-centre/corporate-governance">www.kellypartnersgroup.com.au/investor-centre/corporate-governance</a>.</p>

The directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Group') consisting of Kelly Partners Group Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

### Directors

The following persons were directors of Kelly Partners Group Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Brett Kelly - Chairman  
Stephen Rouvray - Deputy Chairman  
Ryan Macnamee  
Paul Kuchta  
Ada Poon  
Lawrence Cunningham (resigned 31 March 2025)

### Principal activities

During the financial year, the principal continuing activities of the Group were the provision of chartered accounting and other professional services, predominantly to private businesses and high net worth individuals.

### Strategy

The Company aims to build per-share intrinsic value by:

- |  | <b>Target</b>  |
|--|----------------|
| (1) Improving the earning power of the operating businesses;   | 35% EBITDA     |
| (2) Further increase the earnings of the operating businesses through acquisitions;                                    | 5% p.a. growth |
| (3) (a) Growing the accounting businesses;   | 5% p.a. growth |
| (b) Growing the complementary businesses;  |                |
| (4) (a) Making programmatic acquisitions;  |                |
| (b) Making an occasional large acquisition where there is strategic alignment (i.e. greater than \$5m in revenue); and |                |
| (5) Repurchasing Company's shares when available at a meaningful discount from intrinsic value.                        |                |

### Structure

Kelly Partners' businesses operate using the Kelly Partners' **Partner-Owner-Driver® model**, where Kelly Partners and the operating partners respectively own a 51%/49% interest in the operating business. The Partner-Owner-Driver® structure drives long term strategic alignment and establishes a foundation for long term success and growth for the Clients, People and Partners of Kelly Partners.

### Review of operations

The profit attributable to members of the parent amounted to \$3,413,000 (30 June 2024: \$3,525,000).

In the year ended 30 June 2025 ('FY25' or '2025'), the Group has recorded a consolidated statutory net profit after income tax of \$16,436,000 (year ended 30 June 2024 ('FY24' or '2024'): \$13,541,000), an increase of 21.4%. The statutory net profit attributable to the members of the parent entity was \$3,413,000 (FY24: \$3,316,000), an increase of 2.9%. The movement in statutory net profits are not representative of the underlying performance of the business due to a significant increase in amortisation of customer relationship intangible assets (FY25: \$7,132,000; FY24: \$5,518,000) and other non-cash items as well as one off items associated with strategic review costs and acquisition costs.

Owners' earnings<sup>1</sup> for the 12 months were \$23,880,000 (FY24: \$19,471,000) up 22.6% from the prior corresponding period. Owners' earnings for the parent entity were \$8,465,000 (FY23: \$7,847,000), up 7.9% from the prior corresponding period.

<sup>1</sup> The Group uses owners' earnings to measure cash flow available to the Group. Owners' earnings is a non-IFRS measure which is used to measure cash flow to the Group (after taxes and finance costs) and after taking into account the movements in working capital, deductions for maintenance capital expenditures and repayment of lease liabilities.

The Directors consider Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('Underlying EBITDA') and Underlying Net Profit After Tax Before Amortisation ('Underlying NPATA') reflects the core earnings of the Group. Underlying EBITDA and Underlying NPATA are financial measures not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and other items which management consider to be one-off in nature. Underlying EBITDA and Underlying NPATA are key measurements used by management and the board to assess and review business performance.

Underlying EBITDA as a core measure ignores the cash implications of capital investment requirements. Kelly Partners has historically used EBITDA as a measure of performance because typically depreciation charges have been extremely low or negligible (1.5% of revenue prior to FY20), reflecting the minimal capital requirements in accounting businesses. Where depreciation charges have been minimal, EBITDA equates roughly to EBITA. However, depreciation charges for the Group have increased in recent years due to depreciation of the cost of fitouts completed across Kelly Partners offices during COVID-19 to repurpose the offices and now amounts to ~2.5% of Group revenues. In light of this, management has introduced EBITA as a measure of business performance. The targeted EBITA ratio will be 32.5% (35.0% EBITDA target less depreciation of ~2.5%).

The following table provides a reconciliation between the NPAT and the Underlying EBITDA of the consolidated Group.

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024<sup>2</sup></b>
	<b>\$'000</b>	<b>\$'000</b>
Statutory net profit after income tax ('NPAT') from continuing operations	16,436	13,541
Finance costs	7,012	5,751
Income tax expense	1,343	2,082
Depreciation and amortisation expense	14,473	12,131
Earnings before interest, tax, depreciation and amortisation ('EBITDA')	39,264	33,505
<b><u>Add: Non-recurring expenses or non-cash adjustments</u></b>		
Acquisition costs	1,435	1,240
Strategic review costs	1,167	1,322
Impact of AASB 16	(262)	856
Other non-recurring expense	111	-
<b><u>Less: Non-recurring income</u></b>		
Government subsidies in relation to Australian Apprenticeships Incentive Program	-	(77)
Change in fair value of contingent consideration	(574)	(764)
Underlying EBITDA	41,141	36,082
Less: Depreciation expense	(7,041)	(6,310)
Underlying EBITA	34,100	29,772

Underlying EBITDA of the Group was \$41,141,000 (2024: \$36,082,000), an increase of 14.0%.

Underlying EBITA of the Group was \$34,100,000 (2024: \$29,772,000), an increase of 14.5%.

<sup>2</sup> FY24 numbers and metrics presented in this Directors' Report excludes operations that were discontinued.

The following table provides a reconciliation of Statutory NPAT to Underlying NPATA attributable to the owners of Kelly Partners Group Holdings Limited.

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024<sup>3</sup></b>
	<b>\$'000</b>	<b>\$'000</b>
Statutory NPAT attributable to the owners of Kelly Partners Group Holdings Limited	3,413	3,525
Less: Discontinuing operations	-	(209)
Add: Amortisation of customer relationship intangibles	3,642	2,867
NPATA attributable to the owners of Kelly Partners Group Holdings Limited	<u>7,055</u>	<u>6,183</u>
<b><u>Add: Non-recurring expenses or non-cash adjustments</u></b>		
Acquisition costs, including unwinding of interest on contingent consideration	1,853	1,581
Strategic review costs	1,167	1,322
Impact of AASB 16	304	493
Other non-recurring expense	111	-
<b><u>Less: Non-recurring income</u></b>		
Government grants in relation to Australian Apprenticeships Incentives Program	-	(39)
Change in fair value of contingent consideration	(508)	(633)
Net non-recurring items	<u>2,927</u>	<u>2,724</u>
Less: Tax effect of non-recurring items	(912)	(879)
Underlying NPATA attributable to the owners of Kelly Partners Group Holdings Limited	<u><u>9,070</u></u>	<u><u>8,028</u></u>

Underlying NPATA attributable to members of the parent entity was \$9,070,000 (2024: \$8,028,000), an increase of 13.0%.

### **Dividends**

On 5 February 2024, the Company announced that it will cease dividend payments and no dividends have been paid since February 2024.

#### *Dividends*

Dividends paid, recommended or declared during the year ended 30 June 2025 were \$nil (30 June 2024: \$1,576,000).

Dividends paid were as follows:

#### *For the year ended 30 June 2024:*

First interim dividend of \$0.00439 per ordinary share, paid on 31 July 2023	-	197
Second interim dividend of \$0.00439 per ordinary share, paid on 31 August 2023	-	197
Third interim dividend of \$0.00439 per ordinary share, paid on 29 September 2023	-	197
Fourth interim dividend of \$0.00439 per ordinary share, paid on 31 October 2023	-	197
Fifth interim dividend of \$0.00439 per ordinary share, paid on 30 November 2023	-	197
Sixth interim dividend of \$0.00439 per ordinary share, paid on 29 December 2023	-	197
Seventh interim dividend of \$0.00439 per ordinary share, paid on 31 January 2024	-	197
Eighth final dividend of \$0.00439 per ordinary share, paid on 29 February 2024	-	197
Total dividends	<u><u>-</u></u>	<u><u>1,576</u></u>

<sup>3</sup> FY24 numbers and metrics presented in this Directors' Report excludes operations that were discontinued.

### Significant changes in the state of affairs

During the year the Company bought back 100,000 shares (on market) at an average share price of \$7.79. On the 27 June 2025, the Company raised \$4.1m of internal capital by issuing 374,957 ordinary shares, at \$11.14 per share, to its operating partners. The number of shares outstanding as at the date of this report is 45,274,957.

On 16 August 2024, a subsidiary of the Company executed agreements to partner with an accounting firm located in Florida, United States through acquiring a 50.1% interest. Completion occurred on the same day. The partnership is expected to contribute approximately \$USD7.0m to \$USD8.2m (\$AUD10.8m to \$AUD12.5m) in annual revenues to the consolidated Group and approximately \$USD0.7m to \$USD0.8m (\$AUD1.08m to \$AUD1.25m) NPATA to the Company (based on achieving benchmark profitability metrics post improvements).

There were no other significant changes in the state of affairs of the Group during the financial year.

### Events after the reporting period

On 31 July 2025, a subsidiary of the Company executed agreements to partner with an accounting firm in California, United States through acquiring a 50.1% interest. Completion occurred on the same day. The partnership is expected to contribute approximately \$USD3.5m to \$USD4.0m (\$AUD5.4m to \$AUD6.2m) in annual revenues to the consolidated Group.

On 6 August 2025, a subsidiary of the Company executed agreements for an accounting firm in Sydney CBD and Bowral to join the Group. Completion is expected to occur on 31 October 2025. 100.0% of the interest in the accounting firm will be acquired. The accounting firm is expected to contribute approximately \$AUD4.0m to \$AUD4.4m in annual revenues to the consolidated Group.

On 11 August 2025, the Company received an application from a former employee who resigned on 13 June 2023 seeking damages for historical employment related disputes.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### Likely developments and expected results of operations

The Group will continue to pursue its policy of increasing its profitability and market share in the markets within which it operates during the next financial year.

The Group's growth plan is based on a three-pronged strategy: organic growth, network expansion (which includes acquisitions, tuck-ins and greenfields) and the introduction of new services.

### Material business risks

#### Key personnel risk

- The Directors' and senior managers' ability to successfully manage the Group's performance and to expand and exploit the opportunities identified will directly affect the success of the Group.
- The Group may be adversely affected if any of the Directors or members of senior management (in particular Brett Kelly) leaves the Group.

#### Business operational risk

- If the business experiences a compression of margins, the Group will not achieve its targeted profitability.
- Like all businesses, the Group is dependent on retaining key clients. Client retention is often a matter of preserving the existing personal relationships within the business. In addition, the loss of Operating Business Owners and key employees, could result in the loss of key client relationships and expertise within those businesses, which could have a material adverse impact on the current and future earnings streams associated with those relationships and the ability to attract new clients.
- The Group and its clients are exposed to a large range of operational risks relating to both current and future operations. Such operational risks include equipment failure, accidents, fraud, process error, information systems failure, external services failure, industrial action or disputes and natural disasters. While the Group endeavours to take appropriate action to mitigate these operational risks and, where the Directors consider it practicable, insure against them, the Group cannot remove all possible risks of disruption to its business operations, and it cannot control the risks its clients are exposed to. A disruption in the Group's operations or those of its clients may have an adverse impact on the Group's growth prospects, operating results and financial performance.
- Kelly Partners relies on proprietary and third party software products and services from a number of different providers for its management information systems as well as third party products and services to provide their services to clients. Standard backup, restoration and recovery procedures are in place for Kelly Partners. However, despite these protections, any significant interruptions, flaws or other inadequacies to these systems could impair the ability of Kelly

Partners to provide their services, affect the quality of such services, or the loss or corruption of data. Any of these impacts, or other potential effects, could materially affect Kelly Partners overall performance revenue and earnings.

- Each Operating Business operates through a leased premises. There may be an adverse impact on the business and profitability if the Group is unable to renegotiate acceptable leases for its premises or locate suitable premises at appropriate rentals if it wishes to expand its business.
- Kelly Partners is a professional services business and as such its success is highly dependent on delivering a quality service to its clients and maintaining client satisfaction and loyalty. Any diminution in client satisfaction and loyalty may have an adverse impact on the financial performance of the Group.

#### Management and integration of acquired businesses

A material acquisition may pose potential management and integration risk if it involves a significant expansion of the Group's current management responsibilities and its financial, operating and risk reporting and functions. An inability to implement this oversight and reporting may cause a delay in receiving reporting, or non-identification of issues or areas which require oversight, and may result in errors or deficiencies in the Group's management of the acquisition and its business as a whole. This may result in misreporting of Kelly Partners' financial results or delayed identification of issues, which may have a material impact on Kelly Partners' earnings or financial position.

The integration of acquisitions may be difficult and will involve managing significant risks, including:

- the potential disruption to the ongoing operations of individual businesses;
- a potential strain on financial and managerial controls and reporting systems and procedures;
- greater than anticipated costs and expenses related to any restructuring;
- the realisation of lower than anticipated cost synergies;
- loss of key clients; and
- potential unknown liabilities associated with the acquisitions.

All past and future acquisitions will also be exposed to the above risks.

#### Compliance risk

The industry in which the Group operates is subject to extensive legislative and regulatory requirements and to supervision by state and federal regulatory bodies. The cost of compliance continues to increase due to increased compliance requirements. If the Group does not comply with the relevant legislative and regulatory requirements, there is a risk of investigation, remediation and enforcement action by regulatory bodies including penalties such as fines, the obligation to pay compensation or the cancellation or suspension of licences or other approvals issued to the Group under which its business is conducted.

#### Finance risks

Future financing via debt or equity may be required by the Group to support proposed development plans. There can be no assurance that such funding will be available on satisfactory terms or at all. Inability to obtain funding could adversely affect the Group.

#### Litigation risk

The Group is not currently involved in any material contractual disputes or litigation, arbitration or government prosecution matters. There is a risk that the Group may in the future have disputes with its clients (including payment disputes) and this may have an adverse impact on the Group's growth prospects, operating results and financial performance.

#### Data breach, misuse and breach of privacy

Through the ordinary course of business, the Group collects a wide range of confidential information. Cyber-attacks may compromise or breach the technology platform used by the Group to protect confidential information. There is a risk that the measures taken by the Group may not be sufficient to detect or prevent unauthorised access to, or disclosure of, such confidential information. Any data security breaches or the Group's failure to protect confidential information could result in the loss of information integrity, or breaches of the Group's obligations under applicable laws (e.g. privacy law) or customer agreements, each of which may materially and adversely impact the Group's financial performance and reputation.

Techniques used to gain unauthorised access to private networks are constantly evolving and the Group may be unable to anticipate or prevent unauthorised access to data pertaining to its customers, which could include personally identifiable information.

The Group's services are vulnerable to computer viruses, phishing attacks or other attacks and similar disruptions from unauthorised use of its systems, any of which could lead to system interruptions, delays or shutdowns, causing loss of critical data or the unauthorised access to personally identifiable information.

If an actual or perceived breach of security occurs in the Group's systems, it may face civil liability and public perception of its security measures could be diminished, either of which would negatively affect the Group's ability to attract or maintain customers. The Group also would be required to expend significant resources to mitigate any such breach of security and to address related matters.

#### **Intellectual property**

The Group's intellectual property is a key asset of the business of Kelly Partners. The Group's intellectual property rights may be infringed, or the Group may infringe the intellectual property rights of other entities, resulting in damage to the Kelly Partners brand and reputation, loss of competitive advantage and significant costs in pursuing or defending legal and commercial action.

#### **Economic, environmental and social sustainability risks**

The operations of the Group are not subject to any particular or significant Commonwealth, State or Territory environmental regulations.

Accounting services, which require associated expert advice typically provided by accountants, are important particularly in the case of small and medium enterprises where the complexity of taxation and other compliance requirements are increasing, and therefore it is unlikely that there would be a material risk in relation to economic sustainability. Risks that may arise include rapidity in changes in technology and simplification of tax legislation. The risks in relation to economic sustainability are considered as part of determining strategy and management regularly monitors market developments.

Part of the Group's commitment to managing these risks is ensuring that it has governance systems, structures, values, principles, frameworks and policies to define its decision making context for managing its business sustainably.

### Information on directors

**Name:** **Brett Kelly** (appointed on 16 April 2017)  
**Title:** Executive Chairman and Chief Executive Officer  
**Qualifications:** BBus, CA, MTax, DipFS, RTA, JP  
**Experience and expertise:** Brett is the Founder and CEO of Kelly Partners. He has more than 20 years of commercial and professional accountancy experience, specialising in assisting private clients, private business owners and families. He commenced his career as a Chartered Accountant with 5 years at PwC Australia, and then worked at 3 mid-sized accounting firms. In 2006, Brett founded Kelly Partners with accounting businesses in North Sydney and the Central Coast, before building out the network to 30+ businesses over 30+ locations to date. Brett is also the best-selling author of four books on life, business and wisdom.

**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Special responsibilities:** Member of the Nomination and Remuneration Committee  
**Interests in shares:** 21,086,704 ordinary shares (46.6%)  
**Interests in options:** None  
**Contractual rights to shares:** None

**Name:** **Stephen Rouvray** (appointed on 2 May 2017)  
**Title:** Deputy Chairman and Non-Executive Independent Director  
**Qualifications:** BEc, CA  
**Experience and expertise:** Stephen has over 50 years' experience in financial services across many senior leadership roles. He was Chief Financial Officer, Company Secretary and Manager of Investor Relations for AUB Group (formerly Austbrokers) from 2005 until 2015. Prior to this, he was General Manager for ING Australia Holdings from 2002 to 2005 having joined ING's predecessor company, Mercantile Mutual, in 1985. Over this 20 year period, Stephen held the position of Company Secretary which included its subsidiary companies operating in the life & general insurance, investment management, funds management and banking sectors. At the start of his career, he worked in the accountancy profession from 1971 to 1984. Since retiring as CFO, Stephen continues to represent AUB Group as a director on the board of two of its associates.

**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Special responsibilities:** Chairman of the Nomination and Remuneration Committee  
Chairman of the Audit and Risk Committee  
**Interests in shares:** 150,000 ordinary shares (0.3%)  
**Interests in options:** None  
**Contractual rights to shares:** None

**Name:** **Ryan Macnamee** (appointed on 2 May 2017)  
**Title:** Non-Executive Independent Director  
**Qualifications:** BCom, GACID  
**Experience and expertise:** Ryan is an experienced business technology executive with over 25 years of IT management and cyber security experience. He is currently on the board of Thinkproject Australia & New Zealand, and previously held board positions at the Open Data Institute and Advanced Navigation. Ryan has served in numerous senior IT management roles, including Group Chief Information Officer (CIO) and Group Chief Information Security Officer (CISO), Ryan has also held various senior IT positions at financial, insurance, construction, and retail operations globally. Ryan is co-founder of ECPPro, a Microsoft Azure cloud focused solution provider helping large corporations and MSP (Managed Service Providers) to manage complex cloud environments.

**Other current directorships:** Thinkproject  
**Former directorships (last 3 years):** Advanced Navigation  
**Special responsibilities:** Member of the Nomination and Remuneration Committee  
Member of the Audit and Risk Committee  
**Interests in shares:** 100,046 ordinary shares (0.22%)  
**Interests in options:** None  
**Contractual rights to shares:** None

Name: **Paul Kuchta** (appointed on 2 May 2017)  
Title: Executive Director  
Qualifications: BBus, CA, FTIA, DipFP, RTA, JP  
Experience and expertise: Paul is a Chartered Accountant with over 20 years' accounting experience specialising in the provision of compliance, tax and advisory services to private SME's and their owners. He commenced his career with Farrar & Company Chartered Accountants in 1998, where he worked for 10 years. Paul then joined Crowe Horwath in 2008 for a further 4 years. He was a founding partner of Kelly Partners Norwest when the practice was launched in 2012. Paul is the managing director of Kelly Partners Sydney.

Other current directorships: None  
Former directorships (last 3 years): None  
Special responsibilities: Member of the Audit and Risk Committee  
Interests in shares: 181,327 ordinary shares (0.4%)  
Interests in options: None  
Contractual rights to shares: None

Name: **Ada Poon** (appointed on 6 September 2019)  
Title: Executive Director  
Qualifications: BCom, MCom, JP, Registered Tax Agent, SMSF Specialist Advisor  
Experience and expertise: Ada has more than 20 years' professional accountancy experience and has specialised in accounting and taxation services to Private Business Owners based in Sydney, business and personal taxation compliance self-managed super funds and outsourced finance department services.

Other current directorships: None  
Former directorships (last 3 years): None  
Special responsibilities: None  
Interests in shares: 409,137 ordinary shares (0.9%)  
Interests in options: None  
Contractual rights to shares: None

### Company secretary

*David Franks - BEc, CA, F Fin, FGIA JP (resigned on 30 April 2020, re-appointed on 18 September 2024)*

David Franks is a former principal of Franks & Associates Pty Ltd, which merged with the Automic Group in 2018. David is a Director and Principal of the Automic Group. David is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University. With over 20 years in finance and accounting, initially qualifying with Price Waterhouse in their Business Services and Corporate Finance Divisions, David has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, transport, financial services, mineral exploration, technology, automotive, software development and healthcare. David is also currently the Company Secretary for the following public entities: AUB Group Limited, Adcorp Australia Limited, Elk Petroleum Limited, JCurve Solutions Limited, Noxopharm Limited, Nyrada Inc, Tomorrow Entertainment Limited, White Energy Company Limited, White Energy Technology Limited and ZIP Co Limited. David is also a Non-Executive Director of JCurve Solutions Limited.

*Joyce Au - BCom, MCom, MTax, MA(Law), MAppFin. CA (resigned on 18 September 2024)*

Joyce is a solicitor admitted to the Supreme Court of NSW and a Chartered Accountant. Joyce has 15 years' experience across accounting, tax, finance, commercial law, corporate transactions and business operations. Joyce has worked with Kelly Partners for over 10 years since its inception in 2006 across a number of roles including accounting, audit, finance and operations. Most recently she worked as the Corporate Advisor and Investment Analyst in Kelly Partners Corporate Advisory and Kelly Partners Investment Office businesses, covering due diligence, transactions management, financial analysis and fund administration. Prior to that, Joyce practised commercial law for several years advising on corporate structures & transactions, taxation and Corporations Act matters. Joyce is an alumni of the University of Cambridge and has graduated with a first class honours in law. She also holds Masters degrees in Accounting, Tax and Applied Finance.

### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Brett Kelly	5	5	1	1	-	-
Stephen Rouvray	4	5	1	1	3	3
Ryan Macnamee	5	5	1	1	3	3
Lawrence Cunningham, resigned 31 March 2025	3	3	-	-	-	-
Paul Kuchta	5	5	-	-	3	3
Ada Poon	5	5	-	-	-	-

### Committee membership

As at the date of this report, the Company had an Audit and Risk Committee and a Nomination and Remuneration Committee. Members acting on the Committees of the Board during the year were:

#### Audit and Risk Committee

Stephen Rouvray (Chairman)  
 Ryan Macnamee  
 Paul Kuchta

#### Nomination and Remuneration Committee

Stephen Rouvray (Chairman)  
 Ryan Macnamee  
 Brett Kelly

### Remuneration report (audited)

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Remuneration and other terms of employment
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

#### Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### *Non-executive directors' remuneration*

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. A maximum annual aggregate remuneration of \$160,000 is currently in place.

#### *Executive remuneration*

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits;
- short-term performance incentives; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

#### *Group performance and link to remuneration*

For the year ended 30 June 2025 there was no link between Group performance and KMP remuneration other than for the Chairman and CEO, whose remuneration is based on a percentage of total revenue.

#### *Use of remuneration consultants*

During the financial year ended 30 June 2025, the Group engaged Veritas Executive Compensation Consultants, to provide a data analysis report regarding executive market remuneration quantum and structure. A total amount of \$73,202 was paid to engage Veritas. No remuneration recommendations given by the remuneration consultant were adopted by the Company.

#### *Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')*

The motion was put to a poll at the AGM and was carried.

**Details of remuneration**

*Amounts of remuneration*

Details of the remuneration of KMP of the Group are set out in this section.

The KMP of the Group consisted of the following directors of Kelly Partners Group Holdings Limited:

- Brett Kelly - Chairman, Chief Executive Officer, Executive Director
- Stephen Rouvray - Deputy Chairman, Non-Executive Independent Director
- Ryan Macnamee - Non-Executive Independent Director
- Lawrence Cunningham, Non-Executive Independent Director (resigned on 31 March 2025)
- Paul Kuchta - Executive Director
- Ada Poon - Executive Director

	Short-term benefits			Post employment benefits	Leave	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary <sup>4</sup>	Super-annuation	Annual /long service	Equity-settled	
2025	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Stephen Rouvray	44,843	-	-	5,157	-	-	50,000
Ryan Macnamee	35,874	-	-	4,126	-	-	40,000
Lawrence Cunningham*	45,000	-	-	-	-	-	45,000
<i>Executive Directors:</i>							
Brett Kelly	1,328,028	-	96,515	18,042	125,978	-	1,568,563
Paul Kuchta	10,762	-	-	1,238	-	-	12,000
Ada Poon	10,762	-	-	1,238	-	-	12,000
	<u>1,475,269</u>	<u>-</u>	<u>96,515</u>	<u>29,801</u>	<u>125,978</u>	<u>-</u>	<u>1,727,563</u>

\* Lawrence resigned as a Non-executive Director on 31 March 2025. The amount set out in the table represents his remuneration until the end of his tenure.

	Short-term benefits			Post employment benefits	Leave	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary <sup>4</sup>	Super-annuation	Annual /long service	Equity-settled	
2024	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Stephen Rouvray	45,045	-	-	4,955	-	-	50,000
Lawrence Cunningham	60,000	-	-	-	-	-	60,000
Ryan Macnamee	36,036	-	-	3,964	-	-	40,000
<i>Executive Directors:</i>							
Brett Kelly	1,062,223	-	69,209	19,200	101,212	-	1,251,844
Paul Kuchta	10,811	-	-	1,189	-	-	12,000
Ada Poon	10,811	-	-	1,189	-	-	12,000
	<u>1,224,926</u>	<u>-</u>	<u>69,209</u>	<u>30,497</u>	<u>101,212</u>	<u>-</u>	<u>1,425,844</u>

<sup>4</sup> Includes the cost of medical insurances provided to Brett for his relocation to the United States.

The fixed and the variable at risk proportions of remuneration are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2025	2024	2025	2024	2025	2024
<i>Non-Executive Directors:</i>						
Stephen Rouvray	100%	100%	-	-	-	-
Ryan Macnamee	100%	100%	-	-	-	-
Lawrence Cunningham	100%	100%	-	-	-	-
<i>Executive Directors:</i>						
Brett Kelly	100%	100%	-	-	-	-
Paul Kuchta	100%	100%	-	-	-	-
Ada Poon	100%	100%	-	-	-	-

### Remuneration and other terms of employment

Remuneration and other terms of employment for KMP are formalised in agreements. Details of these agreements are as follows:

Name: **Brett Kelly**  
 Title: Chairman, Chief Executive Officer, Executive Director  
 Agreement commenced: 6 December 2021  
 Term of agreement: No fixed period  
 Details: Total Fixed Annual Remuneration to be based upon 1% of the actual audited revenues of the Kelly Partners Group. Terms include a 12 month termination notice by either party and non-solicitation clause.

Name: **Stephen Rouvray**  
 Title: Deputy Chairman, Non-Executive Independent Director  
 Agreement commenced: 2 May 2017  
 Term of agreement: No fixed period  
 Details: Director fees of \$50,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee.

Name: **Ryan Macnamee**  
 Title: Non-Executive Independent Director  
 Agreement commenced: 2 May 2017  
 Term of agreement: No fixed period  
 Details: Director fees of \$40,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee.

Name: **Paul Kuchta**  
 Title: Executive Director  
 Agreement commenced: 2 May 2017  
 Term of agreement: No fixed period  
 Details: Director fees of \$12,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee.  
 Paul Kuchta is an Operating Business Owner in Kelly Partners Sydney CBD, Kelly Partners Norwest, and Kelly Partners East Sydney, and receives a distributions from the Operating Businesses in accordance with the terms of the respective shareholders and partnership agreements as a Partner and Owner of those businesses.

Name: **Ada Poon**  
 Title: Executive Director  
 Agreement commenced: 6 September 2019  
 Term of agreement: No fixed period  
 Details: Director fees of \$12,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee.  
 Ada Poon is an Operating Business Owner in the Kelly Partners North Sydney Partnership and receives a base distribution plus a distribution of profits from that Operating Business in accordance with the terms of the Partnership Agreement.

### Share-based compensation

#### Issue of shares

There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2025.

#### Options

There were no options over ordinary shares issued to directors and other KMP as part of compensation that were outstanding as at 30 June 2025.

### Additional information

The earnings of the Group for the five years to 30 June 2025 are summarised below:

	2025 \$'000	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Revenue and other gains	136,183	109,183	86,611	67,436	50,709
EBITDA	39,264	33,505	25,530	24,790	18,887
Profit after income tax	16,436	13,541	10,899	13,329	10,941

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end (\$)	10.77	8.25	4.72	3.88	3.40
Basic earnings per share (cents per share)	7.60	7.37	8.62	12.36	10.24
Diluted earnings per share (cents per share)	7.60	7.37	8.62	12.36	10.24

### Additional disclosures relating to KMP

#### Shareholding

The number of shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Additions*/ (reduction)	Other	Balance at the end of the year
<i>Ordinary shares</i>				
Brett Kelly	21,578,546	(491,842)	-	21,086,704
Stephen Rouvray	150,000	-	-	150,000
Ryan Macnamee	159,901	(59,855)	-	100,046
Lawrence Cunningham	14,500	-	(14,500)	-
Paul Kuchta	180,648	679	-	181,327
Ada Poon	409,137	-	-	409,137
	22,492,732	(551,018)	(14,500)	21,927,214

\* There were no shares received as part of remuneration.

*Loans to/(from) KMP and their related parties*

*Key management personnel*

	<b>2025</b>
	<b>\$</b>
<i>Loans to directors:</i>	
Balance at the beginning of the year	1,047,302
- loans advanced	7,175,955
- interest on loans	296,353
- repayment of loans advanced	(4,310,736)
- exchange differences	1,879
	<u>4,210,753</u>
Balance at the end of the year	<u>4,210,753</u>

On 30 October 2022, the Board of Directors approved a loan facility to Brett Kelly. The facility is secured and personally guaranteed by Brett Kelly with interest charged at commercial rates.

*Direct interest in subsidiaries*

The following related parties hold a direct interest in the respective subsidiary of the Group:

<b>Related party</b>	<b>Subsidiary</b>	<b>2025</b>	<b>2024</b>
		<b>Interest held</b>	<b>Interest held</b>
Paul Kuchta	Kelly Partners East Sydney Partnership	10.20%	10.20%
Paul Kuchta	Kelly Partners (Sydney) Pty Ltd	3.50%	10.20%
Paul Kuchta	Kelly Partners Norwest Partnership	24.98%	-
Ada Poon	Kelly Partners North Sydney Partnership	8.50%	10.00%

*Kelly Partners (Canberra) Property Trust*

	<b>2025</b>
	<b>\$</b>
<i>Loans from related party:</i>	
Balance at the beginning of the year	(1,175,000)
- interest on loan	(135,125)
- payment	135,125
	<u>(1,175,000)</u>
Balance at the end of the year	<u>(1,175,000)</u>

Kelly Partners (Investment Office) Pty Ltd is the investment manager of Kelly Partners Investment Office Special Opportunities Fund #2. Kelly Partners (Canberra) Property Trust is a wholly owned subsidiary of Kelly Partners Group Holdings Limited.

*Employee share trust*

In December 2019, the Board approved the establishment of the EIP. The EIP is designed to assist in the attraction, motivation, retention and reward of employees by allowing them to participate in the overall success and growth of the Group. The EIP is also designed to align the interests of employees with the interests of shareholders by providing an opportunity for the participants to receive an equity interest in the Company. All rewards are discretionary in nature. In FY2025 the EIP Trust purchased 138,483 shares on market for a total of \$1,277,801 with an average share price of \$9.23. As at 30 June 2025, total shares of 499,416 continue to be held in trust, of which 454,920 shares have been granted to employees and are unvested. During the year, 78,626 of shares vested. The KMP of the Company was not part of the Employee Incentive Plans.

In FY2025, a number of operating businesses paid amounts to an Employee Share Trust as part of the Employee Share Scheme ('ESS'). The monies received by the Employee Share Trust were used to acquire the shares of Kelly Partners Group Holdings Limited (KPG.ASX).

2025  
\$

*Loans to Employee Share Trust:*

Balance at the beginning of the year	2,124,036
- loans advanced	1,101,277
- interest on loan	226,805
- payment	<u>(317,865)</u>
Balance at the end of the year	<u><u>3,134,253</u></u>

***This concludes the remuneration report, which has been audited.***

### **Shares under option**

There were no unissued ordinary shares of Kelly Partners Group Holdings Limited under option outstanding at the date of this report.

### **Shares issued on the exercise of options**

There were no ordinary shares of Kelly Partners Group Holdings Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

### **Indemnity and insurance of officers**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### **Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### **Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

### **Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### **Officers of the Company who are former partners of BDO Audit Pty Ltd**

There are no officers of the Company who are former partners of BDO Audit Pty Ltd.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Brett Kelly  
Executive Chairman and Chief Executive Officer

12 August 2025  
Sydney

**DECLARATION OF INDEPENDENCE BY JESHAN VELUPILLAI TO THE DIRECTORS OF KELLY PARTNERS GROUP HOLDINGS LIMITED**

As lead auditor of Kelly Partners Group Holdings Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kelly Partners Group Holdings Limited and the entities it controlled during the period.

**Jeshan Velupillai**

**Director**



**BDO Audit Pty Ltd**

Sydney

12 August 2025

**Kelly Partners Group Holdings Limited and its subsidiaries**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2025**

	Note	Consolidated 2025 \$'000	2024 \$'000
<b>Revenue from continuing operations</b>			
Professional services revenue	5	134,607	108,143
Government grants and subsidies	6	3	77
Other income	7	1,573	963
Total revenue and other income		<u>136,183</u>	<u>109,183</u>
<b>Expenses</b>			
Employment and related expenses	8	(66,031)	(54,243)
Occupancy costs		(1,695)	(1,357)
Other expenses		(26,479)	(17,516)
Business acquisition and restructuring costs		(2,714)	(2,562)
Depreciation and amortisation expense	8	(14,473)	(12,131)
Finance costs	8	(7,012)	(5,751)
Total expenses		<u>(118,404)</u>	<u>(93,560)</u>
<b>Profit before income tax expense from continuing operations</b>		17,779	15,623
Income tax expense	9	(1,343)	(2,082)
Profit after income tax expense from continuing operations		16,436	13,541
Profit after income tax expense from discontinued operations	10	-	697
<b>Profit after income tax expense for the year</b>		16,436	14,238
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(588)	(54)
Other comprehensive income for the year, net of tax		(588)	(54)
<b>Total comprehensive income for the year</b>		<u>15,848</u>	<u>14,184</u>
Profit for the year is attributable to:			
Non-controlling interests		13,023	10,713
Owners of Kelly Partners Group Holdings Limited		3,413	3,525
		<u>16,436</u>	<u>14,238</u>
Profit for the year is attributable to:			
Continuing operations		13,023	10,225
Discontinuing operations		-	488
Non-controlling interests		13,023	10,713
Continuing operations		3,413	3,316
Discontinuing operations		-	209
Owners of Kelly Partner Group Holdings Limited		3,413	3,525
		<u>16,436</u>	<u>14,238</u>

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Kelly Partners Group Holdings Limited and its subsidiaries**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2025**

	Note	Consolidated 2025 \$'000	2024 \$'000
Total comprehensive income for the year is attributable to:			
Continuing operations		12,691	10,185
Discontinued operations		-	488
Non-controlling interests		<u>12,691</u>	<u>10,673</u>
Continuing operations		3,157	3,302
Discontinued operations		-	209
Owners of Kelly Partners Group Holdings Limited		<u>3,157</u>	<u>3,511</u>
		<u>15,848</u>	<u>14,184</u>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit from continuing operations attributable to the owners of Kelly Partners Group Holdings Limited</b>			
Basic earnings per share	11	7.60	7.37
Diluted earnings per share	11	7.60	7.37
<b>Earnings per share for profit from discontinued operations attributable to the owners of Kelly Partners Group Holdings Limited</b>			
Basic earnings per share	11	-	0.46
Diluted earnings per share	11	-	0.46
<b>Earnings per share for profit attributable to the owners of Kelly Partners Group Holdings Limited</b>			
Basic earnings per share	11	7.60	7.83
Diluted earnings per share	11	7.60	7.83

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

	Note	Consolidated 2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	6,867	3,272
Trade and other receivables	13	19,003	16,791
Lease receivables	14	-	25
Accrued income		8,062	3,885
Other financial assets	15	3,851	3,447
Other assets	19	1,930	1,956
Total current assets		<u>39,713</u>	<u>29,376</u>
<b>Non-current assets</b>			
Other financial assets	15	16,640	9,700
Property, plant and equipment	16	13,023	13,431
Right-of-use assets	17	26,939	24,390
Intangible assets	18	101,845	81,789
Other assets	19	797	630
Total non-current assets		<u>159,244</u>	<u>129,940</u>
<b>Total assets</b>		<u>198,957</u>	<u>159,316</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	8,818	7,162
Contract liabilities		5,147	2,682
Borrowings	21	22,130	14,218
Lease liabilities	22	3,912	3,602
Current tax liabilities	9	2,187	2,373
Provisions	23	5,124	4,587
Contingent consideration	24	3,739	1,989
Other financial liabilities	25	2,674	999
Total current liabilities		<u>53,731</u>	<u>37,612</u>
<b>Non-current liabilities</b>			
Borrowings	21	43,176	34,217
Lease liabilities	22	28,017	25,363
Deferred tax liabilities	9	1,636	3,446
Provisions	23	696	741
Contingent consideration	24	3,252	4,230
Other financial liabilities	25	1,973	1,355
Total non-current liabilities		<u>78,750</u>	<u>69,352</u>
<b>Total liabilities</b>		<u>132,481</u>	<u>106,964</u>
<b>Net assets</b>		<u>66,476</u>	<u>52,352</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

**Kelly Partners Group Holdings Limited and its subsidiaries**  
**Consolidated statement of financial position**  
**As at 30 June 2025**

	<b>Note</b>	<b>Consolidated</b>	
		<b>2025</b>	<b>2024</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Equity</b>			
Issued capital	26	16,851	13,470
Reserve	27	(300)	(44)
Retained profits		11,873	9,213
Equity attributable to the owners of Kelly Partners Group Holdings Limited		<u>28,424</u>	<u>22,639</u>
Non-controlling interests		<u>38,052</u>	<u>29,713</u>
<b>Total equity</b>		<u><u>66,476</u></u>	<u><u>52,352</u></u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**Kelly Partners Group Holdings Limited and its subsidiaries**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2025**

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Reserve \$'000</b>	<b>Retained profits \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2023	13,470	(30)	7,100	14,931	35,471
Profit after income tax expense for the year	-	-	3,525	10,713	14,238
Other comprehensive income for the year, net of tax	-	(14)	-	(40)	(54)
Total comprehensive income for the year	-	(14)	3,525	10,673	14,184
<i>Transactions with owners in their capacity as owners:</i>					
Equity attributable to acquisitions	-	-	-	13,128	13,128
Contribution from non-controlling interests	-	-	-	559	559
Purchase/sale of equity interest in subsidiary	-	-	164	(193)	(29)
Distributions to non-controlling interests	-	-	-	(9,385)	(9,385)
Dividends paid (note 28)	-	-	(1,576)	-	(1,576)
Balance at 30 June 2024	<u>13,470</u>	<u>(44)</u>	<u>9,213</u>	<u>29,713</u>	<u>52,352</u>

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Reserve \$'000</b>	<b>Retained profits \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2024	13,470	(44)	9,213	29,713	52,352
Profit after income tax expense for the year	-	-	3,413	13,023	16,436
Other comprehensive income for the year, net of tax	-	(256)	-	(332)	(588)
Total comprehensive income for the year	-	(256)	3,413	12,691	15,848
<i>Transactions with owners in their capacity as owners:</i>					
Issue of shares net of transaction costs (note 26)	4,162	-	-	-	4,162
Share buy-back (note 26)	(781)	-	-	-	(781)
Equity attributable to acquisitions	-	-	-	13,861	13,861
Contribution from non-controlling interests	-	-	-	854	854
Purchase/sale of equity interest in subsidiary	-	-	(753)	-	(753)
Distributions to non-controlling interests	-	-	-	(19,067)	(19,067)
Balance at 30 June 2025	<u>16,851</u>	<u>(300)</u>	<u>11,873</u>	<u>38,052</u>	<u>66,476</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**Kelly Partners Group Holdings Limited and its subsidiaries**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2025**

	Note	Consolidated 2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		146,512	118,417
Payments to suppliers and employees		(107,849)	(86,226)
Government grants received		-	77
Other income		513	193
Finance costs paid		(4,453)	(3,733)
Income taxes paid		(3,456)	(3,114)
Net cash from operating activities	38	<u>31,267</u>	<u>25,614</u>
<b>Cash flows from investing activities</b>			
Payment for purchase of businesses	36	(10,563)	(8,850)
Payment for contingent consideration	24	(1,832)	(2,977)
Payments for purchase of equity interest in subsidiary		(617)	-
Proceeds from sale of equity interest in subsidiary		-	2,234
Proceeds from sale of business		-	1,195
Payments for property, plant and equipment		(2,430)	(3,421)
Payments for intangibles		(100)	(862)
Proceeds from disposal of intangibles		76	107
Payments to employee share scheme trust	34	(1,101)	(274)
Loans advanced to partners		(7,323)	(3,357)
Proceeds from repayments of loans		4,383	872
Proceeds from fitout contribution		-	454
(Payments)/proceeds in respect of deposits		(269)	58
Net cash used in investing activities		<u>(19,776)</u>	<u>(14,821)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares, net of transaction costs	26	3,777	-
Payments for share buy-back	26	(781)	-
Proceeds from borrowings	38	33,147	20,413
Repayment of borrowings	38	(19,775)	(10,328)
Loans advanced to related parties		(3,164)	(187)
Proceeds from equity contribution, non-controlling interests		854	559
Dividends paid	28	-	(1,576)
Distributions paid to non-controlling interests		(19,067)	(9,385)
Repayment of lease liabilities	38	(6,412)	(5,529)
Proceeds from sub-lease		26	80
Net cash used in financing activities		<u>(11,395)</u>	<u>(5,953)</u>
Net increase in cash and cash equivalents		96	4,840
Cash and cash equivalents at the beginning of the financial year		<u>(943)</u>	<u>(5,783)</u>
Cash and cash equivalents at the end of the financial year	12	<u><u>(847)</u></u>	<u><u>(943)</u></u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. General information

The consolidated financial statements cover Kelly Partners Group Holdings Limited (the 'Company' or 'parent entity') and its controlled entities as a consolidated entity consisting of Kelly Partners Group Holdings Limited and the entities (the 'Group') it controlled at the end of, or during, the year. The consolidated financial statements are presented in Australian dollars. The functional currency of the Kelly Partners Group Holdings Limited and its Australian controlled entities is Australian dollars. The functional currency of certain non-Australian controlled entities is not Australian dollars. The results of these entities are translated into Australian dollars in accordance with our accounting policy described in note 2.

Kelly Partners Group Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 8,  
32 Walker Street,  
North Sydney, NSW 2060

A description of the nature of the Group's operations and its principal activities were the provision of chartered accounting and other professional services, predominantly to private businesses and high net worth individuals.

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 12 August 2025. The directors have the power to amend and reissue the consolidated financial statements.

## Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistently applied to all the years presented, unless otherwise stated.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') Accounting Standards as issued by the International Accounting Standards Board ('IASB').

### *Historical cost convention*

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities at fair value.

### *Critical accounting estimates*

The preparation of consolidated financial statements in compliance with adopted AASB Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards, amendments and Interpretations issued by the IASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## Note 2. Material accounting policy information (continued)

### Net deficiency in working capital

As at 30 June 2025, the consolidated statement of financial position reflected an excess of current liabilities over current assets of \$14,018,000 (30 June 2024: \$8,236,000). The working capital deficit was caused by current lease liabilities and current bank loan balances relating to acquisitions, both of which are repaid from earnings rather than from working capital. The business manages its working capital effectively which includes regular profit distributions to the parent entity and non-controlling interests (NCI). These distributions are discretionary and could be ceased which will increase working capital.

The directors are satisfied that the Group is able to meet its working capital liabilities through the normal cyclical nature of receipts and payments.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 35.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kelly Partners Group Holdings Limited as at 30 June 2025 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the 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.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interests acquired is recognised directly in equity attributable to the parent.

Non-controlling interests ('NCI') are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. NCI in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interests in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interests in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### Foreign currency translation

#### *Foreign currency transactions*

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

## Note 2. Material accounting policy information (continued)

### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### **Revenue recognition**

The Group recognises revenue as follows:

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

#### *Professional services revenue*

Each contract with a customer details the transaction price, which is either based on a variable pricing method based on hours worked or a fixed price. The transaction price allocated to the performance obligation is determined at the amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The contract terms enforces payments from customers as the performance obligation is being undertaken, therefore revenue is recognised over time.

#### *Commissions and other income*

Commissions and other income is recognised when it is received or when the right to receive the payment is established.

### **Government grants**

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

### **Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period's tax payable to generate a refundable tax offset.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

## Note 2. Material accounting policy information (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Kelly Partners Group Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

### Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### Cash and cash equivalents

Cash and cash equivalents includes 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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts (as they are repayable on demand and form an integral part of the Group's cash management system), which are shown within borrowings in current liabilities on the statement of financial position.

## Note 2. Material accounting policy information (continued)

### Trade and other receivables

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

The Group has applied the simplified approach under AASB 9 *Financial Instruments* in measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

### Accrued income and contract liabilities

An accrued income asset arises where the Group has performed by transferring goods or services to a customer prior to the receipt of consideration from the customer or prior to payment becoming due and represents the Group's right to consideration for the transferred good or service. Accrued income assets are accounted for as contract assets under AASB 15 *Revenue from Contracts with Customers*. Upon completion of the performance obligations, the amount recognised is reclassified to trade receivables. Contract assets are required to be assessed for impairment under AASB 9 using the same approach described above for trade receivables.

Contract liabilities represent the Group's obligation to transfer services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the services to the customer.

When a customer pays in advance, the amount received by the Group is recognised as a contract liability until the service has been provided to the customer. Considering the nature of the Group's engagements the accrued income and contract liabilities are presented as current.

### Other financial assets

Other financial assets predominately relates to loans to partners. These are classified as amortised cost as both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms represent cash flows that are solely payments of principal and interest.

#### *Impairment of other financial assets*

Financial assets classified as amortised cost are required to be assessed for impairment under AASB 9. The measurement of the loss allowance depends upon the assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years
Motor vehicles	8 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

## Note 2. Material accounting policy information (continued)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### *Goodwill*

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

#### *Brand names and intellectual property*

Brand names and intellectual property have indefinite useful lives and are not amortised. Management considers that the useful lives of brands names and intellectual property are indefinite because there is no foreseeable limit to the cash flows these assets can generate. This is reassessed every year. Instead, they are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses.

#### *Customer relationships*

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 to 7 years.

#### *Software - Computer software*

Significant costs associated with computer software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

#### *Other intangible assets*

Significant costs associated with other intangible assets are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

## Note 2. Material accounting policy information (continued)

### Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans and borrowings are classified as non-current.

Borrowings are removed from the balance sheet 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 profit or loss as other income or finance costs.

### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### Group as a lessor

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Leases in which the Group transfers substantially all the risks and rewards incidental to the ownership of an asset are classified as a finance lease, where the asset is recognised on the statement of financial position and presented as a lease receivable at an amount equal to the net investment in the lease. The interest rate implicit in the lease is used to measure the net investment in the lease. Initial direct costs are included in the initial measurement of the net investment in the lease.

### Finance costs

All finance costs are expensed in the period in which they are incurred.

## Note 2. Material accounting policy information (continued)

### Employee benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### Issued 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.

### Share buy-back

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Kelly Partners Group Holdings Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Kelly Partners Group Holdings Limited.

### Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interests in the acquiree. For each business combination, the non-controlling interests in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

## **Note 2. Material accounting policy information (continued)**

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interests in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interests in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### **Earnings per share**

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Kelly Partners Group Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### **Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on shared credit risk characteristics and on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include past default experience of the debtor profile and an assessment of the historical loss rates.

#### *Accrued income*

An accrued income asset arises where the Group has performed by transferring services to a customer prior to the receipt of consideration from the customer and represents the Group's right to consideration for the transferred services. While assessing the accrued income balance, a degree of estimation needs to be applied on its recoverability and the assessment is primarily based on the Operating Business Owner's professional judgement on the proportionate completion of the performance obligations in comparison to the transaction price stated in the contract. The Group uses the input method in measuring services performed because there is a direct relationship between the Group's performance (based on actual labour hours) and the service transferred to the customer.

#### *Determination of variable consideration*

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the services required to be performed when the contract contains a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

#### *Estimation of useful lives of assets*

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### *Goodwill and other indefinite life intangible assets*

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

#### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### *Income tax*

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

### Note 3. Critical accounting judgements, estimates and assumptions (continued)

#### *Lease term*

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

#### *Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

#### *Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### *Business combinations*

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

### Note 4. Operating segments

The Group is organised into two reportable segments: (1) Accounting and (2) Other services.

The principal products and services of each of these operating segments are as follows:

Accounting	Accounting and taxation services, corporate secretarial, outsourced CFO, audits, business structuring, bookkeeping, and all other accounting related services.
Other services	Financial broking services, wealth management, investment office and all other non-accounting services.

The operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

**Note 4. Operating segments (continued)**

*Operating reportable segment information*

<b>Consolidated</b>	<b>Accounting \$'000</b>	<b>Other services \$'000</b>	<b>Others \$'000</b>	<b>Continuing operations \$'000</b>	<b>Discontinued operations \$'000</b>	<b>Total \$'000</b>
<i>Year ended 30 June 2025:</i>						
Revenue	127,908	6,699	1,576	136,183	-	136,183
EBITDA	36,696	2,568	-	39,264	-	39,264
Profit before income tax expense	15,399	2,380	-	17,779	-	17,779
Profit after income tax						16,436
Finance cost						7,012
Income tax expense						1,343
Depreciation and amortisation expense						14,473
EBITDA						39,264

*Segment assets, liabilities and net  
assets at 30 June 2025:*

Current assets	36,110	3,603	-	39,713	-	39,713
Non-current assets	156,824	2,420	-	159,244	-	159,244
Current liabilities	(52,409)	(1,322)	-	(53,731)	-	(53,731)
Non-current liabilities	(77,232)	(1,518)	-	(78,750)	-	(78,750)
Net assets	63,293	3,183	-	66,476	-	66,476

<b>Consolidated</b>	<b>Accounting \$'000</b>	<b>Other services \$'000</b>	<b>Others \$'000</b>	<b>Continuing operations \$'000</b>	<b>Discontinued operations \$'000</b>	<b>Total \$'000</b>
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*Year ended 30 June 2024:*

Revenue	102,750	5,393	1,040	109,183	1,349	110,532
EBITDA	31,284	2,220	-	33,504	1,230	34,734
Profit before income tax expense	13,555	2,068	-	15,623	996	16,619
Profit after income tax expense						14,238
Finance costs						5,819
Income tax expense						2,381
Depreciation and amortisation expense						12,296
EBITDA						34,734

*Segment assets, liabilities and net  
assets at 30 June 2024:*

Current assets	25,889	2,649	-	28,538	838	29,376
Non-current assets	128,526	1,414	-	129,940	-	129,940
Current liabilities	(36,246)	(1,037)	-	(37,283)	(329)	(37,612)
Non-current liabilities	(68,185)	(1,167)	-	(69,352)	-	(69,352)
Net assets	49,984	1,859	-	51,843	509	52,352

EBITDA and profit before income tax of discontinued operations include a gain on disposal of the subsidiaries and assets. Please refer to note 10 for details.

**Note 4. Operating segments (continued)**

*Geographical information*

	Revenue from external customers		Geographical non-current assets	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Australia	113,572	104,704	132,049	123,978
Others	21,035	4,788	27,195	5,962
	<u>134,607</u>	<u>109,492</u>	<u>159,244</u>	<u>129,940</u>

**Note 5. Professional services revenue**

<b>From continuing operations</b>	Consolidated	
	2025 \$'000	2024 \$'000
Professional services revenue	<u>134,607</u>	<u>108,143</u>

*Disaggregation of revenue*

The Group derives its revenue from the provision of accounting and tax services. Refer to note 4 for more information on segments.

*Timing of revenue recognition*

The revenue from provision of services from contracts with customers is recognised over time.

**Note 6. Government grants and subsidies**

<b>From continuing operations</b>	Consolidated	
	2025 \$'000	2024 \$'000
Government apprenticeship support programme	<u>3</u>	<u>77</u>

**Note 7. Other income**

<b>From continuing operations</b>	Consolidated	
	2025 \$'000	2024 \$'000
Remeasurement of lease liabilities	262	5
Change in fair value of contingent consideration (note 24)	574	764
Commissions	439	144
Other income	71	50
Interest income	227	-
Other income	<u>1,573</u>	<u>963</u>

**Note 8. Expenses**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before income tax from continuing operations includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Depreciation right-of-use of assets	4,893	4,237
Depreciation property, plant and equipment	2,148	2,073
Amortisation of intangible assets	7,432	5,821
	14,473	12,131
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	2,068	1,813
Interest on bank overdrafts and loans	4,453	3,422
Interest on unwinding retention	491	516
	7,012	5,751
<i>Net loss on disposal</i>		
Net loss on disposal of property, plant and equipment	81	210
<i>Employment and related expenses</i>		
Salaries, wages and contractors	59,633	49,001
Superannuation*	3,755	3,331
Other on costs	2,706	2,053
Employee leave	(63)	(142)
Total employment and related expenses	66,031	54,243

\* Superannuation as a percentage of salaries, wages and contractors may vary from year to year due to changes in salary sacrifice arrangements as well as changes to contractor engagements.

**Note 9. Income tax**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Income tax expense</i>		
Current tax	3,499	3,881
Origination and reversal of temporary differences	(1,817)	(1,500)
Adjustment recognised for prior periods	(339)	-
	<u>1,343</u>	<u>2,381</u>
Aggregate income tax expense		
Income tax expense is attributable to:		
Profit from continuing operations	1,343	2,082
Profit from discontinued operations	-	299
	<u>1,343</u>	<u>2,381</u>
Aggregate income tax expense		
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense from continuing operations	17,779	15,623
Profit before income tax expense from discontinued operations	-	996
	<u>17,779</u>	<u>16,619</u>
Tax at the statutory tax rate of 30%	5,334	4,986
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-taxable items	21	442
	<u>5,355</u>	<u>5,428</u>
Current year tax losses not recognised	35	-
Difference in overseas tax rates	(54)	(6)
Adjustment recognised for prior periods	(339)	-
Distributions to non-controlling interests	(3,654)	(3,041)
	<u>(3,654)</u>	<u>(3,041)</u>
Income tax expense	<u>1,343</u>	<u>2,381</u>

As the majority of operating businesses are structured as partnerships, the income tax expense attributable to the non-controlling interests in these partnerships is not included in the consolidated accounts. This is with the exception of subsidiaries that are in a corporate structure where the consolidated income tax expense is included in the profit attributable to non-controlling interests in these subsidiaries. The remaining balance of the consolidated income tax expense is included in the profit attributable to the shareholders in the parent entity.

**Note 9. Income tax (continued)**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts recognised in profit or loss:		
Accrued expenses	(1,321)	(1,073)
Income assessable on receipt	672	421
Differences between accounting and tax depreciation	203	344
Customer relationship intangibles	4,369	4,814
Leases	(875)	(796)
Blackhole expenditure	(677)	-
Deferred tax liability	<u>2,371</u>	<u>3,710</u>
Accrued expenses	(142)	(216)
Income assessable on receipt	-	(48)
Leases	(91)	-
Tax losses	(365)	-
Customer relationship intangibles	(137)	-
Deferred tax asset	<u>(735)</u>	<u>(264)</u>
Net Deferred tax liability	<u><u>1,636</u></u>	<u><u>3,446</u></u>

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Movements:		
Opening balance	3,446	3,038
Credited to profit or loss	(1,817)	(1,500)
Additions through business combinations (note 36)	971	2,377
Other movements	(964)	(469)
	<u><u>1,636</u></u>	<u><u>3,446</u></u>

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Provision for income tax</i>		
Provision for income tax	<u><u>2,187</u></u>	<u><u>2,373</u></u>

**Note 10. Discontinued operations**

*Description*

In December 2023, Kelly Partners sold all of the Company's shares in Kelly Partners Private Wealth (Central Coast & Hunter Region) Pty Ltd and Kelly Partners Life Insurance Services (Central Coast & Hunter Region) Pty Ltd as well as its retail wealth management business operated from Kelly Partners Private Wealth Retail Partnership.

In June 2024, Kelly Partners Private Wealth Northern Beaches Partnership sold its retail wealth management business.

The business' cashflows and operations can clearly be distinguished operationally and financially from the rest of the Group and hence these are disclosed as discontinued operations.

**Note 10. Discontinued operations (continued)**

*Financial performance information*

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Professional services revenue	-	1,349
Employment and related expenses	-	(861)
Occupancy costs	-	-
Other expenses	-	(248)
Business acquisition and restructuring costs	-	(24)
Depreciation and amortisation expense	-	(164)
Finance costs	-	(68)
Total expenses	-	(1,365)
(Loss)/profit before gain on disposal	-	(16)
Gain on disposal of subsidiaries and assets	-	1,012
Profit before income tax expense	-	996
Income tax expense	-	(299)
Profit after income tax expense from discontinued operations	-	697

*Cash flow information*

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Net cash from operating activities	-	74
Net cash from investing activities	-	1,105
Net cash used in financing activities	-	(929)
Net increase in cash and cash equivalents from discontinued operations	-	250

**Note 10. Discontinued operations (continued)**

*Carrying amounts of assets and liabilities disposed*

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	-	29
Trade and other receivables	-	41
Accrued income	-	20
Other financial assets	-	1,946
Other current assets	-	15
Intangibles	-	3,936
Total assets	<u>-</u>	<u>5,987</u>
Trade and other payables	-	38
Borrowings	-	2,159
Other liabilities	-	821
Total liabilities	<u>-</u>	<u>3,018</u>
Net assets	<u>-</u>	<u>2,969</u>

*Details of the disposal*

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Total sale consideration	-	3,788
Carrying amount of net assets disposed	-	(2,969)
Derecognition of non-controlling interest*	<u>-</u>	<u>193</u>
Gain on disposal before income tax	<u>-</u>	<u>1,012</u>

\* The derecognition of non-controlling interest relates to the non-controlling interest's gain on their sale of equity interest in the discontinued operations (that is Kelly Partners Private Wealth (Central Coast & Hunter Region) and Kelly Partners Life Insurance Services (Central Coast & Hunter Region) Pty Ltd) that is not a part of the consolidated group.

**Note 11. Earnings per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Earnings per share for profit from continuing operations</i>		
Profit after income tax	16,436	13,541
Non-controlling interests	(13,023)	(10,225)
	<u>3,413</u>	<u>3,316</u>
Profit after income tax attributable to the owners of Kelly Partners Group Holdings Limited	<u>3,413</u>	<u>3,316</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	7.60	7.37
Diluted earnings per share	7.60	7.37
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Earnings per share for profit from discontinued operations</i>		
Profit after income tax	-	697
Non-controlling interests	-	(488)
	<u>-</u>	<u>209</u>
Profit after income tax attributable to the owners of Kelly Partners Group Holdings Limited	<u>-</u>	<u>209</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	-	0.46
Diluted earnings per share	-	0.46
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Earnings per share for profit</i>		
Profit after income tax	16,436	14,238
Non-controlling interests	(13,023)	(10,713)
	<u>3,413</u>	<u>3,525</u>
Profit after income tax attributable to the owners of Kelly Partners Group Holdings Limited	<u>3,413</u>	<u>3,525</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	7.60	7.83
Diluted earnings per share	7.60	7.83
	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>44,919,824</u>	<u>45,000,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>44,919,824</u>	<u>45,000,000</u>

**Note 12. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	6,867	3,272

*Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	6,867	3,272
Bank overdrafts (note 21)	(7,714)	(4,215)
Balance as per statement of cash flows	(847)	(943)

**Note 13. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Trade receivables	19,942	17,714
Less: Allowance for expected credit losses	(939)	(923)
	19,003	16,791

*Allowance for expected credit losses*

The Group has recognised a loss of \$343,000 (2024: \$572,000) in respect of the expected credit losses for the year ended 30 June 2025. The Group has written off uncollectable receivables of \$327,000 (2024: \$213,000) during the year ended 30 June 2025.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	<b>Expected credit loss rate</b>		<b>Carrying amount</b>		<b>Allowance for expected credit losses</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Consolidated</b>	<b>%</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
0 to 3 months overdue	1.13%	1.09%	15,495	14,021	176	153
3 to 6 months overdue	5.27%	6.33%	3,291	2,350	173	149
Over 6 months overdue	51.02%	46.28%	1,156	1,343	590	621
			19,942	17,714	939	923

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

**Note 13. Trade and other receivables (continued)**

Movements in the allowance for expected credit losses are as follows:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance	923	564
Additional provisions recognised	343	572
Receivables written off during the year as uncollectable	(327)	(213)
	<u>939</u>	<u>923</u>

**Note 14. Lease receivables**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Lease receivables	-	25
	<u>-</u>	<u>25</u>

**Note 15. Other financial assets**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Loans to partners	3,851	2,400
Loans to related parties (note 34)	-	1,047
	<u>3,851</u>	<u>3,447</u>
<i>Non-current assets</i>		
Loans to partners	9,295	7,576
Loans to related parties (note 34)	7,345	2,124
	<u>16,640</u>	<u>9,700</u>
	<u>20,491</u>	<u>13,147</u>

Loans to partners primarily represents amounts of money which have first been borrowed on the balance sheet of various controlled entities, and then secondly on lent to partners to assist them with their purchase of equity into that entity. This results in the controlled entity having both a financial liability to the financier, and a corresponding financial asset to the partner. These loans are typically repaid over a four to eight year period. As the loans are repaid by the partners and the financial asset amortises, there is a corresponding amortisation in the financial liability. Repayment of these loans is typically from partner profit distributions.

**Note 16. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Land and buildings - at cost	4,224	4,860
Less: Accumulated depreciation	(364)	(322)
	<u>3,860</u>	<u>4,538</u>
Leasehold improvements - at cost	8,686	7,654
Less: Accumulated depreciation	(3,628)	(3,022)
	<u>5,058</u>	<u>4,632</u>
Plant and equipment - at cost	7,403	7,087
Less: Accumulated depreciation	(4,011)	(3,425)
	<u>3,392</u>	<u>3,662</u>
Motor vehicles - at cost	1,456	1,236
Less: Accumulated depreciation	(743)	(637)
	<u>713</u>	<u>599</u>
	<u><u>13,023</u></u>	<u><u>13,431</u></u>

*Reconciliations*

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

<b>Consolidated</b>	<b>Land and buildings</b>	<b>Leasehold improvements</b>	<b>Plant and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2023	3,967	3,982	3,215	669	11,833
Additions	681	1,514	1,112	114	3,421
Additions through business combinations (note 36)	-	173	449	-	622
Disposals - written down value	-	(327)	(52)	-	(379)
Exchange differences	-	5	2	-	7
Depreciation expense	(110)	(715)	(1,064)	(184)	(2,073)
Balance at 30 June 2024	4,538	4,632	3,662	599	13,431
Additions	-	1,202	874	352	2,428
Additions through business combinations (note 36)	-	-	64	-	64
Disposals - written down value	(570)	(15)	(134)	(43)	(762)
Exchange differences	-	4	6	-	10
Depreciation expense	(108)	(765)	(1,080)	(195)	(2,148)
Balance at 30 June 2025	<u><u>3,860</u></u>	<u><u>5,058</u></u>	<u><u>3,392</u></u>	<u><u>713</u></u>	<u><u>13,023</u></u>

**Note 17. Right-of-use assets**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Land and buildings - right-of-use assets	38,090	35,603
Less: Accumulated depreciation	(11,322)	(11,416)
	26,768	24,187
Plant and equipment - right-of-use	496	451
Less: Accumulated depreciation	(325)	(248)
	171	203
	26,939	24,390

The Group leases land and buildings for its offices under agreements of between 2 to 14 years with, in some cases, options to extend. On renewal, the terms of the leases are renegotiated. The Group also leases office and information technology equipment under agreements of between 2 to 5 years.

For other AASB 16 and lease related disclosures refer to the following:

- note 8 for details of depreciation on right-of-use assets, interest on lease liabilities and other lease payments;
- note 22 for lease liabilities and maturities of lease liabilities;
- consolidated statement of cash flow for repayment of lease liabilities.

*Reconciliations*

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

<b>Consolidated</b>	<b>Land and buildings \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2023	20,551	63	20,614
Additions	4,318	183	4,501
Additions through business combinations (note 36)	3,504	-	3,504
Exchange differences	53	-	53
Adjustments as a result of a different treatment of extension and termination options	(45)	-	(45)
Depreciation expense	(4,194)	(43)	(4,237)
	24,187	203	24,390
Balance at 30 June 2024	24,187	203	24,390
Additions	6,952	43	6,995
Additions through business combinations (note 36)	1,498	-	1,498
Exchange differences	(41)	2	(39)
Adjustments as a result of a different treatment of extension and termination options	(1,012)	-	(1,012)
Depreciation expense	(4,816)	(77)	(4,893)
	26,768	171	26,939
Balance at 30 June 2025	26,768	171	26,939

**Note 18. Intangible assets**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Goodwill - at cost	60,036	48,104
Brand names and intellectual property - at cost	3,300	3,300
Customer relationships - at cost	62,513	47,042
Less: Accumulated amortisation	(24,578)	(17,535)
	<u>37,935</u>	<u>29,507</u>
Computer software and other intangible assets- at cost	1,862	1,949
Less: Accumulated amortisation	(1,288)	(1,071)
	<u>574</u>	<u>878</u>
	<u><u>101,845</u></u>	<u><u>81,789</u></u>

*Reconciliations*

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

<b>Consolidated</b>	<b>Goodwill</b>	<b>Brand names and intellectual property</b>	<b>Customer relationships</b>	<b>Computer Software</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2023	41,239	3,300	20,829	485	65,853
Additions	-	-	-	862	862
Additions through business combinations (note 36)	9,720	-	15,604	-	25,324
Disposals - written down value	-	-	(105)	(2)	(107)
Derecognised on disposal of subsidiaries and assets	(2,630)	-	(1,307)	-	(3,937)
Exchange differences	(225)	-	4	-	(221)
Amortisation expense	-	-	(5,518)	(467)	(5,985)
	<u>48,104</u>	<u>3,300</u>	<u>29,507</u>	<u>878</u>	<u>81,789</u>
Balance at 30 June 2024	48,104	3,300	29,507	878	81,789
Additions	-	-	398	-	398
Additions through business combinations (note 36)	13,146	-	15,580	-	28,726
Disposals - written down value	-	-	(179)	(4)	(183)
Remeasurement of intangible assets (note 36)	(895)	-	-	-	(895)
Exchange differences	(319)	-	(239)	-	(558)
Amortisation expense	-	-	(7,132)	(300)	(7,432)
	<u>60,036</u>	<u>3,300</u>	<u>37,935</u>	<u>574</u>	<u>101,845</u>
Balance at 30 June 2025	<u><u>60,036</u></u>	<u><u>3,300</u></u>	<u><u>37,935</u></u>	<u><u>574</u></u>	<u><u>101,845</u></u>

Brand names and intellectual property have indefinite useful lives and are not amortised.

**Note 18. Intangible assets (continued)**

**Impairment testing**

In disclosing the carrying amount of goodwill allocated to each cash-generating units ('CGU'), a materially threshold of 10% of the total value of goodwill was used. Any individual CGU with a carrying amount of goodwill under the threshold is grouped in the 'Other partnerships' category. The aggregate carrying amount of goodwill allocated to each CGU is:

	Goodwill \$'000	Brand names and intellectual property \$'000	Total \$'000
<b>2025 - Consolidated</b>			
Kelly Partners FRS LLC	7,590	417	8,007
Kelly Partners Sydney Pty Ltd	7,283	400	7,683
Kelly Partners Griffith Partnership	6,435	354	6,789
Other partnerships	38,728	2,129	40,857
	<u>60,036</u>	<u>3,300</u>	<u>63,336</u>
<b>2024 - Consolidated</b>			
	Goodwill \$'000	Brand names and intellectual property \$'000	Total \$'000
Kelly Partners Griffith Partnership	6,576	451	7,027
Kelly Partners Western Sydney Partnership	5,496	377	5,873
Kelly Partners South West Sydney Partnership	5,247	360	5,607
Kelly Partners (Sydney) Pty Ltd	5,232	359	5,591
Other partnerships	25,553	1,753	27,306
	<u>48,104</u>	<u>3,300</u>	<u>51,404</u>

The recoverable amount of each CGU above is determined based on value in use calculations. These calculations use cashflow projections over a five year period, based on financial budgets approved by management. These budgets use historical growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated inflation rates over the period which are consistent with inflation rates applicable to the locations in which the CGU operates. With regard to the assessment of the CGU's, management believes that no reasonable possible change in any of the key assumptions used would cause the carrying value of the unit to exceed its recoverable amount.

The following assumptions were used in the calculations:

	Consolidated	
	2025 %	2024 %
Growth rate	4.0%	4.0%
Terminal growth rate	2.5%	2.5%
Discount rate	10.1%	8.5%

The discount rate is calculated on a post-tax basis using the Weighted Average Cost of Capital ('WACC') of the Group, taking into account the Group's sources of capital including listed equity, unlisted equity and bank debt.

**Note 18. Intangible assets (continued)**

*Sensitivity*

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by more than 30.3% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase to 12.0% before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for the goodwill.

**Note 19. Other assets**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Prepayments	1,141	910
Other	789	1,046
	<u>1,930</u>	<u>1,956</u>
<i>Non-current assets</i>		
Deposits	718	560
Other	79	70
	<u>797</u>	<u>630</u>
	<u><u>2,727</u></u>	<u><u>2,586</u></u>

**Note 20. Trade and other payables**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Trade payables	2,320	1,760
GST payable	2,690	2,352
Sundry payables and accrued expenses	3,808	3,050
	<u>8,818</u>	<u>7,162</u>

Refer to note 29 for further information on financial instruments.

**Note 21. Borrowings**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Bank overdrafts	7,714	4,215
Bank loans	13,241	8,828
Related party loans (note 34)	1,175	1,175
	22,130	14,218
<i>Non-current liabilities</i>		
Bank loans	43,176	34,217
	65,306	48,435

Refer to note 29 for further information on financial instruments.

*Controlled entities' facilities*

The Group has banking facilities in place with Westpac for all of its operating businesses. The facilities consist of overdraft facilities, term loans, bank guarantees and other ancillary facilities.

Each subsidiary's debt facilities is granted security by that entity, the corporate partners of that entity, limited personal guarantees of the operating business owners, and a guarantee provided by the parent over all existing and future assets and undertakings.

Subsidiaries also have bilateral arrangements in place with Westpac and other financiers for other facilities including credit cards, equipment finance, and bank guarantees. These facilities and their securities are permitted under the Westpac arrangements.

*Parent entity facilities*

As at 30 June 2025, the parent has a line of term credit with an amortised balance of \$26,500,000. The debt facilities are granted security over the parent entity, as well as the guarantor group which comprises Kelly Partners Group Holdings Limited and the majority of its wholly owned subsidiaries.

The parent entity also has bilateral arrangements in place with Westpac and other financiers for ancillary facilities including credit cards, equipment finance, and bank guarantees. These facilities and their securities are permitted under the Westpac arrangements.

*Covenants*

The Group's financier has financial covenants in place, which may act to limit the total indebtedness of the Group under certain circumstances, such as if there were a significant drop in earnings. As at balance date, the Group is in compliance with its financial covenants, which is applicable six monthly.

*Related party loans*

Refer to note 34 for further information.

**Note 21. Borrowings (continued)**

*Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Total facilities		
Bank overdraft	17,961	15,995
Bank loans	63,036	68,404
Related party loan	1,175	1,175
	<u>82,172</u>	<u>85,574</u>
Used at the reporting date		
Bank overdraft	7,714	4,215
Bank loans	56,417	43,045
Related party loan	1,175	1,175
	<u>65,306</u>	<u>48,435</u>
Unused at the reporting date		
Bank overdraft	10,247	11,780
Bank loans	6,619	25,359
Related party loan	-	-
	<u>16,866</u>	<u>37,139</u>

**Note 22. Lease liabilities**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Lease liabilities	<u>3,912</u>	<u>3,602</u>
<i>Non-current liabilities</i>		
Lease liabilities	<u>28,017</u>	<u>25,363</u>
	<u><u>31,929</u></u>	<u><u>28,965</u></u>

Refer to note 29 for further information on financial instruments.

**Note 23. Provisions**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Employee entitlements	<u>5,124</u>	<u>4,587</u>
<i>Non-current liabilities</i>		
Employee entitlements	<u>696</u>	<u>741</u>
	<u><u>5,820</u></u>	<u><u>5,328</u></u>

**Note 24. Contingent consideration**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Contingent consideration	3,739	1,989
<i>Non-current liabilities</i>		
Contingent consideration	3,252	4,230
	<u>6,991</u>	<u>6,219</u>

Contingent consideration relates to the fair value of the contingent component of the purchase price of the acquisitions completed in the current and prior period(s).

Contingent consideration is classified as Level 3 in the fair value hierarchy and has been estimated using a present value approach. The contingent consideration fair value is estimated by discounting the future cash outflows by the discount rate of 8.5% (FY2024: 7.7%). The discount rate is calculated using the WACC of the Group.

A reconciliation of the movement in contingent consideration for the financial year is set out below:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance	6,219	6,482
Additions	297	-
Additions through business combination (note 36)	2,425	3,973
Change in fair value of contingent consideration	(574)	(1,706)
Disposal of subsidiaries	-	(87)
Settled in cash	(1,832)	(2,977)
Fair value movement - unwinding of interest	491	534
Exchange differences	(35)	-
	<u>6,991</u>	<u>6,219</u>

Change in fair value of contingent consideration relates to acquisition completed where the vendor had not achieved the required targets for the payments of the contingent consideration in full, as well as changes from finalising the fair value of business combinations completed in the prior reporting period as disclosed in note 36.

**Note 25. Other financial liabilities**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Loans from partners	2,570	74
Loans from others	104	925
	<u>2,674</u>	<u>999</u>
<i>Non-current liabilities</i>		
Loans from partners	1,685	1,017
Loans from others	288	338
	<u>1,973</u>	<u>1,355</u>
	<u><u>4,647</u></u>	<u><u>2,354</u></u>

'Loans from others' primarily relates to working capital loans provided by vendors to Kelly Partners' operating businesses as per the terms of the acquisitions. These loans are typically repaid at the same time as the payment of the contingent consideration.

Refer to note 15 for details on loans to and from partners.

**Note 26. Issued capital**

	<b>Consolidated</b>			
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
Ordinary shares - fully paid	<u>45,274,957</u>	<u>45,000,000</u>	<u>16,851</u>	<u>13,470</u>
<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$'000</b>
Balance	1 July 2023	45,000,000		13,470
Balance	30 June 2024	45,000,000		13,470
Share buy-back	15 July 2024	(25,000)	\$7.73	(194)
Share buy-back	16 July 2024	(25,000)	\$7.56	(190)
Share buy-back	7 Oct 2024	(7,055)	\$7.63	(54)
Share buy-back	8 Oct 2024	(7,000)	\$7.69	(54)
Share buy-back	9 Oct 2024	(7,945)	\$7.92	(63)
Share buy-back	10 Oct 2024	(23,626)	\$8.08	(191)
Share buy-back	11 Oct 2024	(4,374)	\$8.07	(35)
Issue of shares	27 Jun 2025	374,957	\$11.14	4,177
Transaction costs arising on share issue		-		(15)
Balance	30 June 2025	<u><u>45,274,957</u></u>		<u><u>16,851</u></u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## Note 26. Issued capital (continued)

### Issue of shares

On the 27 June 2025, the Company raised \$4.1m of internal capital by issuing 374,957 ordinary shares, at \$11.14 per share, to its operating partners.

### Share buy-back

On 17 August 2024, the Company announced the continuation of its share buy-back program of up to 500,000 Company's shares outstanding. During the financial year ended 30 June 2025, the Company bought back 100,000 shares.

### Capital risk management

Management controls the capital of the Group in order to maintain acceptable debt to equity and debt to EBITDA ratios, provide the shareholders and partners with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's capital includes ordinary share capital and financial liabilities.

There are no externally imposed capital requirements other than the financial covenants outlined in note 21.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of debt levels, distributions to shareholders and partners and share issues.

There have been no changes to the strategy adopted by management to manage the capital of the Group since the prior year.

## Note 27. Reserve

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Foreign currency reserve	<u>(300)</u>	<u>(44)</u>

### Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the consolidated financial statements of foreign operations to Australian dollars.

### Movements in reserve

Movements in reserve during the current and previous financial year are set out below:

<b>Consolidated</b>	<b>Foreign currency \$'000</b>
Balance at 1 July 2023	(30)
Foreign currency translation	(54)
Less: share of non-controlling interest	<u>40</u>
Balance at 30 June 2024	(44)
Foreign currency translation	(588)
Less: share of non-controlling interest	<u>332</u>
Balance at 30 June 2025	<u><u>(300)</u></u>

## Note 28. Dividends

On 5 February 2024, the Company announced that it will cease the payment of dividends and no dividends have been paid since February 2024.

### Dividends

Dividends paid, recommended or declared during the year ended 30 June 2025 were \$nil (30 June 2024: \$1,576,000)

## Note 28. Dividends (continued)

Dividends paid were as follows:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>During the year ended 30 June 2024:</i>		
<i>For the year ended 30 June 2024:</i>		
First interim dividend of \$0.00439 per ordinary share, paid on 31 July 2023	-	197
Second interim dividend of \$0.00439 per ordinary share, paid on 31 August 2023	-	197
Third interim dividend of \$0.00439 per ordinary share, paid on 29 September 2023	-	197
Fourth interim dividend of \$0.00439 per ordinary share, paid on 31 October 2023	-	197
Fifth interim dividend of \$0.00439 per ordinary share, paid on 30 November 2023	-	197
Sixth interim dividend of \$0.00439 per ordinary share, paid on 29 December 2023	-	197
Seventh interim dividend of \$0.003439 per ordinary share, paid on 31 January 2024	-	197
Eighth final dividend of \$0.00439 per ordinary share, paid on 29 February 2024	-	197
Total dividends	-	<u>1,576</u>

### Franking credits

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Franking credits available for subsequent financial years	<u>8,239</u>	<u>5,878</u>

Franking credit is a type of tax credit that enables a company to pass through to shareholders the corporate taxes it paid to mitigate double taxation.

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

For the parent entity, the franking credits available for subsequent financial years as at the end of the financial year was \$7,083,000 (30 June 2024: \$4,607,000).

## Note 29. Financial instruments

### Financial risk management objectives

The Group is exposed to a variety of financial risks through its use of financial instruments: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Group does not use derivative financial instruments or speculate in financial assets.

Risk management is carried out by senior management under policies approved by the Board of Directors ('the Board'). The policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Management identifies and evaluates financial risks within the Group's businesses and reports to the Board on a regular basis.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries, and leases.

## Note 29. Financial instruments (continued)

### Market risk

#### Price risk

The Group is not exposed to any significant market risk in relation to the prices it charges for the provision of professional services.

#### Interest rate risk

The Group is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at floating rates expose the Group to fair value interest rate risk.

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At the reporting date, the Group is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

The following table illustrates the sensitivity on the net result for the year and equity to a reasonably possible change in interest rates of 1% and -1% (2024: +1% and -1%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	Weighted average interest rate %	2025		2024		
		+1% \$'000	-1% \$'000	+1% \$'000	-1% \$'000	
<b>Borrowings</b>						
Bank overdrafts	8.00%	(77)	77	10.74%	(42)	42
Bank loans	8.44%	(564)	564	8.04%	(430)	430

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the consolidated financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan and no active enforcement activity.

### Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group maintains cash and available facilities to meet its liquidity requirements for up to a minimum 30-day period.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-by-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day periods are identified monthly.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

**Note 29. Financial instruments (continued)**

The Group's financial liabilities have contractual maturities which are summarised below:

<b>Consolidated - 2025</b>	<b>Weighted average interest rate %</b>	<b>1 year or less \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Remaining contractual maturities \$'000</b>
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	2,320	-	-	-	2,320
Other payables	-	6,498	-	-	-	6,498
Contingent consideration	-	3,739	1,114	2,062	76	6,991
<i>Interest-bearing</i>						
Bank overdraft	8.00%	7,714	-	-	-	7,714
Bank loans*	8.44%	17,428	22,892	21,346	3,510	65,176
Related party loans	11.50%	1,175	-	-	-	1,175
Lease liabilities	6.64%	5,923	5,633	15,902	15,033	42,491
<b>Total non-derivatives</b>		<b>44,797</b>	<b>29,639</b>	<b>39,310</b>	<b>18,619</b>	<b>132,365</b>

Lease liabilities of \$5,923,000 includes \$3,008,000 payable within 6 months.

\* As at 30 June 2025, bank loans of \$15,525,000 represents the current portion of long term debt which is being repaid under scheduled amortisation repayments, and is not expected to be refinanced or face refinance risk.

<b>Consolidated - 2024</b>	<b>Weighted average interest rate %</b>	<b>1 year or less \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Remaining contractual maturities \$'000</b>
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	1,760	-	-	-	1,760
Other payables	-	5,402	-	-	-	5,402
Contingent consideration	-	1,989	3,688	542	-	6,219
<i>Interest-bearing</i>						
Bank overdraft	10.74%	4,215	-	-	-	4,215
Bank loans*	8.04%	11,791	12,631	20,434	8,278	53,134
Related party loans	10.50%	1,175	-	-	-	1,175
Lease liabilities	6.07%	5,252	4,372	12,759	15,782	38,165
<b>Total non-derivatives</b>		<b>31,584</b>	<b>20,691</b>	<b>33,735</b>	<b>24,060</b>	<b>110,070</b>

Lease liabilities of \$5,252,000 includes \$1,868,000 payable within 6 months.

\* As at 30 June 2024, bank loans of \$11,791,000 represents the current portion of long term debt which is being repaid under scheduled amortisation repayments, and is not expected to be refinanced or face refinance risk.

Refer to note 2, net working capital deficiency for further details relating to liquidity risk management.

**Fair value of financial instruments**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying value less impairment provision of trade and other receivables and of trade and other payables is a reasonable approximation of their fair values due to the short-term nature of these balances.

### Note 30. Key management personnel disclosures

#### Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	1,697,762	1,395,347
Post-employment benefits	29,801	30,497
	<u>1,727,563</u>	<u>1,425,844</u>

#### Other key management personnel transactions

For details of other transactions with key management personnel, refer to note 34.

### Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditors of the Company:

	Consolidated	
	2025	2024
	\$	\$
<i>Audit and review services - BDO Audit Pty Ltd (2024: William Buck Accountants &amp; Advisors)</i>		
Audit or review of the financial statements	131,739	97,800
PCAOB Audit and review services	778,355	-
	<u>910,094</u>	<u>97,800</u>

### Note 32. Contingent liabilities

Bank guarantees as at 30 June 2025 totalling \$1,638,000 (2024: \$1,412,000) have been provided in relation to the leases of various premises by the Group. These guarantees will only be payable in specific circumstances, such as failure to meet rental liabilities. In the opinion of the directors, no loss will result to the Group as a result of these guarantees.

Guarantees have been provided in relation to the banking facilities of the operating businesses by the parent entity. These guarantees will only be payable in specific circumstances, such as when the operating business is unable to meet its repayment obligations.

Contingent considerations in respect of acquisitions are carried on balance sheet and are not classified as contingent liabilities.

Except as noted above, in the opinion of the directors, the Group did not have any contingent liabilities at 30 June 2025 and 30 June 2024.

### Note 33. Commitments

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	1,238	159

### Note 34. Related party transactions

#### Parent entity

Kelly Partners Group Holdings Limited is the parent entity.

#### Subsidiaries

Interests in subsidiaries are set out in note 37.

#### Key management personnel

Disclosures relating to key management personnel are set out in note 30.

Brett Kelly, Paul Kuchta and Ada Poon are directors of the parent entity.

#### Transactions with related parties

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

#### Loans to/(from) related parties

##### Key management personnel

	2025 \$	2024 \$
<i>Loans to directors:</i>		
Balance at the beginning of the year	1,047,302	860,681
- loans advanced	7,175,955	805,703
- interest on loans	296,353	51,466
- repayment of loans advanced	(4,310,736)	(671,502)
- exchange differences	1,879	954
Balance at the end of the year	<u>4,210,753</u>	<u>1,047,302</u>

On 30 October 2022, the Board of Directors approved a loan facility to Brett Kelly (director of the Company). The facility is secured and personally guaranteed by Brett Kelly with interest charged at commercial rates.

##### Kelly Partners (Canberra) Property Trust

	2025 \$	2024 \$
<i>Loans from related party:</i>		
Balance at the beginning of the year	(1,175,000)	(1,175,000)
- interest on loan	(135,125)	(124,679)
- payment	135,125	124,679
Balance at the end of the year	<u>(1,175,000)</u>	<u>(1,175,000)</u>

Kelly Partners (Investment Office) Pty Ltd is the investment manager of Kelly Partners Investment Office Special Opportunities Fund #2. Kelly Partners (Canberra) Property Trust is a wholly owned subsidiary of Kelly Partners Group Holdings Limited.

On 20 December 2021, the Kelly Partners Investment Office Special Opportunities Fund #2 advanced a short term loan facility of \$2.2m to Kelly Partners (Canberra) Property Trust, to assist with the purchase of Unit 141, 39 Eastlake Parade, Kingston ACT ('the Canberra Property'). The facility is secured by a mortgage over the Canberra Property and is guaranteed by Kelly Partners Group Holdings Limited. On 11 January 2023, \$1.0m of the loan was refinanced with a commercial bank. Interest is charged at commercial rates and the term of the related party loan was extended to 31 December 2025.

**Note 34. Related party transactions (continued)**

*Employee Share trust*

In December 2019, the Board approved the establishment of the EIP. The EIP is designed to assist in the attraction, motivation, retention and reward of employees by allowing them to participate in the overall success and growth of the Group. The EIP is also designed to align the interests of employees with the interests of shareholders by providing an opportunity for the participants to receive an equity interest in the Company. All rewards are discretionary in nature. In FY2025 the EIP Trust purchased 138,483 shares on market for a total of \$1,277,801 with an average share price of \$9.23. As at 30 June 2025, total shares of 499,416 continue to be held in trust, of which 454,920 shares have been granted to employees and are unvested. During the year, 78,626 of shares vested. The KMP of the Company was not part of the Employee Incentive Plans.

In FY2025, a number of operating businesses paid amounts to an Employee Share Trust as part of the Employee Share Scheme ('ESS'). The monies received by the Employee Share Trust were used to acquire the shares of Kelly Partners Group Holdings Limited (KPG.ASX).

	2025 \$	2024 \$
<i>Loans to Employee Share trust:</i>		
Balance at the beginning of the year	2,124,036	1,717,894
- loans advanced	1,101,277	273,851
- interest on loan	226,805	151,356
- payment	(317,865)	(19,065)
	<u>3,134,253</u>	<u>2,124,036</u>
Balance at the end of the year		

*Partners*

Loans (to)/from partners are set out in note 15 and note 25.

*Other loans*

Loans from others are set out in note 25.

*Direct interest in subsidiaries*

The following related parties hold a direct interest in the respective subsidiary of the Group:

Related party	Subsidiary	2025 Interest held	2024 Interest held
Paul Kuchta	Kelly Partners East Sydney Partnership	10.20%	10.20%
Paul Kuchta	Kelly Partners (Sydney) Pty Ltd	3.50%	10.20%
Paul Kuchta	Kelly Partners Norwest Partnership	24.98%	-
Ada Poon	Kelly Partners North Sydney Partnership	8.50%	10.00%

**Note 35. Parent entity information**

Set out below is the supplementary information about the parent entity. The following table summarises the standalone financial information of the parent entity and is before intercompany eliminations and adjustments on consolidation.

*Statement of profit or loss and other comprehensive income*

	2025 \$'000	2024 \$'000
Profit after income tax	<u>1,572</u>	<u>3,384</u>
Total comprehensive income	<u>1,572</u>	<u>3,384</u>

**Note 35. Parent entity information (continued)**

*Statement of financial position*

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Total current assets	6,248	8,537
Total non-current assets	61,754	46,379
Total assets	<u>68,002</u>	<u>54,916</u>
Total current liabilities	14,064	9,542
Total non-current liabilities	25,102	20,689
Total liabilities	<u>39,166</u>	<u>30,231</u>
Net assets	<u>28,836</u>	<u>24,685</u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

Each subsidiary's debt facilities are granted security by that entity, the corporate partners of that entity, limited personal guarantees of the operating business owners, and a guarantee provided by the parent over all existing and future assets and undertakings.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

**Note 36. Business combinations**

**Acquisitions during year ended 30 June 2025**

Kelly Partners acquired interests in the following accounting and accounting networking businesses through the following controlled entities:

<b>Acquirer</b>	<b>Location of business acquired</b>	<b>Date of acquisition</b>
Kelly Partners FRS	St. Petersburg, FL, USA	16/08/2024
Kudos International Network	Swansea, UK	31/10/2024
Kelly Partners Sydney	Sydney, NSW, AU	12/12/2024
Kelly Partners Wexford	Wexford, Ireland	31/03/2025
Kelly Partners Hunter Region	Hunter Region, NSW, AU	02/06/2025

The goodwill is attributable to synergies expected to be achieved from integrating the business in to the Kelly Partners system.

Contingent consideration is based on the acquired business achieving the target revenue post completion.

The fair value of the contingent consideration represents the Group's estimate of the probable cash outflows discounted using a discount rate of 8.5%.

**Note 36. Business combinations (continued)**

The NCI is valued based on a proportion of net assets.

The acquired businesses contributed revenues of \$16,274,000 and a net profit before tax and amortisation of \$2,981,000 to the Group for the period from the date businesses were acquired to the period ended 30 June 2025. Note the revenue and profit figures disclosed here may be part year and include implementation and restructuring costs that may be one off and non-recurring in nature.

\$1,046,000 (FY24: \$1,240,000) in legal costs and one-off implementation costs relating to the five acquisitions completed this year. \$809,000 of this non-recurring cost relates to the US and Ireland acquisitions.

Details of the acquisitions are as follows:

	<b>Fair value \$'000</b>
Trade receivables and accrued income	2,621
Customer relationships	15,580
Plant and equipment	64
Right-of-use assets	1,498
Deferred tax liabilities	(971)
Employee benefits	(592)
Lease liability	(1,690)
Other liabilities	(2,807)
	<hr/>
Net assets acquired	13,703
Goodwill	13,146
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>26,849</u>
Representing:	
Cash paid to vendor	10,563
Contingent consideration	2,425
Equity contribution from NCI	13,861
	<hr/>
	<u>26,849</u>

**Acquisitions during the year ended 30 June 2024**

Kelly Partners acquired 50.1% - 51.0% of the equity interest from the following accounting and HR businesses:

<b>Entity</b>	<b>Location of business acquired</b>	<b>Date of acquisition</b>
Kelly Partners Griffith	Griffith, NSW, AU	03/07/2023
Kelly Partners HR & Payroll Services (Riverina)	Griffith, NSW, AU	03/07/2023
Kelly Partners Bundall	Gold Coast, QLD, AU	15/08/2023
Kelly Partners Woodland Hills	Los Angeles, CA, USA	01/12/2023
Kelly Partners Burbank	Los Angeles, CA, USA	02/01/2024
Kelly Partners Bendigo	Bendigo, VIC, AU	15/01/2024
Kelly Partners Brookvale	Brookvale, NSW, AU	02/02/2024
Kelly Partners Lower North Shore	Sydney, NSW, AU	04/03/2024

The goodwill is attributable to synergies expected to be achieved from integrating the business in to the Kelly Partners system.

Contingent consideration is based on the acquired business achieving the target revenue post completion.

The fair value of the contingent consideration represents the Group's estimate of the probable cash outflows discounted using a discount rate of 7.7%.

**Note 36. Business combinations (continued)**

The NCI is valued based on a proportion of net assets.

The acquired businesses contributed revenues of \$18,432,000 and a net profit before tax and amortisation of \$4,913,000 to the Group for the period from the date businesses were acquired to the period ended 30 June 2024. Note the revenue and loss figures disclosed here may be part year and include implementation and restructuring costs that may be one off and non-recurring in nature.

\$1,240,000 (FY23: \$659,000) in legal costs and one-off implementation costs relating to the six acquisitions completed this year. \$807,000 of this non-recurring cost relates to the two US acquisitions and the setting up of the Texas partnership platform. This included a redocumentation and Americanising of the Group's legal agreements, such as the Partnership Agreement and Acquisition Agreement, and several other sub deeds.

The provisionally determined fair values of other business combinations during the year ended 30 June 2024 were finalised during the year ended 30 June 2025 resulting in a decrease of \$895,000 in goodwill and a decrease of \$854,000 in deferred tax liability, as follows:

	30 June 2025 Fair value \$'000	30 June 2024 Fair value \$'000	Increase/ (decrease) \$'000
Trade receivables and accrued income	3,294	3,294	-
Plant and equipment	622	622	-
Right-of-use assets	3,645	3,504	141
Customer relationships	15,604	15,604	-
Other assets	22	22	-
Deferred tax liabilities	(1,523)	(2,377)	854
Employee benefits	(929)	(929)	-
Lease liability	(3,728)	(3,728)	-
Other liabilities	(718)	(718)	-
Net asset acquired	<u>16,289</u>	<u>15,294</u>	<u>995</u>
Goodwill	8,825	9,720	(895)
Bargain purchase	(100)	-	(100)
Acquisition-date fair value of the total consideration transferred	<u><u>25,014</u></u>	<u><u>25,014</u></u>	<u><u>-</u></u>
Representing:			
Cash paid or payable to vendor	8,850	8,850	-
Equity contribution from NCI	12,191	12,191	-
Contingent consideration	3,973	3,973	-
	<u><u>25,014</u></u>	<u><u>25,014</u></u>	<u><u>-</u></u>

**Note 37. Interests in subsidiaries**

**(a) Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Country of incorporation	Ownership interest	
		2025 %	2024 %
A.C.N. 646 117 526 PTY LTD	Australia	50.00%	50.00%
Addison Partners Audit & Assurance Pty Ltd	Australia	51.00%	51.00%
Addison Partners Pty Ltd	Australia	51.00%	51.00%
Addison Partners SMSF Pty Ltd	Australia	51.00%	51.00%
Better Life Accounting Pty Ltd	Australia	100.00%	100.00%
BMF Group Sydney Pty Ltd	Australia	100.00%	100.00%
Cancer Schmancer Movement Limited	Australia	100.00%	100.00%
Kelly Partners (Brookvale) Pty Ltd	Australia	50.10%	50.10%
Kelly Partners (Advisory Services) LLC (formerly Kelly Partners (Burbank) LLC)	California, United States	50.10%	50.10%
Kelly Partners (Growth Consulting) Pty Ltd	Australia	100.00%	100.00%
Kelly Partners (Direct Invest) Pty Ltd	Australia	51.00%	-
Kelly Partners TV Pty Ltd	Australia	100.00%	-
Kelly Partners Corporate Advisory Pty Ltd	Australia	51.00%	50.10%
Kelly Partners Commercial Partnership	Australia	50.10%	-
Kelly Partners (Investment Office) 3 Pty Ltd	Australia	100.00%	100.00%
Kelly Partners (Investment Office) Baobab Pty Ltd	Australia	51.00%	51.00%
Kelly Partners (Investment Office) Pty Ltd	Australia	51.00%	51.00%
Kelly Partners (San Angelo) LLC*	Texas, United States	25.10%	25.10%
Kelly Partners (San Antonio) LLC*	Texas, United States	25.10%	25.10%
Kelly Partners (Strategy Consulting) Pty Ltd	Australia	100.00%	100.00%
Kelly Partners (Sydney) Pty Ltd	Australia	50.10%	50.05%
Kelly Partners (Tax Legal) Pty Ltd	Australia	51.00%	51.00%
Kelly Partners (Woodland Hills) Services LLC	California, United States	51.00%	51.00%
Kelly Partners Alternative Asset Management Pty Ltd	Australia	100.00%	100.00%
Kelly Partners Ancillary Services Pty Ltd	Australia	100.00%	100.00%
Kelly Partners Digital Technologies Pty Ltd	Australia	100.00%	100.00%
Kelly Partners Finance (Central Coast & Hunter Region) Pty Ltd	Australia	100.00%	100.00%
Kelly Partners (FRS) LLC	Florida, United States	50.10%	-
Kelly Partners Global Limited	England & Wales, UK	100.00%	-
Kelly Partners Global Services (India) Private Limited	India	100.00%	100.00%
Kelly Partners Group Holdings (Texas) LLC*	Texas, United States	50.10%	50.10%
Kelly Partners Group Holdings (UK) Ltd	United Kingdom	100.00%	100.00%
Kelly Partners Group Holdings (USA) Inc	Delaware, United States	100.00%	100.00%
Kelly Partners Management Company (California) LLC	California, United States	100.00%	-
Kelly Partners Management Company (Florida) LLC	Florida, United States	100.00%	-
Kelly Partners Management Company (Texas) LLC	Texas, United States	100.00%	100.00%
Kelly Partners Management Services (Hong Kong) Limited	Hong Kong	51.00%	51.00%
Kelly Partners Management Services Pty Ltd	Australia	100.00%	100.00%
Kelly Partners Private Wealth Group Holdings Pty Ltd	Australia	100.00%	100.00%
Kelly Partners Private Wealth Pty Ltd	Australia	100.00%	100.00%
Kelly Partners Property Group Holdings Pty Ltd	Australia	100.00%	100.00%
Kelly Partners SMSF Advisory Pty Ltd	Australia	100.00%	100.00%
Kelly Partners Strategic Alliances Pty Ltd	Australia	100.00%	100.00%
Kelly Property Group Pty Ltd	Australia	100.00%	100.00%
KP Events, LLC	California, United States	100.00%	-
KP GH BD Pty Ltd	Australia	100.00%	100.00%
KP GH BM Pty Ltd	Australia	100.00%	100.00%
KP GH BR Pty Ltd	Australia	100.00%	100.00%
KP GH BU LLC	California, United States	100.00%	100.00%
KP GH BV Pty Ltd	Australia	100.00%	100.00%
KP GH CA Pty Ltd	Australia	100.00%	100.00%

**Note 37. Interests in subsidiaries (continued)**

Name	Country of incorporation	Ownership interest	
		2025 %	2024 %
KP GH CC Pty Ltd	Australia	100.00%	100.00%
KP GH CH Pty Ltd	Australia	100.00%	100.00%
KP GH CT Pty Ltd	Australia	100.00%	100.00%
KP GH ES Pty Ltd	Australia	100.00%	100.00%
KP GH FIN CC Pty Ltd	Australia	100.00%	100.00%
KP GH FIN Pty Ltd	Australia	100.00%	100.00%
KP GH FRS LLC	Florida, United States	100.00%	-
KP GH GC Pty Ltd	Australia	100.00%	100.00%
KP GH GI Pty Ltd	Australia	100.00%	100.00%
KP GH GR Pty Ltd	Australia	100.00%	100.00%
KP GH HC GR Pty Ltd	Australia	100.00%	100.00%
KP GH HK Pty Ltd	Australia	100.00%	100.00%
KP GH HR & C Pty Ltd	Australia	100.00%	100.00%
KP GH HR Pty Ltd	Australia	100.00%	100.00%
KP GH IS CC Pty Ltd	Australia	100.00%	100.00%
KP GH IW Pty Ltd	Australia	100.00%	100.00%
KP GH JH LLC	California, United States	100.00%	-
KP GH LE Pty Ltd	Australia	100.00%	100.00%
KP GH MA Pty Ltd	Australia	100.00%	100.00%
KP GH MCB D Pty Ltd	Australia	100.00%	100.00%
KP GH NB Pty Ltd	Australia	100.00%	100.00%
KP GH NE Pty Ltd	Australia	100.00%	100.00%
KP GH NS Pty Ltd	Australia	100.00%	100.00%
KP GH NW Pty Ltd	Australia	100.00%	100.00%
KP GH PB Pty Ltd	Australia	100.00%	100.00%
KP GH PW Pty Ltd	Australia	100.00%	100.00%
KP GH SH Pty Ltd	Australia	100.00%	100.00%
KP GH SWB Pty Ltd	Australia	100.00%	100.00%
KP GH SWS Pty Ltd	Australia	100.00%	100.00%
KP GH SYD CBD Pty Ltd	Australia	100.00%	100.00%
KP GH TC Pty Ltd	Australia	100.00%	100.00%
KP GH UNS Pty Ltd	Australia	100.00%	100.00%
KP GH WH LLC	California, United States	100.00%	100.00%
KP GH WM CC Pty Ltd	Australia	100.00%	100.00%
KP GH WM NB Pty Ltd	Australia	100.00%	100.00%
KP GH WM Pty Ltd	Australia	100.00%	100.00%
KP GH WO Pty Ltd	Australia	100.00%	100.00%
KP GH WS Pty Ltd	Australia	100.00%	100.00%
KPGH 2 Pty Ltd	Australia	100.00%	100.00%
KPGH Pty Ltd	Australia	100.00%	100.00%
KPGH1 Pty Ltd	Australia	100.00%	100.00%
KPIO Pty Ltd	Australia	75.50%	75.50%
Super Certain Pty Ltd	Australia	50.50%	50.50%
KPG Kelly Partners Group Holdings (Ireland) Limited	Ireland	100.00%	-
KP GH VA Pty Ltd (formerly KP GH WM BD Pty Ltd)	Australia	100.00%	100.00%
Kelly Partners Care Partnership	Australia	50.10%	-
Kelly Partners Valuations Partnership	Australia	50.10%	-

**Note 37. Interests in subsidiaries (continued)**

Name	Country of incorporation	Ownership interest	
		2025 %	2024 %
Kelly Partners Wexford Partnership	Ireland	50.10%	-
Kelly Partners (Canberra) Property Trust	Australia	100.00%	100.00%
Kelly Partners (Central Coast) Property Trust	Australia	51.00%	51.00%
Kelly Partners (Central Tablelands) Property Trust	Australia	100.00%	100.00%
Kelly Partners (Oran Park) Trust	Australia	100.00%	100.00%
Kelly Partners Property Fund	Australia	100.00%	100.00%
Kelly Partners Services Trust	Australia	100.00%	100.00%
Kelly Partners (Sydney) Audit Partnership	Australia	50.10%	99.97%
Kelly Partners (Western Sydney) Partnership	Australia	50.01%	50.01%
Kelly Partners Bendigo Partnership	Australia	50.01%	50.01%
Kelly Partners Blue Mountains Partnership	Australia	100.00%	100.00%
Kelly Partners Brisbane CBD Partnership	Australia	50.10%	50.10%
Kelly Partners Brisbane Partnership	Australia	50.10%	50.10%
Kelly Partners Bundall Partnership	Australia	50.10%	50.10%
Kelly Partners Central Coast Partnership	Australia	50.10%	50.10%
Kelly Partners Central Tablelands Partnership	Australia	100.00%	100.00%
Kelly Partners Chatswood Partnership	Australia	50.10%	50.10%
Kelly Partners Corporate Advisory Partnership	Australia	51.00%	51.00%
Kelly Partners East Sydney Partnership	Australia	50.05%	50.05%
Kelly Partners Finance Partnership	Australia	51.00%	51.00%
Kelly Partners General Insurance Partnership	Australia	99.99%	99.99%
Kelly Partners Griffith Partnership	Australia	50.10%	50.10%
Kelly Partners Global Ltd	United Kingdom	100.00%	-
Kelly Partners Global (Subsidiary) Ltd	United Kingdom	100.00%	-
Kelly Partners HR & Consulting Partnership	Australia	51.00%	51.00%
Kelly Partners HR Consulting & Payroll Services Riverina Partnership	Australia	50.10%	50.10%
Kelly Partners Hunter Region Partnership	Australia	51.00%	51.00%
Kelly Partners Inner West Partnership	Australia	51.00%	51.00%
Kelly Partners Leeton Partnership	Australia	50.01%	50.01%
Kelly Partners Maitland Partnership	Australia	50.10%	50.10%
Kelly Partners Melbourne CBD Partnership	Australia	51.00%	51.00%
Kelly Partners Newcastle Partnership	Australia	51.00%	51.00%
Kelly Partners North Sydney Partnership	Australia	58.00%	58.00%
Kelly Partners Northern Beaches Partnership	Australia	51.00%	51.00%
Kelly Partners Norwest Partnership	Australia	50.05%	50.05%
Kelly Partners Oran Park Partnership	Australia	50.10%	50.10%
Kelly Partners Palm Beach Partnership	Australia	50.10%	50.10%
Kelly Partners Pittwater Partnership	Australia	51.00%	51.00%
Kelly Partners Private Wealth Northern Beaches Partnership	Australia	76.00%	76.00%
Kelly Partners Private Wealth Sydney Partnership	Australia	51.00%	51.00%
Kelly Partners Private Wealth Wholesale Partnership	Australia	51.00%	51.00%
Kelly Partners South West Brisbane Partnership	Australia	80.00%	80.00%
Kelly Partners South West Sydney Partnership	Australia	50.50%	50.50%
Kelly Partners Southern Highlands Partnership	Australia	51.00%	51.00%
Kelly Partners Tax Consulting Partnership	Australia	51.00%	51.00%
Kelly Partners Wollongong Partnership	Australia	59.64%	59.64%
Kudos International Network Partnership	United Kingdom	50.10%	-

\* The Group owns a majority shareholding interest in Kelly Partners Group Holdings (Texas) LLC, which in turn owns a controlling interest over Kelly Partners (San Angelo) LLC and Kelly Partners (San Antonio) LLC and therefore the Group has effective control over these entities.

The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

**Note 37. Interests in subsidiaries (continued)**

**(b) Subsidiaries with non-controlling interests**

The following table summarises the aggregate financial information in relation to the share of the Group's subsidiaries held by non-controlling interests. The information is before inter-company eliminations with other entities within the Group.

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	65,427	52,241
Profit attributable to non-controlling interests*	13,023	10,713
Distributions to non-controlling interests	19,066	9,648
Current assets	23,987	23,673
Non-current assets	46,557	36,226
Current liabilities	(8,616)	(7,862)
Non-current liabilities	(18,294)	(19,448)
Net assets	43,634	32,589

\* Profit attributable to non-controlling interests does not include income tax expense and other direct costs of the parent.

**(c) Consequences of changes in a parent's ownership in a subsidiary that do not result in a loss of control**

There were no material changes to the parent entity's ownership in subsidiaries during the current and prior financial year.

**(d) Significant restrictions**

There are no significant restrictions on the ability of the holding company or its subsidiaries to access or use the assets and settle the liabilities of the Group.

**Note 38. Cash flow information**

*Reconciliation of profit after income tax to net cash from operating activities*

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit after income tax expense for the year	16,436	14,238
Adjustments for:		
Depreciation and amortisation	14,473	12,296
Revaluation reserve	757	-
Fair value movement - unwinding of interest	491	535
Non-cash movements relating to business combinations	1,047	-
Other non-cash movements	1,819	199
Change in operating assets and liabilities:		
Increase in trade and other receivables	(3,899)	(4,427)
Increase in trade and other payables	2,139	1,709
Increase/(decrease) in current tax liabilities	(533)	656
Increase/(decrease) in deferred tax liabilities	(1,463)	408
Net cash from operating activities	<u>31,267</u>	<u>25,614</u>

**Note 38. Cash flow information (continued)**

*Non-cash investing and financing activities*

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Additions to the right-of-use assets	7,284	4,501
Adjustments as a result of a different treatment of extension and termination options	(1,443)	(45)
Change in fair value of contingent consideration	(574)	(1,706)
	<u>5,267</u>	<u>2,750</u>

*Changes in liabilities arising from financing activities*

<b>Consolidated</b>	<b>Bank loans</b>	<b>Lease liabilities</b>	<b>Related party loans</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2023	32,960	23,923	1,175	58,058
Net cash used in financing activities	-	(5,529)	-	(5,529)
Acquisition of leases	-	4,990	-	4,990
Proceeds from borrowings	20,413	-	-	20,413
Repayment of borrowings	(10,328)	-	-	(10,328)
Exchange differences	-	50	-	50
Interest on loan	-	-	125	125
Repayment of loan	-	-	(125)	(125)
Changes through business combinations (note 36)	-	3,728	-	3,728
Adjustments as a result of a different treatment of extension and termination options	-	(14)	-	(14)
Interest on lease liability	-	1,817	-	1,817
	<u>43,045</u>	<u>28,965</u>	<u>1,175</u>	<u>73,185</u>
Balance at 30 June 2024	43,045	28,965	1,175	73,185
Net cash used in financing activities	-	(6,412)	-	(6,412)
Acquisition of leases	-	7,285	-	7,285
Proceeds from borrowings	33,147	-	-	33,147
Repayment of borrowings	(19,775)	-	-	(19,775)
Exchange differences	-	(21)	-	(21)
Interest on loan	-	-	135	135
Repayment of loan	-	-	(135)	(135)
Changes through business combinations (note 36)	-	1,690	-	1,690
Adjustments as a result of a different treatment of extension and termination options	-	(1,645)	-	(1,645)
Interest on lease liability	-	2,067	-	2,067
	<u>56,417</u>	<u>31,929</u>	<u>1,175</u>	<u>89,521</u>
Balance at 30 June 2025	56,417	31,929	1,175	89,521

**Note 39. Events after the reporting period**

On 31 July 2025, a subsidiary of the Company executed agreements to partner with an accounting firm in California, United States through acquiring a 50.1% interest. Completion occurred on the same day. The partnership is expected to contribute approximately \$USD3.5m to \$USD4.0m (\$AUD5.4m to \$AUD6.2m) in annual revenues to the consolidated Group.

On 6 August 2025, a subsidiary of the Company executed agreements for an accounting firm in Sydney CBD and Bowral to join the Group. Completion is expected to occur on 31 October 2025. 100.0% of the interest in the accounting firm will be acquired. The accounting firm is expected to contribute approximately \$AUD4.0m to \$AUD4.4m in annual revenues to the consolidated Group.

**Note 39. Events after the reporting period (continued)**

On 11 August 2025, the Company received an application from a former employee who resigned on 13 June 2023 seeking damages for historical employment related disputes.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

<b>Entity name</b>	<b>Entity type</b>	<b>Place formed or incorporated</b>	<b>% of share capital held</b>	<b>Australian resident</b>	<b>Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)</b>
Kelly Partners Group Holdings Limited	Body Corporate	Australia	N/A	Yes	N/A
A.C.N. 646 117 526 PTY LTD	Body Corporate	Australia	50.00%	Yes	N/A
Addison Partners Audit & Assurance Pty Ltd	Body Corporate	Australia	51.00%	Yes	N/A
Addison Partners Pty Ltd	Body Corporate	Australia	51.00%	Yes	N/A
Addison Partners SMSF Pty Ltd	Body Corporate	Australia	51.00%	Yes	N/A
Australian Nominees Pty Ltd	Body Corporate	Australia	50.05%	Yes	N/A
Better Life Accounting Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
BMF Group Sydney Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Cancer Schmancer Movement Limited	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners (Brookvale) Pty Ltd	Body Corporate	Australia	50.10%	Yes	N/A
Kelly Partners (Direct Invest) Pty Ltd	Body Corporate	Australia	51.00%	Yes	N/A
Kelly Partners TV Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners Corporate Advisory Pty Ltd	Body Corporate	Australia	51.00%	Yes	N/A
Kelly Partners Commercial Partnership	Body Corporate	Australia	50.10%	Yes	N/A
Kelly Partners (Advisory Services) LLC (formerly Kelly Partners (Burbank) LLC)	Body Corporate	California, United States	50.10%	No	California, United States
Kelly Partners (Growth Consulting) Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners (Investment Office) Baobab Pty Ltd	Body Corporate	Australia	51.00%	Yes	N/A
Kelly Partners (Investment Office) Pty Ltd	Body Corporate	Australia	51.00%	Yes	N/A
Kelly Partners (San Angelo) LLC	Body Corporate	Texas, United States	25.10%	No	Texas, United States
Kelly Partners (San Antonio) LLC	Body Corporate	Texas, United States	25.10%	No	Texas, United States
Kelly Partners (Strategy Consulting) Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners (Sydney) Pty Ltd	Body Corporate	Australia	50.10%	Yes	N/A
Kelly Partners (Tax Legal) Pty Ltd	Body Corporate	Australia	51.00%	Yes	N/A
Kelly Partners (Woodland Hills) Services LLC	Body Corporate	California, United States	51.00%	No	California, United States
Kelly Partners Alternative Asset Management Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners Ancillary Services Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners Digital Technologies Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP Events, LLC	Body Corporate	California, United States	100.00%	No	California, United States
Kelly Partners Finance (Central Coast & Hunter Region) Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners (FRS) LLC	Body Corporate	Florida, United States	50.10%	No	Florida, United States
Kelly Partners Global Services (India) Private Limited	Body Corporate	India	100.00%	No	India
Kelly Partners Group Holdings (Texas) LLC	Body Corporate	Texas, United States	50.10%	No	Texas, United States
Kelly Partners Group Holdings (UK) Ltd	Body Corporate	United Kingdom	100.00%	No	United Kingdom
Kelly Partners Group Holdings (USA) Inc	Body Corporate	Delaware, United States	100.00%	No	Delaware, United States
Kelly Partners Management Company (California) LLC	Body Corporate	California, United States	100.00%	No	California, United States

<b>Entity name</b>	<b>Entity type</b>	<b>Place formed or incorporated</b>	<b>% of share capital held</b>	<b>Australian resident</b>	<b>Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)</b>
Kelly Partners Management Company (Florida) LLC	Body Corporate	Florida, United States	100.00%	No	Florida, United States
Kelly Partners Management Company (Texas) LLC	Body Corporate	Texas, United States	100.00%	No	Texas, United States
Kelly Partners Management Services (Hong Kong) Limited	Body Corporate	Hong Kong	51.00%	No	Hong Kong
Kelly Partners Management Services Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners Private Wealth Group Holdings Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners Private Wealth Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners Property Group Holdings Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners SMSF Advisory Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners Strategic Alliances Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Property Group Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH BD Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH BM Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH BR Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH BU LLC	Body Corporate	California, United States	100.00%	No	California, United States
KP GH BV Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH CA Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH CC Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH CH Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH CT Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH ES Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH FIN CC Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH FRS LLC	Body Corporate	Florida, United States	100.00%	No	Florida, United States
KP GH FIN Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH GC Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH GI Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH GR Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH HC GR Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH HK Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH HR & C Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH HR Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH IS CC Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH IW Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH JH LLC	Body Corporate	Australia	100.00%	Yes	N/A
KP GH LE Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH MA Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH MCBD Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH NB Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH NE Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH NS Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH NW Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH PB Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A

Entity name	Entity type	Place formed or incorporated	% of share capital held	Australian resident	Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
KP GH PW Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH SH Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH SWB Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH SWS Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH SYD CBD Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH TC Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH UNS Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH WH LLC	Body Corporate	California, United States	100.00%	No	California, United States
KP GH WM CC Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH WM NB Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH WM Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH WO Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KP GH WS Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KPGH 2 Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KPGH Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KPGH1 Pty Ltd	Body Corporate	Australia	100.00%	Yes	N/A
KPIO Pty Ltd	Body Corporate	Australia	75.50%	Yes	N/A
Super Certain Pty Ltd	Body Corporate	Australia	50.50%	Yes	N/A
KPG Kelly Partners Group Holdings (Ireland) Limited	Body Corporate	Ireland	100.00%	No	Ireland
KP GH VA Pty Ltd (formerly KP GH WM BD Pty Ltd)	Body Corporate	Australia	100.00%	Yes	N/A
Kelly Partners Global (Subsidiary) Ltd	Body Corporate	United Kingdom	100.00%	No	England & Wales, UK
Kelly Partners Care Partnership	Partnership	Australia	N/A	Yes	N/A
Kelly Partners Valuations Partnership	Partnership	Australia	N/A	Yes	N/A
Kelly Partners Wexford Partnership	Partnership	Ireland	N/A	No	Ireland
Kelly Partners (Canberra) Property Trust	Trust	N/A	N/A	Yes	N/A
Kelly Partners (Central Coast) Property Trust	Trust	N/A	N/A	Yes	N/A
Kelly Partners (Central Tablelands) Property Trust	Trust	N/A	N/A	Yes	N/A
Kelly Partners (Oran Park) Trust	Trust	N/A	N/A	Yes	N/A
Kelly Partners Property Fund	Trust	N/A	N/A	Yes	N/A
Kelly Partners Blue Mountains Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Brisbane CBD Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Brisbane Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Bundall Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Central Coast Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Central Tablelands Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Chatswood Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Corporate Advisory Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners East Sydney Partnership	Partnership	N/A	N/A	Yes	N/A

<b>Entity name</b>	<b>Entity type</b>	<b>Place formed or incorporated</b>	<b>% of share capital held</b>	<b>Australian resident</b>	<b>Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)</b>
Kelly Partners Finance Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners General Insurance Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Griffith Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners HR & Consulting Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners HR Consulting & Payroll Services Riverina Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Hunter Region Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Inner West Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Leeton Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Maitland Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Melbourne CBD Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Newcastle Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners North Sydney Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Northern Beaches Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Norwest Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Oran Park Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Palm Beach Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Pittwater Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Private Wealth Northern Beaches Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Private Wealth Sydney Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Private Wealth Wholesale Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners South West Brisbane Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners South West Sydney Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Southern Highlands Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Tax Consulting Partnership	Partnership	N/A	N/A	Yes	N/A
Kelly Partners Wollongong Partnership	Partnership	N/A	N/A	Yes	N/A
Kudos International Network Partnership	Partnership	N/A	N/A	No	Swansea, UK

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Brett Kelly  
Executive Chairman and Chief Executive Officer

12 August 2025  
Sydney

## INDEPENDENT AUDITOR'S REPORT

To the members of Kelly Partners Group Holdings Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Kelly Partners Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards 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 *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Impairment testing of goodwill and intangible assets

Key audit matter	How the matter was addressed in our audit
<p>Refer to Note 18 - Intangible Assets and Note 3 - Critical accounting judgements, estimates and assumptions.</p> <p>The Group recognised intangible assets as at 30 June 2025 of \$101,845,000 including:</p> <ul style="list-style-type: none"> <li>• Goodwill of \$60,036,000</li> <li>• Brand names and intellectual property of \$3,300,000</li> <li>• Customer relationships of \$37,935,000</li> <li>• Computer Software of \$574,000</li> </ul> <p>The assessment of impairment of the Group’s intangible asset and goodwill balances incorporated significant judgment in respect of factors such as discount rates and revenue growth assumptions.</p> <p>We have focussed on this area as a key audit matter due to amounts involved being material; the inherent subjectivity associated with critical judgements being made in relation to forecast future revenue; discount rates; and terminal growth rate.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Assessing the Group’s discounted cash flow (‘DCF’) model which calculates the recoverable amount of the Group’s assets, in order to determine if any impairment was required;</li> <li>• Checking the mathematical accuracy of the cash flow forecasts and impairment model;</li> <li>• Assessing the key assumptions within the cash flow model including the growth rate and terminal growth rate;</li> <li>• Using our valuation specialists to evaluate management’s discount rates based on external data where available; and</li> <li>• Considering the sensitivity of the key assumptions in the models by analysing the impact on the recoverable amount from changes in key assumptions.</li> </ul>

## Accounting for business combinations

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 36 of the financial report, the Group acquired 5 businesses during the year.</p> <p>The audit of the accounting for these acquisitions is a key audit matter due to the significant judgement and complexity involved in assessing the determination of the fair value of assets and liabilities acquired, in particular Customer Relationships, and the final purchase price which included contingent consideration.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Reading key executed transaction documents to understand the key terms and conditions of the transactions and evaluating management’s application of the relevant accounting standards;</li> <li>• Assessing the estimation of the contingent consideration by challenging the key assumptions including the discount rate. This included comparing the actual performance against the forecast performance;</li> <li>• Evaluating the assumptions and methodology in management’s determination of the fair value of assets and liabilities acquired; and</li> <li>• Assessing the adequacy of the Group’s disclosures of the acquisitions.</li> </ul>

## Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2025, but does not include the financial report and the auditor’s report thereon.

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

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

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

### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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.

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

[https://www.auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf)

This description forms part of our auditor's report.

### **Report on the Remuneration Report**

#### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 11 to 17 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Kelly Partners Group Holdings Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.



### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### **BDO Audit Pty Ltd**

A small rectangular box containing the letters 'BDO' in a simple, black, sans-serif font.

*Jeshan Velupillai*

Jeshan Velupillai

Director

Sydney 12 August 2025

The shareholder information set out below was applicable as at 8 July 2025.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	1,054	1.00
1,001 to 5,000	449	2.36
5,001 to 10,000	103	1.70
10,001 to 100,000	143	10.16
100,001 and over	38	84.78
	<u>1,787</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>52</u>	<u>-</u>

The number of shareholders holding less than a marketable parcel of ordinary shares is based on Kelly Partners Group Holdings Limited's closing share price of \$10.77 on 30 June 2025.

### Equity security holders

#### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
KELLY INVESTMENTS 1 PTY LTD <KELLY FAMILY A/C>	16,111,382	35.59
CITICORP NOMINEES PTY LIMITED	7,540,086	16.65
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,484,954	5.49
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,390,947	5.28
KELLY INVESTMENTS 1 PTY LTD <KELLY FAMILY A/C 1>	1,500,000	3.31
BNP PARIBAS NOMS PTY LTD	919,949	2.03
KALUMIC PTY LTD <THE MICHELAKIS FAMILY A/C>	636,000	1.40
PACIFIC CUSTODIANS PTY LIMITED <KPG EMP SHARE PLAN TST A/C>	499,881	1.10
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	422,254	0.93
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	417,378	0.92
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	401,440	0.89
INVIA CUSTODIAN PTY LIMITED <BARYL INVESTMENT A/C>	300,000	0.66
INVIA CUSTODIAN PTY LIMITED <BARYL SUPER FUND A/C>	300,000	0.66
SANTRA SMSF PTY LTD <SANTRA SUPER A/C>	294,340	0.65
BULLOCK SUPERANNUATION PTY LTD <BULLOCK SUPERANNUATION A/C>	268,984	0.59
BULLOCK SUPERANNUATION PTY LTD <SUPER CRAIG BULLOCK A/C>	264,263	0.58
BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	253,022	0.56
MR SUNDEEP KALRA + MR ANOOP KALRA + MRS SHIKHA MOHANTY <GANESH SUPER FUND A/C>	245,922	0.54
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	200,164	0.44
P & J KUCHTA SUPER PTY LTD <P & J KUCHTA S/F A/C>	181,327	0.40
	<u>35,632,293</u>	<u>78.67</u>

#### Unquoted equity securities

There are no unquoted equity securities.

### Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
KELLY INVESTMENTS 1 PTY LTD <KELLY FAMILY A/C>	17,611,382	38.90
CITICORP NOMINEES PTY LIMITED	7,540,086	16.65
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,484,954	5.49
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,390,947	5.28

### Voting rights

The voting rights attached to ordinary shares are set out below:

#### *Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

**KELLY PARTNERS GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES**

*Office - Level 8/32 Walker Street, North Sydney, NSW 2060*