

Gippsland Lakes Complete Health Limited

ABN 39 041 514 660

Financial Statements – 30 June 2023

Gippsland Lakes Complete Health Limited
Contents
30 June 2023

Directors' report	1
Auditor's independence declaration	5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	25
Independent auditor's report to the members of Gippsland Lakes Complete Health Limited	26

General information

The financial statements cover Gippsland Lakes Complete Health Limited as an individual entity. The financial statements are presented in Australian dollars, which is Gippsland Lakes Complete Health Limited's functional and presentation currency.

Gippsland Lakes Complete Health Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 September 2023.

Gippsland Lakes Complete Health Limited
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Director	Date Appointed / Elected	Date of Resignation / Retirement
Carol Ross	22/11/2011	
Glenn Hodges	23/11/2015	
Robyn Cooney	22/11/2016	
Andrew Stuart-Murray	14/02/2019	
Carina Turner	24/09/2020	
Bruce Hurley	28/10/2021	
Carmel Gillies	16/12/2021	
Mathew Scott	16/12/2021	

Objectives

The short-term objective of the company is to develop and deliver accessible health and support services that are of the highest quality and meet the needs of our East Gippsland communities.

The long-term objective of the company is to improve the access to health and wellbeing services for people in East Gippsland.

Strategy for achieving the objectives

Develop services for our communities now and into the future;
Invest in capital development of optimal and fit-for-purpose sites in the communities that we service;
Plan and invest in technology developments that will enable us to meet demand and deliver services with innovation and efficiency;
Continue to be a reputable and influential organisation;
Maintain Gippsland Lakes Complete Health Limited as a highly capable organisation that prospers;
Invest in staff training to ensure capacity to meet current and future service needs.
Deliver innovative services, information and assistance to individuals and communities that respond to current and emerging needs;
Engage and support our workforce;
Adopt a partnership model to respond to the health and wellbeing needs of the community;
Adopt and promote contemporary systems, infrastructure, tools and resources that enable us to thrive.

Principal activities

During the financial year the principal continuing activities of the company were as follows:

Gippsland Lakes Complete Health Limited is a health service provider in East Gippsland, noted for the provision of health and community services, its ability to relate to and provide services to the most disadvantaged communities, and its championing of the social model of health.

Operating Results

The surplus of the Company amounted to 2,871,896 (2022: Surplus of 3,0723,874).

Significant Changes in State of Affairs

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

Gippsland Lakes Complete Health Limited

Directors' report

30 June 2023

Information on directors

Director's name:	Carol Ross
Position held:	Elected director
Special responsibilities:	Chair Member of Finance Committee
Qualifications:	Bachelor of Commerce Diploma's in Financial Services, Management (Human Resources) and Frontline Management
Experience and expertise:	Extensive Senior Management skills.
Director's name:	Glenn Hodges
Position held:	Elected director
Special responsibilities:	Vice Chair Chair of Quality Governance Committee
Qualifications:	Bachelor of Jurisprudence Bachelor of Law Diploma of Finance Law
Experience and expertise:	Lawyer who specialises in commercial, business and financial matters, including corporate governance. Experienced company secretary for unlisted public companies and has served as director or secretary on other company boards, both for business and for community organisations.
Director's name:	Robyn Cooney
Position held:	Elected director
Special responsibilities:	Member of Quality Governance Committee
Qualifications:	Bachelor of Arts Diploma's in Education, Business and Marketing.
Experience and expertise:	Varied career in teaching, media, politics, hospitality, management and municipal government. Sound private sector background, coupled with more recent public service roles in the area of strategic development, plans and policy.
Director's name:	Andrew Stuart-Murray
Position held:	Elected director
Special responsibilities:	Chair of Finance Committee
Qualifications:	Bachelor of Business Accounting
Experience and expertise:	Fellow of CPA Australia. Senior executive and finance roles within commercial enterprises and extensive experience in finance, governance, risk, leadership and strategy.
Director's name:	Carina Turner
Position held:	Elected director
Special responsibilities:	Member of Quality Governance Committee
Qualifications:	Bachelor of Nursing Masters of Business Administration
Experience and expertise:	Clinical and business background, with over 25 years' experience running a small business, managing staff, and financial and governance compliance.
Director's name:	Bruce Hurley
Position held:	Elected director
Special responsibilities:	Member of Finance Committee
Qualifications:	Bachelor of Engineering Post Graduate Diploma's in Education and Health Administration
Experience and expertise:	Extensive experience in boards and governance, senior management, community health, Aboriginal health, liaising with government and community development, including 27 years as CEO of community health centres.
Director's name:	Carmel Gillies
Position held:	Appointed director
Special responsibilities:	Member of Quality Governance Committee
Qualifications:	Bachelor of Science

Gippsland Lakes Complete Health Limited
Directors' report
30 June 2023

Experience and expertise: Over 20 years of experience in global manufacturing organisations across various industries. Experience in business processes including safety, risk, quality and process improvement, as well as financial, project and operations management.

Director's name: **Mathew Scott**
 Position held: Appointed director
 Special responsibilities: Member of Finance Committee
 Qualifications: Bachelor of Business (Accounting)
 Bachelor of Applied Science (Mathematics)
 Experience and expertise: A fellow of CPA Australia and a Graduate of the AICD. Extensive financial management and accounting skills, strategic leadership, managing successful teams and delivering outcomes.

Company Secretary

Anne-Maree Kaser has held the role of Company Secretary since 19th July 2021. Anne-Maree is the Chief Executive Officer (CEO) of the company and has over 18 years of experience in CEO and senior management roles. Anne-Maree has a Diploma of Nursing, a Graduate Diploma of Human Services Management, and a certificate in Governance for Not-For Profits.

Leadership and management responsibilities include Strategy Development and Strategic Planning, Governance Advice, Policy Development, Risk Management, Management of Operations, Financial Performance Management and Asset Management, Client Service Management, Human Resources, Organisational Profile, Stakeholder Management and Public Relations.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Board		Finance Committee		Quality and Governance Committee	
	Attended	Held/Eligible	Attended	Held/Eligible	Attended	Held/Eligible
Carol Ross	10	10	7	7	-	-
Glenn Hodges	9	10	-	-	5	6
Robyn Cooney	8	10	-	-	5	6
Andrew Stuart-Murray	8	10	6	7	-	-
Carina Turner	9	10	2	2	4	4
Bruce Hurley	10	10	5	5	2	2
Carmel Gillies	9	10	-	-	5	6
Mathew Scott	9	10	7	7	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Gippsland Lakes Complete Health Limited
Directors' report
30 June 2023

Contribution on winding up

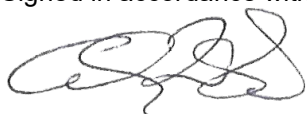
Gippsland Lakes Complete Health Limited is a company limited by guarantee. In the event of the company being wound up, ordinary members are required to contribute a maximum of \$1 each.

The total amount that members of the company are liable to contribute if the company is wound up is \$170, based on 170 ordinary members.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-For-Profit Commission Act 2012*, for the year ended 30 June 2023 has been received and can be found on page 5 of the financial report.

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

A handwritten signature in black ink, consisting of several loops and flourishes, positioned above a horizontal line.

Chair
12 October 2023

Lakes Entrance

Auditor-General's Independence Declaration

To the Board of Directors, Gippsland Lakes Complete Health Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Gippsland Lakes Complete Health Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
25 October 2023



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Gippsland Lakes Complete Health Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue and Income			
Government contributions			
- State government grants		22,490,378	23,563,368
- Commonwealth government grants		3,197,144	2,758,608
- Other grants		7,097,956	6,114,924
Fees for service - agencies		29,608,473	27,261,279
Fees - clients		1,632,329	1,564,401
Other income		713,312	406,825
Salary reimbursements		-	17,795
	3	64,739,592	61,687,200
Interest revenue calculated using the effective interest method		745,034	69,992
Expenses			
Client costs	4	(18,871,654)	(17,636,333)
Contract services		(643,353)	(772,853)
Depreciation and amortisation expense	4	(1,407,919)	(1,096,436)
Employee benefits expense	4	(36,960,166)	(34,354,853)
Finance costs	4	(8,049)	(3,043)
Health promotion expenses		(377,432)	(560,004)
Information technology expenses		(1,363,460)	(1,238,012)
Medical supplies		(93,494)	(110,290)
Motor vehicle expenses		(416,837)	(458,666)
Non-capital equipment purchases		(222,304)	90,106
Occupancy costs		(392,944)	(360,297)
Office expenses		(1,095,109)	(1,024,620)
Professional fees		(136,730)	(174,736)
Repairs and maintenance expenses		(41,829)	(255,388)
Staff expenses		(661,904)	(559,219)
Gain/(loss) from sale of property, plant and equipment	4	80,454	(169,674)
Total expenses		(62,612,730)	(58,684,318)
Surplus before income tax expense		2,871,896	3,072,874
Income tax expense	1(d)	-	-
Surplus after income tax expense for the year attributable to the members of Gippsland Lakes Complete Health Limited		2,871,896	3,072,874
Other comprehensive income			
Changes to financial assets revaluation reserve	8 & 15	-	-
Total comprehensive income for the year attributable to the members of Gippsland Lakes Complete Health Limited		2,871,896	3,072,874

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

Gippsland Lakes Complete Health Limited
Statement of Financial Position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	11,539,828	11,860,445
Trade and other receivables	6	3,539,038	1,569,984
Other financial assets	7	10,957,034	10,744,266
Total current assets		26,035,900	24,174,695
Non-Current Assets			
Property, plant and equipment	8	17,877,958	17,355,107
Right of use assets	9	213,021	236,226
Intangible assets	10	653,719	802,591
Total non-current assets		18,744,698	18,393,924
Total assets		44,780,598	42,568,619
Liabilities			
Current liabilities			
Trade and other payables	11	1,671,874	2,216,501
Contract liabilities	12	5,722,478	7,025,657
Lease liabilities	13	183,633	103,214
Provisions	14	6,768,847	5,700,538
Total current liabilities		14,346,832	15,045,910
Non-Current liabilities			
Lease liabilities	13	31,358	133,854
Provisions	14	921,813	780,156
Total non-current liabilities		953,171	914,010
Total liabilities		15,300,003	15,959,920
Net assets		29,480,595	26,608,699
Equity			
Retained surplus		22,452,194	19,580,298
Development fund	15(a)	2,861,429	2,861,429
Asset revaluation reserve	15(b)	4,166,972	4,166,972
Total equity		29,480,595	26,608,699

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

Gippsland Lakes Complete Health Limited
Statement of Changes in Equity
For the year ended 30 June 2023

	Retained surplus	Development fund	Asset revaluation reserve	Total equity
	\$	\$	\$	\$
Balance at 1 July 2021	16,507,424	2,861,429	4,166,972	23,535,825
Surplus after income tax expense for the year	3,072,874	-	-	3,072,874
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	3,072,874	-	-	3,072,874
Balance at 30 June 2022	19,580,298	2,861,429	4,166,972	26,608,699
Balance at 1 July 2022	19,580,298	2,861,429	4,166,972	26,608,699
Surplus after income tax expense for the year	2,871,896	-	-	2,871,896
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	2,871,896	-	-	2,871,896
Balance at 30 June 2023	22,452,194	2,861,429	4,166,972	29,480,595

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

Gippsland Lakes Complete Health Limited
Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Grants received		31,482,299	29,533,366
Fees received		29,271,748	29,483,803
Other receipts from customers		713,312	424,620
Payments to suppliers and employees		(60,815,034)	(57,453,012)
		<u>652,325</u>	<u>1,988,777</u>
Interest received		745,034	69,992
Net GST received		203,156	156,600
Net cash inflow from operating activities		<u>1,600,515</u>	<u>2,215,369</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		40,665	44,118
Payments for property, plant and equipment		(1,718,904)	(1,783,902)
Payments for intangible assets		-	-
Net proceeds from / (purchase of) other financial assets		(212,768)	(816,554)
Net cash outflow from investing activities		<u>(1,891,007)</u>	<u>(2,556,338)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(30,125)	(117,019)
Net cash outflow from financing activities		<u>(30,125)</u>	<u>(117,019)</u>
Net increase/decrease in cash and cash equivalents		<u>(320,617)</u>	<u>(457,988)</u>
Cash and cash equivalents at the beginning of the financial period		11,860,445	12,318,433
Cash and cash equivalents at the end of the financial period	5	<u><u>11,539,828</u></u>	<u><u>11,860,445</u></u>

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

Gippsland Lakes Complete Health Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies

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

(a) New or amended Accounting standards and Interpretation adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations.

The financial statements are prepared on a going concern basis.

Historical cost convention

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, except for the cash flow statement, whereby assets, liabilities, equity, income, and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

All amounts shown in the financial statements have been rounded to the nearest dollar, unless otherwise stated.

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

(c) Revenue and income recognition

The company recognises revenue as follows:

Fee for service revenue

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: 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, rebates 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 recognised as a refund liability.

Note 1. Significant accounting policies (continued)

(c) Revenue recognition (continued)

Donations

Donations are recognised at the time the pledge is made.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(d) Income tax

As the Company is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

(e) 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 Company'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 Company'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 unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(f) 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.

(g) Trade and other receivables

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

(h) Other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Note 1. Significant accounting policies (continued)

(h) Other financial assets (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's 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.

(i) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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 or diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

	Depreciation rates	Depreciation Method
Buildings	2.5%	Prime cost
Plant and equipment	10% - 33.33%	Prime cost
Motor vehicles	20%	Diminishing value

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. There were no changes to the depreciation rates during the reporting period.

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 company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(j) 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.

Note 1. Significant accounting policies (continued)

(j) Right-of-use assets (continued)

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 company 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 company 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.

(k) Intangible assets

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.

Software

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

(l) Impairment of non-financial assets

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.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company 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 30-60 days of recognition.

(n) Contract liabilities

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

(o) 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 interest rate implicit in the lease or, if that rate cannot be readily determined, the company'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. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

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.

Note 1. Significant accounting policies (continued)

(p) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual 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 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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(q) 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 that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(r) Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the 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.

(s) Economic dependence

Gippsland Lakes Complete Health Limited is dependent on the Department of Health, Department of Families, Fairness and Housing, Department of Education and Training, Early Childhood Development and the Commonwealth Department of Health and Ageing for the majority of its revenue to provide services. At the date of this report the Board of Directors has no reason to believe that those sources of revenue will not continue.

(t) Client costs

Client costs represent expenses paid for on behalf of our clients. General client costs are predominantly provided for clients under the National Disability Insurance Scheme (NDIS). Home care package client costs are provided under the Australian Government home care package subsidy.

(u) Comparative figures

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

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the 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.

Identifying performance obligations

The company applies significant judgment when reviewing funding agreements and contracts to determine if there are sufficiently specific and enforceable performance obligations. If met, the contract/funding agreement is treated as a contract with a customer and recognised as revenue as or when the transfer of goods or services to customers occurs. If this criteria is not met, funding is recognised immediately in the net result from operations.

Determining timing of revenue recognition

The company applies significant judgement to determine when a performance obligation has been met and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over-time.

Contract liabilities

The company assesses the grants in advance and unexpended grants by reference to the conditions attached to the grants and the timing of the receipt of grant monies in accordance with the accounting policy disclosed in Note 1(c).

Estimation of useful lives of assets

The company 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.

Fair value of land and buildings

The valuation of land and buildings involves various assumptions which are used by valuation experts which include useful lives and current market prices.

Impairment of non-financial assets

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company 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.

Employee benefits provision

As discussed in Note 1(p), 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.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the simplified approach permitted by AASB 9 *Financial Instruments*, which is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates. The Board of Directors believe that all trade receivables are recoverable with the exception of \$5,000 (2022: \$5,000) which has been regarded as doubtful.

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 consolidated entity'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 consolidated entity 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 consolidated entity 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.

Gippsland Lakes Complete Health Limited
Notes to the financial statements
30 June 2023

Note 3. Revenue

2023

2022

\$

\$

Disaggregation of revenue and income

The disaggregation of revenue and income from contracts with customers is as follows:

State government grants

- Department of Families, Fairness and Housing	21,136,552	22,306,597
- Department of Education and Training	1,353,826	1,256,771
	<u>22,490,378</u>	<u>23,563,368</u>

Commonwealth government grants - Department of Health

Other grants

Fee for service - agencies

Fees - clients

Other income

Total revenue

3,197,144

2,758,608

7,097,956

6,114,924

29,608,473

27,261,279

1,632,329

1,564,401

713,312

424,620

64,739,592

61,687,200

The disaggregation of revenue from other grants is as follows:

Other grants

Services Australia

Department of Health - Commonwealth

East Gippsland Shire Council

Latrobe Community Health Service

Gippsland Primary Health Network

Department of Justice

Victoria Health Building Authority

Anglicare

Other

Total Other grants

1,532,669

1,488,115

1,320,825

1,259,959

527,651

736,881

796,205

791,707

440,464

343,739

1,836,753

417,844

142,700

419,900

236,580

-

264,109

656,779

7,097,956

6,114,924

Note 4. Expenses

Surplus before income tax includes the following specific expenses:

Client costs

- General client costs

- Home care package client costs

12,171,553

12,098,262

6,700,101

5,538,071

18,871,654

17,636,333

Depreciation and amortisation expense

- Buildings

- Plant and equipment

- Motor vehicles

- Right-of-use asset

- Software

318,713

273,003

406,799

372,053

261,071

188,612

272,464

113,897

148,872

148,871

1,407,919

1,096,436

Employee benefits expense

- Salaries and wages

- Defined contribution superannuation expense

33,661,123

31,351,031

3,299,043

3,003,822

36,960,166

34,354,853

Finance costs

- Interest and finance charges paid/payable on lease liabilities

8,049

3,043

Gippsland Lakes Complete Health Limited
Notes to the financial statements
30 June 2023

Note 4. Expenses (continued)

	2023	2022
	\$	\$
<i>Leases</i>		
- Residential accommodation	67,488	68,089
- Vehicle leases	103,450	235,189
	<u>170,938</u>	<u>303,278</u>

Residential accommodation relates to employee accommodation while delivering services in rural and remote areas. The company leases seven motor vehicles.

Gain/(loss) from sale of property, plant and equipment	80,454	(169,674)
--	--------	-----------

Note 5. Cash and cash equivalents

Current

Cash at bank	11,537,848	11,856,765
Cash on hand	1,980	3,680
Term deposit - Term of maturity less than 90 days	-	-
	<u>11,539,828</u>	<u>11,860,445</u>

Note 6. Trade and other receivables

Current

Trade receivables	1,472,847	686,035
Allowance for expected credit losses	(5,000)	(5,000)
	<u>1,467,847</u>	<u>681,035</u>
Other receivables	2,071,191	888,949
	<u>3,539,038</u>	<u>1,569,984</u>

Note 7. Other financial assets

Current

Term deposits - Term of greater than 90 days	5,750,000	5,750,000
Other Financial Investments	5,207,034	4,994,266
	<u>10,957,034</u>	<u>10,744,266</u>

Gippsland Lakes Complete Health Limited
Notes to the financial statements
30 June 2023

Note 8. Property, plant and equipment

	2023	2022
	\$	\$
Non-current		
<i>Land:</i>		
At fair value	4,265,000	4,020,000
	<u>4,265,000</u>	<u>4,020,000</u>
<i>Buildings:</i>		
Buildings at fair value	11,240,945	10,309,600
Buildings at cost	-	-
Leasehold improvements at cost - Bruthen	16,322	16,322
Leasehold improvements at cost - Children's Centre	657,358	534,093
Accumulated depreciation	(592,407)	(273,694)
	<u>11,322,218</u>	<u>10,586,321</u>
<i>Total land and buildings</i>	<u>15,587,218</u>	<u>14,606,321</u>
<i>Plant and equipment:</i>		
At cost	3,181,257	2,916,601
Accumulated depreciation	(2,149,505)	(1,870,076)
	<u>1,031,752</u>	<u>1,046,525</u>
<i>Motor vehicles:</i>		
At cost	2,011,996	1,833,408
Accumulated depreciation	(810,327)	(770,564)
	<u>1,201,669</u>	<u>1,062,844</u>
<i>Work in progress:</i>		
Work in progress - buildings	57,319	639,417
	<u>57,319</u>	<u>639,417</u>
Total property, plant and equipment	<u>17,877,958</u>	<u>17,355,107</u>

Gippsland Lakes Complete Health Limited
Notes to the financial statements
30 June 2023

Note 8. Property, plant and equipment

Reconciliations

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

	Land	Buildings	Plant and Equipment	Motor Vehicles	Work in progress	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	4,020,000	10,897,959	888,185	809,670	2,850	16,618,664
Additions	-	54,576	531,081	561,678	636,567	1,783,902
Disposals/Write offs	-	(93,211)	(689)	(119,892)	-	(213,792)
Depreciation expense	-	(273,003)	(372,052)	(188,612)	-	(833,667)
Balance at 30 June 2022	4,020,000	10,586,321	1,046,525	1,062,844	639,417	17,355,107
Balance at 1 July 2022	4,020,000	10,586,321	1,046,525	1,062,844	639,417	17,355,107
Additions	245,000	424,332	394,283	486,139	48,180	1,597,934
Transfer from WIP	-	630,278	-	-	(630,278)	-
Disposals/Write offs	-	-	(2,257)	(86,243)	-	(88,500)
Depreciation expense	-	(318,713)	(406,799)	(261,071)	-	(986,583)
Balance at 30 June 2023	4,265,000	11,322,218	1,031,752	1,201,669	57,319	17,877,958

Land and buildings were revalued by Lee Property Valuers and Advisors, C. Jordan FAPI. The valuation, which conforms to Australian valuation standards in compliance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment, was determined by reference to the 'highest and best use' of the asset. The effective date of the valuation was at 30 June 2021.

Management conducted an annual assessment of the fair value of land and buildings. To facilitate this management obtained from the Department of Treasury and Finance, the Valuer General Victoria (VGV) indices for the financial year ended 30 June 2023.

Management regards the VGV indices to be a reliable and relevant data set to form the basis for the estimates.

Since the cumulative movement in the fair value of land and buildings is less than or equal to 10%, no managerial revaluation was required in FY22/23.

Gippsland Lakes Complete Health Limited
Notes to the financial statements
30 June 2023

Note 9. Right-of-use asset

	2023	2022
	\$	\$
Non-current		
<i>Leased motor vehicles:</i>		
At cost	649,768	400,509
Accumulated depreciation	(436,747)	(164,283)
	<u>213,021</u>	<u>236,226</u>
Total right-of-use assets	<u>213,021</u>	<u>236,226</u>

Reconciliations

Reconciliations of the fair values at the beginning and end of the current and previous financial period are set out below:

	Motor vehicles	Total
	\$	\$
Balance at 1 July 2021	44,641	44,641
Additions	305,482	305,482
Depreciation expense	(113,897)	(113,897)
Balance at 30 June 2022	<u>236,226</u>	<u>236,226</u>
Balance at 1 July 2022	236,226	236,226
Additions	249,259	249,259
Depreciation expense	(272,464)	(272,464)
Balance at 30 June 2023	<u>213,021</u>	<u>213,021</u>

Note 10. Intangible assets

	2023	2022
	\$	\$
Non-current		
<i>Software:</i>		
At cost	1,488,769	1,488,769
Accumulated amortisation	(835,050)	(686,178)
Total intangible assets	<u>653,719</u>	<u>802,591</u>

Reconciliations

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

	Software	Total
	\$	\$
Balance at 1 July 2021	951,462	951,462
Additions	-	-
Amortisation expense	(148,871)	(148,871)
Balance at 30 June 2022	<u>802,591</u>	<u>802,591</u>
Balance at 1 July 2022	802,591	802,591
Additions	-	-
Amortisation expense	(148,872)	(148,872)
Balance at 30 June 2023	<u>653,719</u>	<u>653,719</u>

Gippsland Lakes Complete Health Limited
Notes to the financial statements
30 June 2023

Note 11. Trade and other payables

	2023	2022
	\$	\$
Current		
<i>Unsecured liabilities</i>		
Trade payables	459,198	607,404
Net GST payable	726,436	523,280
Accrued expenses and other payables	473,634	1,073,211
Trust scholarship	12,606	12,606
	1,671,874	2,216,501

Note 12. Contract liabilities

Current

Grants in advance

State government grants - Department of Families, Fairness and Housing	986,021	524,186
Commonwealth government grants - Department of Health	584,643	-
Other grants	692,738	864,733
Other income	41,202	43,176
	2,304,604	1,432,095

Unexpended grants

State government grants - Department of Families, Fairness and Housing	2,680,725	4,346,076
Commonwealth government grants - Department of Health	133,724	-
Other grants	174,783	276,377
Fee for service - agencies	428,642	967,365
Other income	-	3,744
	3,417,874	5,593,562

Total contract liabilities

5,722,478 **7,025,657**

Grants in advance and unexpended grants are expected to be recognised as revenue within 12 months.

Grants in advance are for programs that have not yet commenced during the period, unexpended grants are for programs that have commenced but not yet been completed.

Note 13. Lease liabilities

Current

Lease liabilities	183,633	103,214
-------------------	---------	---------

Non-current

Lease liabilities	31,358	133,854
-------------------	--------	---------

Total lease liabilities

214,991 **237,068**

The company currently leases three motor vehicles. There is no interest rate implicit in the leases. The incremental borrowing rate applied has been assessed as being 3.9%.

Lease commitments		
Payable within 1 year	185,742	104,715
Payable 1 to 5 years	31,362	134,389
Total payable	217,104	239,104
Less future interest costs	(2,113)	(2,036)
Lease liability	214,991	237,068

Gippsland Lakes Complete Health Limited
Notes to the financial statements
30 June 2023

Note 14. Provisions	2023	2022
	\$	\$
Current		
Annual leave	2,371,892	2,277,491
Accrued salaries	1,600,139	1,192,898
Long service leave	2,643,643	2,099,126
Other	153,173	131,023
	<u>6,768,847</u>	<u>5,700,538</u>
Non-current		
Long service leave	921,813	780,156
	<u>921,813</u>	<u>780,156</u>
Total provisions	<u>7,690,660</u>	<u>6,480,694</u>
(1) Current		
Unconditional and expected to be settled within 12 months	4,389,569	3,811,324
Unconditional and expected to be settled after 12 months	2,379,278	1,889,214
	<u>6,768,847</u>	<u>5,700,538</u>
(2) Non-current		
Conditional long service leave entitlements	<u>921,813</u>	<u>780,156</u>

Note 15. Reserves

(a) Development Fund

The development fund reserve relates to post 30 June 2012 surplus funds set aside for future capital developments/business initiatives.

(b) Revaluation Reserve

The revaluation reserve relates to the revaluation of land and buildings carried at fair value and is represented by:

Land	1,758,270	1,758,270
Buildings	2,408,702	2,408,702
	<u>4,166,972</u>	<u>4,166,972</u>

Note 16. Key management personnel disclosure

Compensation

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

Total remuneration	<u>1,590,795</u>	<u>1,691,373</u>
--------------------	------------------	------------------

Note 17. Contingent liabilities and contingent assets

The Company had no contingent liabilities or contingent assets as at 30 June 2023 or 30 June 2022.

Gippsland Lakes Complete Health Limited
Notes to the financial statements
30 June 2023

Note 18 Commitments

(a) Capital commitments

The company had no capital commitments as at 30 June 2023 or 30 June 2022.

(b) Commitments for expenditure

The company had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

Note 19. Related party transactions

(a) Key management personnel

Key Management Personnel ("KMP") are those people with the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The Board of Directors, Chief Executive Officer and the Executive Managers of the Company are deemed to be KMPs.

Disclosures relating to key management personnel are set out in note 16.

(b) Transactions with related parties

Outside of ordinary business operation transactions with the Company, there were no related parties transactions that involved key management personnel, their close family members and their personal business interest. No provision has been required, nor any expense recognised, for impairment of receivables from related parties (2022: None noted).

Note 20. Events after reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 21. Company Details

The registered office and principal places of business of the Company are:

Registered office:

18-28 Jemmeson Street
LAKES ENTRANCE VIC 3909

Principal places of business:

18-28 Jemmeson Street
LAKES ENTRANCE VIC 3909

281-285 Main Street
BAIRNSDALE VIC 3875

Gippsland Lakes Complete Health Limited
Directors' Declaration
30 June 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance and cash flows for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Carol Ross
Chair

12 October 2023
Lakes Entrance

Independent Auditor's Report

To the Directors of Gippsland Lakes Complete Health Limited

Opinion	<p>I have audited the financial report of Gippsland Lakes Complete Health Limited (the company) which comprises the:</p>
	<ul style="list-style-type: none"> • statement of financial position as at 30 June 2023 • statement of profit or loss and other comprehensive income for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • directors' declaration.
	<p>In my opinion the financial report is in accordance with Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p>
	<ul style="list-style-type: none"> • giving a true and fair view of the financial position of the company as at 30 June 2023 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards – Simplified Disclosures Requirements and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2022</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p>
	<p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p>
	<p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p>
	<p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.


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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
25 October 2023



Sanchu Chummar

as delegate for the Auditor-General of Victoria