

# Annual Financial Report Financial Report for the year ended 30 June 2023







## Banyule Community Health

ABN 87 776 964 889

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#### For the year ended 30 June 2023

The Board of Directors of Banyule Community Health presents its report together with the financial report of the Company for the financial year ended 30 June 2023 and auditors' report thereon.

#### Information on directors

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

**Michael Smith** 

Qualifications Michael lives locally and joined the Banyule Community Health Board of Directors in 2015.

Michael trained as a youth worker (BA), has postgraduate qualifications (Master of Social Work)

and is a graduate member of the Australian Institute of Company Directors.

Experience Michael has professional experience in youth work, homelessness, local government,

community development, health justice and management.

Michael is currently the CEO of Eastern Community Legal Centre, a former Chair of the National Association of Community Legal Centres and the current Board Chair of knowmore, a national community legal centre providing free legal advice and support to the survivors of child sexual

Special

Chair of the Board; Chair of the Strategic Directions Committee; Member of the Finance, responsibilities

Investment, Audit and Risk Committee; Member of the Community Participation Committee.

**Craig Trenfield** 

Qualifications Craig is a member of the Institute of Chartered Accountants and the Australian Health Services

Financial Management Association (AHSFMA) and holds a Bachelor of Business and a Graduate

Diploma in Accounting.

Experience Craig joined the Banyule Community Health Board of Directors on 1 April 2012. Craig is an

experienced financial executive with expertise in the Public Health sector having begun his

career in health in 1995 when he joined Royal Melbourne Hospital.

He later moved to Northern Health as the Finance Manager before taking up his current role in 2006 as Director Financial Services with Eastern Health. Prior to this, Craig spent many years as an Auditor with Coopers & Lybrand, both in Australia and Edinburgh, Scotland. Craig is also a

member of the Australian Institute of Company Directors.

Special

responsibilities

Treasurer of the Board of Directors; Chair of the Finance, Investment, Audit & Risk Committee.

**Anthony O'Donnell** 

Qualifications

Bachelor of Nursing (Honours) and a Masters of Health Administration.

Experience

Anthony is Divisional Director of Perioperative and Critical Care at Western Health. His background is as a registered nurse specialising in oncology and haematology and he is also

experienced in managing health sector capital and IT projects.

Anthony has significant experience working in both the acute and sub-acute health sectors in clinical, project management, strategic and operational management roles. Anthony has lived in Banyule for over 40 years. Anthony was appointed to the Board of Directors in 2011. Anthony is

also a member of Australian Institute of Company Directors.

Special

responsibilities

Deputy Chair of the Banyule Community Health Board of Directors: Chair of the Clinical

Governance Committee; Member of the Strategic Directions Committee.

#### For the year ended 30 June 2023

#### Sonia Vignjevic

Qualifications

Bachelor of Arts (major in Psychology and Human Movement), Graduate Diploma in International Law, Post Graduate Certificate in Trauma Counselling and Psychotherapy, Registered Migration Agent and former Victorian Multicultural Commissioner.

Experience

Sonia is an executive manager with over 20 years' experience within the multicultural, migration and settlement sectors. She has strong leadership, strategic and stakeholder engagement skills; and a proven track record in developing and maintaining effective partnerships with International bodies, Government, academia and civil society.

Sonia is passionate about building inclusive communities. Loves spending time with her 3 beautiful kids and husband, going to the beach, entertaining family and friends, and dining out exploring different local cuisines.

She is currently the State Director & General Manager Clients, Partnerships & Business Growth at Settlement Services International, panel member of the Australian Financial Complaints Authority Advisory committee, Member of the UNHCR's NGO Partnership Branch Network, member of the Diaspora Humanitarian Advisory Board — Australian Council Linkage Project on Diaspora Humanitarians: How Australia-based migrants help in crises abroad.

Special responsibilities

Member of the Board; Member of the Finance, Investment, Audit & Risk Committee.

#### **Stephen Bendle**

Qualifications

Stephen holds a Bachelor of Education and a Master of Science. He is also a Graduate of the Australian Institute of Directors.

Experience

Stephen joined the Banyule Community Health Board of Directors on 1 April 2021. He is an experienced executive within the public health and community development sectors. He had his own national business working in the corporate health field before becoming the National Director of the peak body for organ and tissue donation. He went on to have senior roles within the YMCA, including being the CEO of YMCA's in Victoria, NSW and Ballarat.

After leaving the YMCA in 2016 he has been a public health consultant working mainly for profit-for-purpose organisations. He is currently an Advocacy Advisor for the Alannah & Madeline Foundation and the General Manager of Dolly's Dream.

He is currently also on the Eastern Health Community Advisory Committee.

Special responsibilities

Member of the Board; Member of the Clinical Governance Committee; Member of the Strategic Directions Committee.

#### Jessica Walker

Qualifications Experience Bachelor of Media Studies (Journalism); Master of Communication (Public Relations)
Jessica is deeply committed to social policy, building inclusive communities and equal access to services. Jessica has more than 20 years' experience in leadership roles in the Federal and Government and in the not-for-profit sector. Jessica brings experience in policy, communication and stakeholder relations.

She lives locally with her husband and two children and enjoys camping and getting out to hike in the bush. Jessica has been a Banyule Community Health Board Director since 2022.

Special responsibilities

Member of the Board; Member of the Strategic Directions Committee

**BANYULE COMMUNITY HEALTH** 

#### For the year ended 30 June 2023

#### **Shannon Gleeson**

Qualifications Bachelor of Nursing (Honours), Post Graduate Certificate in Leadership

Experience Shannon joined the Board of Directors in November 2022. She is passionate about ensuring

community have equitable access to high quality, inclusive and culturally safe healthcare and utilises her strong strategic analysis skills to engage stakeholders, government, and private sectors to enable this to occur. She believes in making positive changes that empower First Nations peoples' to achieve their full potential. She has established a successful career in nursing, with leadership roles within the public health system and she is currently working in the

not-for-profit space.

Shannon is a proud Wiradjuri woman who has lived locally on Wurundjeri Woi Wurrung land for the past 20 years. She enjoys gardening, netball, taking trips back to country and barracks for

Sydney Swans and Canberra Raiders.

Special responsibilities

Member of the Board; Member of the Clinical Governance Committee; Member of the

Community Participation Committee

**Anita Wilton** 

Qualifications Professional Certificate in Healthcare Management; Australian Applied Management Colloquium;

Graduate Certificate Diabetes Education and Health Care; Graduate Certificate Enteral Therapy; Graduate Diploma Health Education; Graduate Diploma Dietetics; Bachelor of Science (Nutrition)

Experience Anita is a respected healthcare leader who has undertaken roles in executive level operations,

professional and clinical governance and direct patient care in hospital and community health care. Her work has included partnering with other health services and agencies to improve patient care

and health outcomes.

Anita is a long-term resident of Banyule, and while her children were growing up, was actively involved in their playgroups, kindergarten, and school committees. She loves spending time with

her family and taking the dog to the various parks and river walking tracks in the area.

Special

responsibilities

Member of the Board; Member of the Finance, Investment, Audit & Risk Committee

**Chris Deakin** Left the Board of Directors at the end of November 2022

Qualifications Bachelor of Economics, Diploma Financial Services (Financial Planning), Graduate Australian

Institute of Company Directors

Experience Chris has lived in the Banyule area for over 25 years and has served the community through

terms as Treasurer and President at Heidelberg Primary School and Councillor and President at

Viewbank College.

Chris' professional career has seen over 25 years in financial services. Chris joined the Banyule

Community Health Board of Directors in October 2013.

Special Chair of the Board of Directors; Member of the Finance, Investment, Audit & Risk Committee;

responsibilities Member of the Strategic Directions Committee.

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

For the year ended 30 June 2023

#### **Company secretary**

The following person held the position of Company secretary at the end of the financial year:

Michael Geary (BSW, BA, Member Australian Institute of Company Directors) has been company secretary since November 2016. In addition to his role as Company Secretary, Michael has been the CEO since November 2016.

#### **Principal activities**

The principal activity of Banyule Community Health during the financial year was the provision of health, welfare and community legal services.

#### Members guarantee

Banyule Community Health is a company limited by guarantee.

In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$1 for members that are corporations and \$1 for all other members, subject to the provisions of the Company's constitution.

At 30 June 2023 the collective liability of members was \$195 (2022: \$466).

#### **Operating results**

The surplus of the Company for the financial year amounted to \$1,966,200 (2022: \$1,279,857).

#### COVID-19

Consistent with the prior year, COVID-19 has had no negative financial impact on the operations of Banyule Community Health With COVID-19 safety protocols in place, Banyule Community Health continued to operate and provide services to clients and meet key contractual funding targets.

During the financial year, Banyule Community Health: -

- Maintained work from home arrangements where appropriate.
- Continued use of telehealth services.
- Provided a range of COVID-19 responses on behalf of the state and federal governments.

#### **Meetings of directors**

During the financial year, 25 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

						Committee	Meeting	5		
Directors	Board of	Directors	,	Investment, t & Risk		nical rnance		munity ipation	Strategio	Directions
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Michael Smith	12	12	9	9	0	0	3	3	1	1
Craig Trenfield	12	12	9	9	0	0	0	0	0	0
Anthony O'Donnell	12	11	0	0	4	3	0	0	1	1
Sonia Vignjevic	12	7	5	3	2	1	0	0	0	0
Stephen Bendle	12	8	0	0	4	2	0	0	1	1
Shannon Gleeson	9	9	0	0	2	2	1	1	0	0
Jessica Walker	9	8	0	0	0	0	0	0	0	0
Anita Wilton	6	5	5	4	0	0	0	0	0	0

For the year ended 30 June 2023

#### **Auditors' Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2023 has been received.

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

Michael Smith
Chair

Craig Trenfield
Treasurer

Dated this 11th day of September 2023

(A company limited by guarantee and registered with the ACNC)

## Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Revenue	3	26,731,295	26,871,655
Employee benefits expense		(19,335,277)	(20,410,751)
Depreciation and amortisation expense	4(a)	(481,046)	(507,085)
Client programs & medical expenses		(3,643,447)	(2,626,614)
Motor vehicle & travel expenses		(36,695)	(50,065)
Repairs & maintenance expenses		(350,957)	(306,745)
Equipment purchases		(59,809)	(136,294)
Printing & stationery expenses		(189,057)	(221,850)
Other expenses		(1,269,241)	(1,048,183)
Finance Revenue	3(d)	689,823	225,254
Finance costs	4(b)	(59,389)	(509,465)
Surplus from operations	17	1,996,200	1,279,857
Other comprehensive income			
·			
Items that will not be reclassified subsequently to profit or loss			<del>-</del>
Items that will be reclassified to profit or loss when specific conditions			
are met			-
	_		
Other comprehensive income for the year	_	<u>-</u>	
Total comprehensive income/(loss) for the year	_	1,996,200	1,279,857



## Statement of financial position

As at 30 June 2023

	Note	2023	2022
		\$	\$
Assets			
Cash and cash equivalents	5	8,625,716	8,471,119
Trade and other receivables	7	738,254	1,142,330
Contract assets	6	935,337	1,044,839
Other financial assets	8	5,991,784	4,916,433
Other assets	9	33,510	69,907
Total Current Assets	<u>-</u>	16,324,601	15,644,628
Property, plant, and equipment	10	2,246,910	2,338,996
Right of use assets	11	91,814	48,915
Intangible assets	12	-	6,716
Total Non-Current Assets		2,338,724	2,394,627
Total Assets	_	18,663,325	18,039,255
Liabilities			
Trade and other payables	13	1,639,185	2,625,836
Employee benefits	14	2,861,317	2,760,488
Contract liabilities	15	1,687,653	2,220,248
Lease liabilities	16	49,761	19,848
Total Current Liabilities	_	6,237,916	7,626,420
Employee benefits	14	507,239	507,254
Lease liabilities	16	45,203	28,814
Total Non-Current Liabilities	_	552,442	536,068
Total Liabilities	_	6,790,358	8,162,488
Net Assets	_	11,872,967	9,876,767
Equity			
Retained earnings	17	11,872,967	9,876,767
Total Equity	_	11,872,967	9,876,767





## Statement of changes in equity

For the year ended 30 June 2023

2023	Note	Retained Earnings \$	<b>Total</b> \$
Balance at 1 July 2022  Net surplus/(deficit) for the year		9,876,767 1,996,200	9,876,767 1,996,200
Balance at 30 June 2023	17 _	11,872,967	11,872,967
2022	Note	Retained Earnings \$	<b>Total</b> \$
Balance at 1 July 2021  Net surplus/(deficit) for the year		8,596,910 1,279,857	8,596,910 1,279,857
Balance at 30 June 2022	17	9,876,767	9,876,767



### Statement of cash flows

For the year ended 30 June 2023

	Note	<b>2023</b> \$	<b>2022</b> \$
Cash flows from operating activities:			
Receipts from clients and government grants		27,010,257	26,072,915
Payments to suppliers and employees GST inclusive		(25,965,208)	(23,767,488)
Dividends received		205,362	168,210
Interest received		179,732	613
Finance costs		(59,389)	(509,465)
Net cash provided by operating activities	21(b)	1,370,754	1,964,785
Cash flows from investing activities:			
Proceeds from sale of investments		1,145,640	2,068,215
Acquisitions of investments		(1,980,190)	(1,805,176)
Proceeds from sale of property, plant and equipment		13,364	-
Payments for intangible assets		_	_
Purchase of property, plant and equipment		(341,296)	(435,115)
Net cash (used in) investing activities	_	(1,162,482)	(172,076)
Cash flows from financing activities:			
Payment of lease liabilities		(53,675)	(56,548)
Net cash used in financing activities		(53,675)	(56,548)
Net increase (decrease) in cash and cash equivalents held		154,597	1,736,161
Cash and cash equivalents at beginning of financial year	_	8,471,119	6,734,958
Cash and cash equivalents at end of financial year	21(a)	8,625,716	8,471,119



(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

The financial report covers Banyule Community Health as an individual entity. Banyule Community Health is a not-for-profit Company limited by guarantee, incorporated, and domiciled in Australia.

#### 1 Basis of preparation

#### Statement of compliance

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

These financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures.

#### Basis of accounting preparation and measurement

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

The financial statements are prepared on a going concern basis. These financial statements are presented in Australian dollars, the functional and presentation currency of Banyule Community Health.

#### Rounding

All amounts shown in the financial statements are expressed to the nearest \$1 unless otherwise stated.

#### **Comparative Information**

Where necessary, the previous year's figures have been reclassified to facilitate comparison.

#### **Critical accounting estimates and judgments**

In preparing this financial report, directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Significant accounting policies

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 2 Summary of Significant Accounting Policies

#### a) Expenses

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

#### Client program and medical expenses

Client program and medical expenses include items utilised in the provision direct patient care such as consumables used in dental health services, allied health and general medical services and contract fees.

#### Supplies and consumables

Suppliers and consumables are recognised as an expense in the reporting period in which they are incurred.

#### b) Employee benefit expenses

Employee expenses include:

- salaries and wages (including fringe benefit tax, leave entitlements, termination payments)
- superannuation expenses (i.e., employer contributions)
- Workcover premium
- Agency expenses

#### c) Property, Plant, and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment. Costs include purchase price, other directly attributable costs, and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Land and buildings

Land and buildings are measured using the cost model. Freehold land and buildings that have been contributed at nil or nominal consideration have been recorded at the acquisition date fair value.

#### Plant and equipment

Plant and equipment are measured using the cost model. Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use. The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings/Leasehold Improvements	5%-10%
Plant and Equipment	20%
Furniture, Fixtures and Fittings	10%
Motor Vehicles	12.5%
Intangibles	33%
Computer Equipment	33%

At the end of each annual reporting period, the depreciation method, useful life, and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

BANYULE COMMUNITY HEALTH

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

#### d) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

#### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

#### Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

• financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

#### d) Financial instruments (continued)

#### Impairment of financial assets (continued)

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

#### Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

#### Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

#### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

#### e) Employee benefits

#### Short-term employee benefits

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

**BANYULE COMMUNITY HEALTH** 

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

#### e) Employee benefits (continued)

#### Long-term employee benefits

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

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

#### f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

#### g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### h) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position. Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### i) Economic dependence

Banyule Community Health is dependent on grant funding, the majority of which came from State, Federal and local sources to operate the business. At the date of this report the directors have no reason to believe these sources of grant funding will not continue to support Banyule Community Health.

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

#### j) Intangible Assets

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It is amortised at a rate of 33% per annum.

#### k) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### I) Fair value of assets and liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. "Fair value" is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

These valuation techniques maximise, to the extent possible, the use of observable market data. To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability).

In the absence of such a market, market information is extracted from the most advantageous market available to the Company at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use. The fair value of liabilities and the Company's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

#### m) New accounting standards and interpretations

The Company has not elected to early adopt any standards, amendments to standards and interpretations available for early adoption at reporting date.

#### n) Key estimates - impairment of property, plant and equipment and financial assets

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

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

#### o) Revenue

When Banyule Community Health receives revenue, it assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15. When both these conditions are satisfied, Banyule Community Health:

- identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time of which services are rendered.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, Banyule Community Health:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue, or contract liability arising from a contract with a customer) and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the
  asset and the related amount.

#### **Government Grants**

Community and Home
Support Allied Health and
Therapy Services

This program funds allied health services. Banyule Community Health is required to provide a set number of hours-of-service delivery. Revenue is recognised over time, as and when the services are provided.

## Department of Health (State) HACC PYP Allied Health

This program funds a range of allied health services including dietetics, speech therapy, physiotherapy, podiatry, and occupational therapy. Banyule Community Health is required to provide a set number of hours-of-service delivery. Revenue is recognised over time, as and when the services are provided.

#### Department of Health (State) Community Health

This program includes the provision of health promotion, Integrated Chronic disease management and allied health services. Banyule Community Health is to provide a set number of hours-of-service delivery each financial year. Revenue is recognised over time as and when services are provided.

## Department of Health (Commonwealth)

This program funds a comprehensive range of services including, allied health and therapy services, community, and home support social support. Banyule Community Health is required to provide a set number of hours-of-service delivery. Revenue is recognised over time, as and when the services are provided.

#### Dental Health Services Victoria State Dental Health

Banyule Community Health provides low cost or free dental care to concession card holders, children of low-income earners, first nations people, registered clients of mental health and disability services, refugees and asylum seekers and homeless people. Funding is claimed in arrears after the service is provided based on the number of DWAU (Dental Weighted Average Units) claimed.

For other grants with performance obligations, Banyule Community Health exercises judgement over whether the performance obligations have been met, on a grant-by-grant basis.

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

#### o) Revenue (Continued)

#### Patient fees

Patient fees are charges that can be levied on patients for some services they receive. Patient fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied.

#### **Donations**

Donations are generally recognised as income upon receipt as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

#### Rental income

Income is recognised on a straight-line basis over the lease term.

#### Finance income and finance costs

Finance income comprises interest income on funds invested, fair value gains on financial assets at fair value through profit or loss, dividend distributions and imputation credits on funds invested.

Interest income is recognised as it accrues in the profit and loss, using the effective interest method. Finance costs comprise fair value losses on financial assets at fair value through profit or loss and investment management fees (except for impairment on trade receivables).

#### **Volunteer services**

As a not-for-profit entity Banyule Community Health may as an accounting policy choice elect to recognise volunteer services, if the fair value of those services can be measured reliably, whether the services would have been purchased if they had not been donated.

Banyule Community Health receives volunteer services from members of the community. Whilst the provision of such volunteer services is important to the achievement of Banyule Community Health objectives, as an accounting policy choice, Banyule Community Health has elected not to recognise such volunteer contributions as revenue and expenditure within profit or loss. This election has no impact on its financial position.

#### p) Contract balances

#### **Contract assets**

Contract assets relate to the company's right to consideration in exchange for goods or services transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered early next year.

#### **Contract liabilities**

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

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 2 Summary of Significant Accounting Policies (continued)

#### q) Leases

At inception of a contract, the company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the company where the company is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at lease commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability, where applicable, are as follows:

- fixed lease payments less any lease incentives
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- lease payments under extension options, if the lessee is reasonably certain to exercise the options
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

Each of the company's lease arrangements are for use in the production of supply of goods or services.

#### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### r) Income tax

The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### s) Capital Income

The company received \$255,392 this financial year from the Department of Health. This capital funding was used for Facilities uplift and repair work. This income was recognised in the Statement of profit or loss in accordance with AASB 1058.

(A company limited by guarantee and registered with the ACNC)

### **Notes to the Financial Statements**

For the year ended 30 June 2023

3	Revenue and other sources of income		
		2023	2022
	(a) Revenue from contract with customers - AASB 15	\$	\$
	Grant revenue	19,899,777	19,366,972
	Other Income	4,754,320	5,439,938
	Client fees and Medicare payments	1,690,612	1,944,485
	Rental income	72,702	86,439
	Gain on Sale of Assets	6,750	-
		26,424,161	26,837,834
	(b) Revenue recognised under AASB 1058		
	Donations	51,742	33,821
	Capital income	255,392	-
	Total revenue	26,731,295	26,871,655
	(c) Disaggregation of revenue from contracts with customers	26.424.464	26 027 024
	Health care services	26,424,161	26,837,834
	Revenue recognised under AASB 1058	307,134	33,821
		26,731,295	26,871,655
	Timing of revenue recognition		
	Services transferred to customers		
	at a point in time	9,686,684	9,832,123
	over time	17,044,611	17,005,711
		26,731,295	26,837,834
	(d) Finance income		
	Dividend income	269,290	206,704
	Unrealised gain on financial assets at fair value through profit or loss	240,801	
	Interest	179,732	18,550
	Total finance income	689,823	225,254
4	Expenses	2023	2022
	(a) Depreciation and amortisation	\$	\$
	Depreciation - Buildings	166,836	154,202
	Depreciation - Plant and equipment	102,600	96,360
	Depreciation - Furniture, fixtures, and fittings	27,210	22,997
	Depreciation - Motor vehicles	1,954	3,545
	Depreciation - Computer equipment	124,250	109,089
	Amortisation - Other intangibles	1,117	65,412
	Depreciation - (ROU Assets)	57,079	55,480
	Total depreciation and amortisation	481,046	507,085
	(b) Finance costs		
	Unrealised loss on investments	<del>-</del>	464,357
	Interest and other charges	59,389	45,108
	Total finance cost	59,389	509,465

**BANYULE COMMUNITY HEALTH** 

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

For the year ended 30 June 2023

5	Cash and cash equivalents		
		2023	2022
		\$	\$
	Cash on hand	1,360	1,380
	Cash at bank	3,174,356	8,469,739
	Deposits at call	5,450,000	-
	Total cash and cash equivalents	8,625,716	8,471,119
6	Contract Assets		
		2023	2022
	Contract assets	\$	\$
	Work performed on programs not yet able to be invoiced	025 227	1 0 4 4 0 2 0
	Work performed on programs not yet able to be involced	935,337	1,044,839
	work performed on programs not yet able to be involced	935,337	1,044,839 1,044,839
	work performed on programs not yet able to be involced		
7	Trade and other receivables		
7			
7		935,337	1,044,839
7		935,337	1,044,839 2022

#### (a) Provision for Impairment of receivables

Total current trade and other receivables

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 8 Other financial assets

Franking credits

	2023	2022
Financial assets at fair value through profit or loss:	\$	\$
- Listed investments (at fair value)	5,991,784	4,916,433
Total current other financial assets	5,991,784	4,916,433

Management has designated these financial assets at fair value through the profit and loss. They consist of hybrid securities and managed funds

63,929

738,254

2022

38,494

1,142,330



### **Notes to the Financial Statements**

For the year ended 30 June 2023

2022 \$ 69,907 69,907 2022 \$ 350,000 350,000
69,907 69,907 2022 \$ 350,000 350,000
<b>2022</b> \$ 350,000 <b>350,000</b>
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350,000 <b>350,000</b> 2,492,069
<b>350,000</b> 2,492,069
2,492,069
(1,205,507)
1,286,562
720,685
(408,409)
312,276
407,787
(232,614)
175,173
28,359
(19,792)
8,567
555,599
(349,181)
206 410
206,418

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

For the year ended 30 June 2023

#### 10 Property, plant, and equipment (continued)

#### (a) Movements in Carrying

#### **Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Balance at 1 July 2022	<b>Land</b> \$ 350,000	Buildings and Leasehold Improvements \$ 1,286,562	Plant and Equipment \$ 312,277	Furniture, Fixtures and Fittings \$ 175,173	Motor Vehicles \$ 8,566	Computer Equipment \$ 206,418	<b>Total</b> \$ 2,338,996
Additions Disposals Depreciation expense	-	194,934 (3,917) (166,836)	70,336 - (102,600)	29,140 - (27,210)	(6,613) (1,953)	46,886 - (124,253)	341,296 (10,530) (422,852)
Balance at 30 June 2023	350,000	1,310,743	280,013	177,103	-	129,051	2,246,910

#### 11 Right of use assets

	2023	2022
	\$	\$
Vehicles	183,423	143,454
Accumulated amortisation	(91,609)	(94,539)
Net carrying value	91,814	48,915

#### 12 Intangible Assets

	2023	2022
Other intangibles	\$	\$
Cost	34,537	46,357
Accumulated amortisation	(34,537)	(39,641)
Net carrying value	-	6,716
Total Intangibles	-	6,716

#### 13 Trade and other payables

Current	\$	\$
Trade payables	135,100	333,366
Sundry payables and accrued expenses	1,504,085	2,292,470
Total current trade and other payables	1,639,185	2,625,836

2022



#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

14 Employee benefits
----------------------

	2023	2022
Current	\$	\$
Long service leave	1,515,087	1,367,618
Annual leave	1,346,230	1,392,870
Total current employee benefits	2,861,317	2,760,488
Non-Current		
Long service leave	507,239	507,254

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

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

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 2(e).

#### 15 Contract liabilities

	2023	2022
Current	\$	\$
Grants received in advance	1,687,653	2,220,248
Total current other liabilities	1,687,653	2,220,248
16 Lease liabilities		
	2023	2022
	\$	\$
Current	49,761	19,848
Non-Current	45,203	28,814
Total current other liabilities	94,964	48,662
17 Retained Earnings		
	2023	2022
	\$	\$
Retained earnings at the beginning of the financial year	9,876,767	8,596,910
Net surplus for the year	1,996,200	1,279,857
Retained earnings at end of the financial year	11,872,967	9,876,767

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 18 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and interest-bearing liabilities. The totals for each category of financial instruments, measured in accordance with AASB 9.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023	2022
		\$	\$
Financial Assets			
Cash and cash equivalents	5	8,625,716	8,471,119
Trade and other receivables	7	738,254	1,142,330
Financial assets at fair value through profit or loss:			
- listed investments	8	5,991,784	4,916,433
Other financial assets			
- contract assets	6	935,337	1,044,839
Total financial assets	_	16,291,091	15,574,721
Financial Liabilities			_
Financial liabilities at amortised cost			
- trade and other payables	13	1,639,185	2,625,836
- lease liability	16	94,964	48,662
Total financial liabilities		1,734,149	2,674,498

None of the Company's financial instruments are recorded at fair value subsequent to initial recognition.

#### 19 Key Management Personnel Disclosures

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

Board of Directors

Chief Executive officer

Chief Financial Officer

**GM Community Programs** 

**GM Community Wellbeing** 

**GM Client Experience** 

**GM Primary Care** 

GP People and Culture

The totals of remuneration paid to the key management personnel (including Board Directors) of Banyule Community Health during the year are as follows:

	2023	2022
	\$	\$
Total remuneration of KMP	1,114,980	1,237,955
	' <del>-</del>	



#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 20. Related Party Disclosures

Outside of ordinary business operation transactions with Banyule Community Health, 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).

#### 21 Cash Flow Information

(a)	Reconciliation of cash	Note	2023	2022
	Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		\$	\$
	Cash and cash equivalents	5	8,625,716	8,471,119
	Balance as per statement of cash flows		8,625,716	8,471,119
(b)	Reconciliation of result for the year to cashflows from operating activities			
	Net surplus/(deficit) for the year		1,996,200	1,279,857
	Non-cash flows in surplus/(deficit):			
	- amortisation		6,716	65,411
	- depreciation ROU assets		57,079	55,480
	- depreciation		417,251	386,194
	- adjustment to carrying value of intangibles		2,220	-
	- loss on disposal of property, plant, and equipment		546	-
	- unrealised (gains)/losses on investments		(240,801)	516,357
	Changes in assets and liabilities, net of the effects of acquisition:			
	- (increase)/decrease in trade and other receivables		404,076	(187,999)
	- (increase)/decrease in other assets		36,397	(52,782)
	- (increase)/decrease in contract assets		109,502	(537,285)
	- increase/(decrease) in trade and other payables		(986,651)	262,855
	- increase/(decrease) in contract liabilities		(532,595)	(129,887)
	- increase/(decrease) in employee benefits		100,814	306,584
	Cashflow from operations	_	1,370,754	1,964,785

#### 22. Contingent liability

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

#### 23. Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Banyule Community Health, the results of those operations or the state of affairs of the Company in future financial years.

(A company limited by guarantee and registered with the ACNC)

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 24. Company details

The registered office of the Company is: Banyule Community Health 21 Alamein Road West Heidelberg Victoria 3081

#### 25. Auditor's remuneration

	2023	2022
Remuneration of the Auditors for:	\$	\$
Auditing the financial report - Victorian Auditor General's Office	36,200	35,500
Other Audit and Assurance Services - Mann Judd	10,800	9,450
Auditing of Program Acquittals - Sean Denham & Associates	22,500	18,500
Total Auditor's remuneration	69,500	63,450



The responsible persons declare that, in the responsible persons' opinion:

- 1. The financial statements and notes, as set out on pages 6 to 26, are in accordance with the Australian Charities and Not for profits Commission Act 2012 and:
  - a) comply with Australian Accounting Standards Reduced Disclosure Requirements and the Australian Charities and Not for profits Commission Regulations 2012; and
  - b) give a true and fair view of the financial position as at 30 June 2023 and of the performance and cash flows for the year ended on that date of the Company.
- 2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Michael Smith Chair

Mh

Craig Trenfield Treasurer

Dated this 11th day of September 2023.



## **Auditor-General's Independence Declaration**

#### To the Board of Directors, Banyule Community Health

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 Banyule Community Health 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 15 September 2023

as delegate for the Auditor-General of Victoria





## **Independent Auditor's Report**

#### To the Directors of Banyule Community Health

#### **Opinion**

I have audited the financial report of Banyule Community Health (the company) which comprises the:

- 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.

In my opinion the financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012,* including:

- 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 Australian Charities and Not-for-profits Commission Regulations 2022.

#### Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the auditor independence requirements of the *Australian Charities* and *Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

# Directors' responsibilities for the financial report

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 *Australian Charities and Not-for-profits Commission Act 2012*, 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.

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.

Level 31 / 35 Collins Street, Melbourne Vic 3000 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au



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 15 September 2023

as delegate for the Auditor-General of Victoria



