Wellways Australia Limited
ACN 093 357 165

Financial Statements

30 June 2022

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Wellways Australia Limited
Directors' report
30 June 2022

The Directors have pleasure presenting their report on Wellways Australia Limited (referred to hereafter as the 'Company' or 'Wellways') for the financial year ended 30 June 2022.

Directors

The names of the Directors in office at any stage during the year and to the date of signing this report are:

Michael Gorton
Julie Babineau
Kay Toshach
Reba Meagher
Scott Hartley
Rosemary Boote
Prof John Richard Newton
James Digby
Elleni Bereded-Samuel
Rodney Little

No Director has an interest in any contract or proposed contract with the Company or controlled entity declared since the last Directors' Report.

Director's meetings

During the financial year ended 30 June 2022, 11 meetings of the Company's Directors were held and 20 Board Committee meetings, in respect of which each Director of the Company attended the following number:

Name	Date appointed	Board meetings	Finance, Audit, Risk and Resource Management	Quality & Safety	People & Culture	Governance, Policy and Advocacy
Michael Gorton	04/02/20	11 of 11	11 of 11	5 of 6	3 of 4	4 of 4
Julie Babineau	27/02/17	11 of 11	11 of 11	6 of 6		
Kay Toshach	27/02/17	9 of 11			4 of 4	2 of 4
Reba Meagher	27/02/17	9 of 11	10 of 11	3 of 6		
Scott Hartley	24/09/18	8 of 11	8 of 11			3 of 4
Rosemary Boote	04/02/20	11 of 11			4 of 4	4 of 4
Prof John Richard Newton	04/02/21	9 of 11		5 of 6	3 of 4	
James Digby	16/02/21	10 of 11	11 of 11			4 of 4
Elleni Bereded-Samuel	16/02/21	11 of 11		5 of 6	4 of 4	
Rodney Little	16/02/21	11 of 11		6 of 6	4 of 4	

Operating result and review of operations

The deficit for the financial year amounts to $2,552,514 (2021: surplus $246,390).

Wellways substantially increased its service offering through successful tendering. Most notably, Wellways commenced delivery of service in three adult, one women's and one youth Prevention & Recovery Care Services in Victoria. We were also awarded contracts as consortium lead to deliver new Mental Health & Wellbeing Services in Frankston, Benalla/Wangaratta/Mansfield and as a consortium member in the Barwon region. These are key services in Victoria's mental health reforms. We invested in the development of systems and processes to support service growth and diversity.

We invested $2.7m during the year, in the development of contemporary systems and processes to support service growth and diversity.

In the 2022 financial year the Company has grown government funded services, improved its automated systems and has effectively managed its costs.

COVID-19 continued to impact both on consumer demand for services and the nature by which it is delivered. Wellways was not eligible and did not receive Federal Government assistance through either the JobKeeper or Cash Flow Boost schemes, however, Wellways received an additional one-off NDIS provider payment of $948k. The Directors have considered the impact of COVID-19 on the financial operations of Wellways and believe it has not adversely impacted Wellways long-term financial sustainability.

The Company discovered anomalies in our interpretation of the award resulting in historical underpayments. We self-reported to Fair Work Australia and have been working cooperatively with the regulator to redress this. We have invested in automated systems and processes to ensure this cannot occur again. The impact is not material to the organisation's financial sustainability.

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Normalised surplus reconciliation

	2022 $	2021 $
Reported (deficit)/surplus	**(2,552,514)**	**246,390**
Underpayment of employee benefits expenses (note 18)	3,372,740	2,105,894
Development and implementation of Workday Financials and HCM expenses (note 4)	2,035,517	2,398,842
Net fair value loss/(gain) on financial assets (note 11)	1,245,287	(252,646)
Fundraising income (note 3)	(1,397,087)	(385,509)
Normalised surplus	**2,703,943**	**4,112,971**

Other than the matters described above, it is the opinion of the Directors that the results of the Company' operations during the year were not substantially affected by any other item, transaction or event of a material and unusual nature and there has been no significant changes in the state of affairs of the Company.

Likely developments
Wellways is in a strong financial position to meet the challenges of the future with anticipated significant reform in the mental health and disability sectors following Royal Commission and Productivity reports and recommendations. It aims to further strengthen its position by continuing to grow its services organically through tenders and through attracting new participants in consumer directed services, increasing services in existing states and territories.

Other than the matters described above, the likely future developments in the operations of the Company are the continuation of the principal activities set out in this report.

Events after the reporting period
Reference should be made to note 23 which details the events after the reporting period which impact the Company.

Directors' and auditor's indemnification
Wellways has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

All Directors of the Company are covered by a Directors' and Officers' liability insurance policy covering third party claims in respect of actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission, breach of warranty or authority, or other act wrongfully committed. The premium for this policy in Victoria was paid for by the Department of Health and Human Services. All other States are paid for by the Company.

Auditor's declaration
A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012* is set out on the following page.

On behalf of the Board

Michael Gorton
Chair

Scott Hartley
Director

21 November 2022

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
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Melbourne VIC 3001

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Auditor's Independence Declaration

To the Directors of Wellways Australia Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Wellways Australia Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

J D Vasiliou
Partner - Audit & Assurance

Melbourne, 21 November 2022

General information

The financial statements cover Wellways Australia Limited (the 'Company') as an individual entity. The financial statements are presented in Australian dollars, which is Wellways Australia Limited's functional and presentation currency.

Wellways Australia Limited is a not-for-profit public company limited by guarantee, incorporated and domiciled in Australia.

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 November 2022.

The registered office and principal place of business of the Company is Fairfield Place, 276 Heidelberg Road, Fairfield VIC 3078.

Wellways Australia Limited
Statement of profit or loss
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue	3	158,516,657	144,804,714
Net fair value (loss)/gain on financial assets held at fair value through profit or loss		(1,245,287)	252,646
Expenses			
Employee benefits expense		(121,751,921)	(115,947,416)
Depreciation and amortisation	4	(5,601,632)	(5,223,516)
Participant support expenses		(17,116,863)	(9,449,953)
Occupancy and office expenses		(8,315,904)	(5,909,639)
Motor vehicle expenses		(1,204,609)	(2,452,074)
Property and equipment maintenance		(2,861,550)	(3,294,370)
Other expenses		(2,683,893)	(2,303,961)
Finance costs	4	(257,512)	(230,041)
Total expenses		(159,793,884)	(144,810,970)
(Deficit)/surplus for the year attributable to the members of Wellways Australia Limited		(2,522,514)	246,390
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of land and buildings	12	-	6,407,068
Other comprehensive income for the year		-	6,407,068
Total comprehensive (loss)/income for the year attributable to the members of Wellways Australia Limited		(2,522,514)	6,653,458

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

Wellways Australia Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	5	24,922,680	18,379,505
Trade and other receivables	6	7,086,879	4,777,788
Contract assets	7	4,582,579	408,156
Financial assets at amortised cost	8	292,398	7,936,900
Other assets	9	2,143,608	1,527,502
		39,028,144	33,029,851
Non-current assets classified as held for sale	10	-	4,677,000
Total current assets		39,028,144	37,706,851
Non-current assets			
Financial assets at fair value through profit and loss	11	8,701,149	5,222,646
Property, plant and equipment	12	6,438,473	7,394,993
Right of use assets	13	6,062,953	5,839,044
Intangible assets	14	313,899	240,873
Total non-current assets		21,516,474	18,697,556
Total assets		60,544,618	56,404,407
Liabilities			
Current liabilities			
Trade and other payables	15	18,181,181	7,729,186
Contract liabilities	16	5,486,840	3,238,923
Refund liabilities	17	10,870,395	11,730,445
Employee provisions	18	5,837,956	10,975,563
Lease liabilities	19	3,264,359	3,187,288
Total current liabilities		43,640,731	36,861,405
Non-current liabilities			
Employee provisions	18	376,440	651,450
Lease liabilities	19	2,973,152	2,814,743
Total non-current liabilities		3,349,592	3,466,193
Total liabilities		46,990,323	40,327,598
Net assets		13,554,295	16,076,809
Equity			
Reserves	20	2,894,957	6,407,068
Retained surplus		10,659,338	9,669,741
Total equity		13,554,295	16,076,809

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

Wellways Australia Limited
Statement of changes in equity
For the year ended 30 June 2022

	Asset revaluation reserve $	Retained surplus $	Total equity $
Balance at 1 July 2020	-	9,423,351	9,423,351
Surplus for the year	-	246,390	246,390
Other comprehensive income for the year	6,407,068	-	6,407,068
Total comprehensive income for the year	6,407,068	246,390	6,653,458
Balance at 30 June 2021	6,407,068	9,669,741	16,076,809

	Asset revaluation reserve $	Retained surplus $	Total equity $
Balance at 1 July 2021	6,407,068	9,669,741	16,076,809
Deficit for the year	-	(2,522,514)	(2,522,514)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(2,522,514)	(2,522,514)
Transfer to retained surplus upon disposal of land & buildings	(3,512,111)	3,512,111	-
Balance at 30 June 2022	2,894,957	10,659,338	13,554,295

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

Wellways Australia Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from funders, clients, donors and other agencies		164,540,994	160,034,708
Payments to suppliers and employees		(161,004,308)	(145,664,337)
Interest and distributions received		503,379	261,120
Net cash from operating activities		4,040,065	14,631,491
Cash flows from investing activities			
Withdrawal of term deposits		7,644,502	5,193,423
Purchase of financial assets	11	(4,723,790)	(4,970,000)
Payments for property, plant and equipment	12	(362,014)	(644,908)
Payments for intangible assets	14	(113,175)	(130,203)
Proceeds from disposal of non-current assets held for sale	10	4,677,000	-
Net cash from/(used in) investing activities		7,122,523	(551,688)
Cash flows from financing activities			
Repayment of lease liabilities (principal and interest)		(4,619,413)	(4,042,227)
Net cash used in financing activities		(4,619,413)	(4,042,227)
Net movement in cash and cash equivalents		6,543,175	10,037,576
Cash and cash equivalents at the beginning of the financial year		18,379,505	8,341,929
Cash and cash equivalents at the end of the financial year	5	24,922,680	18,379,505

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

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations 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, which had no significant impact on the financial statements.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The Company early adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Early adopting the Conceptual Framework did not had a material impact on the Company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The Company early adopted AASB 1060 from 1 July 2020. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. The implementation of AASB 1060 did not have a material impact on the Company's financial statements.

Going concern
The financial statements have been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As at 30 June 2022 the Company had a net working capital deficiency, being current assets less current liabilities, of $4,612,587 (2021: $845,446) and for the year ended 30 June 2022 recognised a deficit for the year of $2,552,514 (2021: surplus of $246,390). In addition, the Company is dependent on the Government for the majority of its revenues.

The Directors have considered the performance and position of the Company and consider that the going concern basis is appropriate for the preparation of the financial report due to the following factors:
- The Company recognised net cash inflows from operating activities of $4,040,065 for the year ended 30 June 2022 (2021: $14,631,491) and forecasts for the 2023 financial year show continued positive cash inflows from operations;
- The Company, as at 30 June 2022, has $8,701,149 (2021: $5,222,646) in financial assets at fair value through profit or loss that are classified as non-current assets as they do not meet the criteria to be classified as current assets. Although there is no intention to do so, the Directors are of the opinion that a portion of these assets are able to be converted to cash at short notice to meet obligations, should they be required;
- The Company has net assets as at 30 June 2022 of $13,554,295 (2021: $16,076,809); and
- At the date of this report the Directors have no reason to believe that Government funding will not continue to be received for the Company's provision of services.

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, as appropriate for not-for profit oriented entities.

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

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Note 1. Significant accounting policies (continued)

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.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Impairment of assets
At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in the Statement of Profit or Loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Where the future economic benefits of the Company’s assets are not primarily dependent on their ability to generate net cash inflows, and if deprived of the asset, the Company would replace the asset’s remaining future economic benefits, ‘value in use’ is determined as the depreciated replacement cost of the asset, rather than by using discounted future cash flows.

Impairment testing is performed annually intangible assets with indefinite lives.

Investments and 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.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company 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, it's 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 on 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.

Note 1. Significant accounting policies (continued)

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.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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.

Income tax
The Company is endorsed by the Australian Taxation Office (ATO) as an Income Tax Exempt Charitable Entity under subdivision 50-B of the Income Tax Assessment Act 1997. No income tax is payable by the Company as Section 23 of the Income Tax Assessment Act 1997 exempts charitable institutions from income tax.

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.

Performance obligations under AASB 15 Revenue from Contracts with Customers
To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. The Company exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, the Company includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

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.

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the 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.

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 Company'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 Company 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.

Employee benefits provision
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 3. Revenue

	2022 $	2021 $
Revenue from contracts with customers		
Government revenue	37,892,273	15,171,416
Consumer directed services revenue	45,579,446	59,564,858
Other agencies revenue	17,523,105	22,588,389
	100,994,824	97,324,663
Income		
Grant income	53,153,500	45,980,760
Fundraising income	1,397,087	385,509
Dividend/distribution income from financial assets at fair value through profit or loss	416,382	55,765
Interest income	86,997	205,355
Other income	2,467,867	852,662
	57,521,833	47,480,051
Revenue	158,516,657	144,804,714

Further information regarding the disaggregation of revenue from contracts with customers has not been included as all revenue is in one geographical region, being Australia, and the timing of all revenue is over time.

Accounting policy for revenue recognition
The Company recognises revenue as follows:

The Company assesses whether a contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Company recognises revenue in accordance with AASB 15 as follows:

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

Note 3. Revenue (continued)

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company recognises income in accordance with AASB 1058 *Income of Not-for-Profit Entities*:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. 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 revenue, consumer directed services revenue and other agencies revenue
Government revenue, consumer directed services revenue and other agencies revenue are recognised over time as the services are rendered. The Company uses the input method, whereby percentage of completion at reporting date equates to total costs incurred to reporting date relative to the total expected costs, to measure progress.

Amounts received in advance of services being rendered are recognised as contract liabilities.

Where another party is involved in providing the services under certain funding agreements, the Company assesses whether the nature of its promise is a performance obligation to provide the specified services itself, as a principal to the funding agreement, or to arrange for those services to be provided by the other party, as an agent. This determination impacts if the Company recognises the full funding under the terms of the funding agreement where the Company is deemed to be the principal or only the portion under the funding agreement which relates to the Company's specific promise/s where the Company is deemed to be an agent.

Revenue streams	*Nature and timing of satisfaction of performance obligations*
Government revenue	Revenue is recognised over time based on the consideration specified in funding agreements. The Company recognised revenue as the services are provided and performance obligations are fulfilled.
Consumer directed services	Revenue is recognised over time based on the consideration specified in contracts with participants for each activity. The Company recognises revenue as the services are provided to the participants.
Other agencies revenue	This revenue stream comprise various services provided to other agencies. Revenue is recognised in line with AASB 15 as the services are provided to the customers over a period of time and as performance obligations are fulfilled.

Other revenue
Other revenue is recognised when performance obligations are fulfilled.

Grant income
Grant income, is recognised on receipt under AASB 1058 if the funds do not give rise to a liability or other performance obligation at the time of receipt.

Where the Company has a contractual obligation to repay any unspent grant income to the funding organisation a refund liability is recognised, which reflects the amount of grant funding received not yet spent as at reporting date.

Fundraising income
Fundraising income is recognised when the funds are received, where the receipt of funds does not give rise to a contractual obligation with specific performance obligations.

Dividend/distribution income from financial assets at fair value through profit or loss
Dividend/distribution income is recognised at the time the right to receive payment is established.

Interest income
Interest 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.

Note 3. Revenue (continued)

Other income
Other income is recognised when it is received or when the right to receive payment is established, when the income does not give rise to an obligation.

The Company, a private sector not-for-profit entity, has elected not to recognise the financial impact of any volunteer services provided.

Note 4. Expenses

	2022 $	2021 $
(Deficit)/surplus includes the following specific expenses:		
Employee benefit expenses and other expenses on the development and implementation of Workday Financials and HCM (including licence fees, consulting costs and implementation costs)	2,035,517	2,398,842
Finance costs		
Interest on lease liabilities	257,512	230,041
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	9,289,905	6,643,454
Depreciation and amortisation		
Depreciation of property, plant & equipment	1,283,641	1,357,022
Depreciation of right-of-use assets	4,277,842	3,857,199
Amortisation of intangible assets	40,149	9,295
	5,601,632	5,223,516

Note 5. Cash and cash equivalents

	2022 $	2021 $
Current assets		
Cash on hand	1,300	1,300
Cash at bank	24,392,533	17,916,491
Cash on deposit	528,847	461,714
	24,922,680	18,379,505

Accounting policy for 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.

Note 6. Trade and other receivables

	2022 $	2021 $
Current assets		
Trade receivables	7,114,888	4,811,205
Less: Allowance for expected credit losses	(147,363)	(186,751)
	6,967,525	4,624,454
Other receivables	119,354	153,334
	7,086,879	4,777,788

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 7. Contract assets

	2022 $	2021 $
Current assets		
Contract assets	4,582,579	408,156

Accounting policy for contract assets
Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Note 8. Financial assets at amortised cost

	2022 $	2021 $
Current assets		
Term deposits - at amortised cost	292,398	7,936,900

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

The term deposits have a maturity dates greater than three months from period end and interest rates ranging between 0.10% and 0.25%.

Note 9. Other assets

	2022 $	2021 $
Current assets		
Prepayments	1,720,563	1,119,296
Deposits and bonds issued	423,045	408,206
	2,143,608	1,527,502

Note 10. Non-current assets classified as held for sale

	2022 $	2021 $
Current assets		
Land & buildings - held for sale	-	4,677,000

The non-current asset held for sale as at 30 June 2021 represents the Company's Alma Road property. During the 2022 financial year the Alma Road property was sold for $4,677,000, with settlement occurring on 5 October 2021.

Accounting policy for non-current assets classified as held for sale
Non-current assets are held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of non-current assets held for sale to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset held for sale, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

Note 11. Financial assets at fair value through profit and loss

	2022 $	2021 $
Non-current assets		
Managed investments - at fair value through profit or loss	8,701,149	5,222,646

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

	2022 $	2021 $
Opening fair value	5,222,646	-
Additions	4,723,790	4,970,000
Net fair value (loss)/gain	(1,245,287)	252,646
Closing fair value	8,701,149	5,222,646

Note 11. Financial assets at fair value through profit and loss (continued)

Accounting policy for financial assets at fair value through profit and loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

The managed investments have been valued based on their quoted market prices in active markets.

Note 12. Property, plant and equipment

	2022 $	2021 $
Non-current assets		
Land & buildings - at revaluation	4,325,000	4,325,000
Less accumulated depreciation	(211,196)	-
	4,113,804	4,325,000
Motor vehicles - at cost	844,812	1,525,588
Less accumulated depreciation	(802,737)	(1,391,157)
	42,075	134,431
Office furniture and equipment - at cost	3,242,843	3,273,678
Less accumulated depreciation	(1,753,873)	(1,554,268)
	1,488,970	1,719,410
Computer equipment - at cost	1,956,534	2,050,578
Less accumulated depreciation	(1,162,910)	(866,048)
	793,624	1,184,530
Work in progress - at cost	-	31,622
	6,438,473	7,394,993

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

	Land & buildings $	Motor vehicles $	Office furniture & equipment $	Computer equipment $	Work in progress $	Total $
Balance at 1 July 2021	4,325,000	134,431	1,719,410	1,184,530	31,622	7,394,993
Additions	-	-	362,014	-	-	362,014
Disposals	-	(308)	(34,585)	-	-	(34,893)
Transfers in/(out)	-	-	31,622	-	(31,622)	-
Depreciation expense	(211,196)	(92,048)	(589,491)	(390,906)	-	(1,283,641)
Balance at 30 June 2022	4,113,804	42,075	1,488,970	793,624	-	6,438,473

Valuations of land and buildings
The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 6 April 2021 based on independent assessments by a Certified Property Valuer who is a member of the Australian Valuers Institute having recent experience in the location and category of land and buildings being valued. The Directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Note 12. Property, plant and equipment (continued)

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

Freehold land and buildings are initially recognised at cost, including transaction costs, and are subsequently remeasured at fair value under the revaluation model less, where applicable, any accumulated depreciation and impairment losses. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income. All other decreases are recognised in the Statement of Profit or Loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment are initially measured at historical cost, including expenditure that is directly attributable to the acquisition of the items. Plant and equipment is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in the profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of the recoverable amount is made when impairment indicators are present.

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

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

Class of asset	*Depreciation rate*
Buildings	2.5%
Motor vehicles	20%
Office furniture and equipment	20%
Computer equipment	20%

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

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.

Note 13. Right of use assets

	2022 $	2021 $
Non-current assets		
Land and buildings - right-of-use	12,252,995	9,093,573
Less: Accumulated depreciation	(7,471,013)	(4,476,984)
	4,781,982	4,616,589
Motor vehicles - right-of-use	5,078,460	3,736,131
Less: Accumulated depreciation	(3,797,489)	(2,513,676)
	1,280,971	1,222,455
	6,062,953	5,839,044

The Company leases land and buildings for its offices under agreements of between 1 to 9 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Company also leases motor vehicles under agreements of between 1 to 5 years.

The Company leases some land and buildings and motor vehicles under agreements of less than 1 year. These leases are either short-term or low-value and have been expensed as incurred and not capitalised as right-of-use assets.

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

	Land and buildings $	Motor vehicles $	Total $
Balance at 1 July 2021	4,616,589	1,222,455	5,839,044
Additions	3,159,422	1,342,329	4,501,751
Depreciation expense	(2,994,029)	(1,283,813)	(4,277,842)
Balance at 30 June 2022	4,781,982	1,280,971	6,062,953

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the 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.

Right-of-use assets that meet the definition of investment property are measured at fair value where the Company has adopted a fair value measurement basis for investment property assets.

For leases that have significantly below-market terms and conditions principally to enable the Company to further its objectives (commonly known as peppercorn/concessionary leases), the Company has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

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.

Note 14. Intangible assets

	2022 $	2021 $
Non-current assets		
Software - in use - at cost	789,772	442,512
Less: Accumulated amortisation	(475,873)	(435,724)
	313,899	6,788
Software - in progress - at cost	-	234,085
	313,899	240,873

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

	Software - in use $	Software - in progress $	Total $
Balance at 1 July 2021	6,788	234,085	240,873
Additions	113,175	-	113,175
Transfers in/(out)	234,085	(234,085)	-
Amortisation expense	(40,149)	-	(40,149)
Balance at 30 June 2022	313,899	-	313,899

Accounting policy for 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
Software is recognised initially at cost. Following initial recognition, software are carried at cost less any accumulated amortisation and any accumulate impairment losses. 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 3 to 5 years.

Software in progress is not amortised until the asset is available for use and is operating in the manner intended.

Software-as-a-Service (SaaS) arrangements
SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. As such the Company does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:
• Fee for use of application software (recognise as an operating expense over the term of the service contract)
• Configuration costs (recognise as an operating expense as the service is received)
• Data migration costs (recognise as an operating expense as the service is received)
• Training cost (recognise as an operating expense as the service is received)

Note 15. Trade and other payables

	2022 $	2021 $
Current liabilities		
Trade payables	4,173,156	1,964,044
Accrued expenses and other payables	14,008,025	5,765,142
	18,181,181	7,729,186

As disclosed in note 18 'Employee provisions' in prior periods the Company identified errors in relation to underpayments of employee remuneration. During the current financial year the Company completed its identification of actual underpayment liabilities owed. As a result an amount owing for unpaid underpayment liabilities, owed to current and former employees, as at 30 June 2022 of $6,500,000 has been recognised as an accrual within accrued expenses and other payables.

Accounting policy for trade and other payables
Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Note 16. Contract liabilities

	2022 $	2021 $
Current liabilities		
Contract liabilities	5,486,840	3,238,923

Accounting policy for 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.

Note 17. Refund liabilities

	2022 $	2021 $
Current liabilities		
Refund liabilities	10,870,395	11,730,445

Accounting policy for refund liabilities
Where the Company has a contractual obligation to repay any unspent grant income to the funding organisation a refund liability is recognised, which reflects the amount of grant funding received not yet spent as at reporting date.

Note 18. Employee provisions

	2022 $	2021 $
Current liabilities		
Provision for annual leave	4,997,354	4,547,258
Provision for long service leave	840,602	995,522
Provision for underpayment (current and former employees)	-	5,432,783
	5,837,956	10,975,563
Non-current liabilities		
Provision for long service leave	376,440	651,450
	6,214,396	11,627,013

Movements in provision for underpayment
Movements in the provision for underpayment during the current financial year are set out below:

	Provision for under-payment $
Carrying amount at the beginning of the year	5,432,783
Additional expense recorded during the year	3,372,740
Payments made during the year	(1,290,116)
Amount transferred to trade and other payables upon completion of management audits	(7,515,407)
Carrying amount at the end of the year	-

Accounting policy for provisions
Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick 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. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 18. Employee provisions (continued)

Provision for underpayment (current and former employees)
In prior periods the Company identified errors in relation to underpayments of employee remuneration. The amounts provided for at the end of the prior period represented an estimation of historical payment shortfalls and the Company's present obligation based on all available information, including pay rates, hours worked, allowances, together with an assessment of the employees, both current and former, to whom respective errors relate to. Judgement was applied in calculating and providing for these underpayments.

During the current financial year the Company completed its identified of actual underpayment liabilities owed. As a result the amount owing for unpaid underpayment liabilities, owed to current and former employees, as at 30 June 2022 has been recognised as an accrual, rather than a provision, within accrued expenses and other payables (note 15 'Trade and other payables').

Note 19. Lease liabilities

	2022 **$**	**2021** **$**
Current liabilities		
Motor vehicle lease liability	729,502	900,935
Property lease liability	2,534,857	2,286,353
	3,264,359	3,187,288
Non-current liabilities		
Motor vehicle lease liability	577,891	355,172
Property lease liability	2,395,261	2,459,571
	2,973,152	2,814,743
	6,237,511	6,002,031

Future lease payments		
Future lease payments are due as follows:		
Within one year	3,571,670	3,391,978
One to five years	3,444,576	3,168,220
More than five years	-	17,459
Total future lease payments inclusive of interest	7,016,246	6,577,657

Accounting policy for 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 20. Reserves

	2022 $	2021 $
Asset revaluation reserve	2,894,957	6,407,068

Asset revaluation reserve
The reserve is used to recognise increments and decrements in the value of owned land and buildings, held within property, plant and equipment, under the revaluation model.

Movements in reserves
Movements in each class of reserve during the current financial year are set out below:

	Asset revaluation reserve $
Balance at 1 July 2021	6,407,068
Transfer to retained surplus upon disposal of land & buildings	(3,512,111)
Balance at 30 June 2022	2,894,957

Note 21. Directors & key management personnel

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

	2022 $	2021 $
Aggregate compensation		
Directors - total number of Directors receiving benefit: 13 (2021: 13)	193,222	169,434
Key management personnel - total number of key management personnel receiving benefit: 21 (2021: 17)	3,986,460	2,918,519
	4,179,682	3,087,953

Note 22. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 21.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 23. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 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 24. Contingencies

The Company had no contingencies as at 30 June 2022 (2021: $nil).

Note 25. Commitments

The Company had no financing or capital commitments as at 30 June 2022 (2021: $nil).

	2022 $	2021 $
Lease commitments for leases which had not commenced by the end of the financial year		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	151,860	163,485

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	2022 $	2021 $
Audit of the financial statements	52,500	70,000
Audit of acquittal statements	59,850	50,000
Non-assurance services: Financial statement compilation	4,200	4,000
	116,550	124,000

Wellways Australia Limited
Directors' declaration
30 June 2022

The Directors of the Company declare that the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and:

- comply with Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-Profits Commission Regulation 2013; and

- give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date.

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.

Signed in accordance with a resolution of Directors.

On behalf of the Directors

Michael Gorton
Chair

Scott Hartley
Director

21 November 2022

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Independent Auditor's Report

To the Members of Wellways Australia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Wellways Australia Limited (the "Company"), which comprises the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of Wellways Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

b complying with Australian Accounting *Standards AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors 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 – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

Jay Vasiliou
Partner – Audit & Assurance

Melbourne, 21 November 2022