

# **Wellways Australia Limited**

**ACN 093 357 165**

**Financial Statements - 30 June 2023**

**Wellways Australia Limited**  
**Directors' report**  
**30 June 2023**

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 2023.

**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 since the last Directors' Report.

**Director's meetings**

During the financial year ended 30 June 2023, 11 meetings of the Company's Directors were held and 25 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	People & Culture	Quality & Safety	Governance, Policy and Advocacy
Michael Gorton	04/02/20	10 of 11	9 of 11	3 of 4	6 of 6	3 of 4
Julie Babineau	27/02/17	10 of 11	8 of 11	N/A	4 of 6	N/A
Kay Toshach	27/02/17	8 of 11	N/A	4 of 4	N/A	4 of 4
Reba Meagher	27/02/17	8 of 11	8 of 11	N/A	3 of 6	N/A
Scott Hartley	24/09/18	10 of 11	10 of 11	N/A	N/A	4 of 4
Rosemary Boote	04/02/20	10 of 11	N/A	4 of 4	N/A	4 of 4
Prof John Richard Newton	04/02/21	9 of 11	N/A	3 of 4	5 of 6	N/A
James Digby	16/02/21	9 of 11	10 of 11	N/A	N/A	3 of 4
Elleni Bereded-Samuel	16/02/21	10 of 11	N/A	3 of 4	4 of 6	N/A
Rodney Little	16/02/21	8 of 11	N/A	4 of 4	3 of 6	N/A

**Principal activities**

Wellways offers a wide range of services designed to support people affected by mental health issues or disability, as well as their families, friends and carers. Services include, amongst others:

- Mental health and wellbeing programs;
- NDIS, iCare and other insurance support;
- Carer and family support services;
- Suicide prevention and recovery services;
- Residential rehabilitation support;
- Brief therapies;
- Youth services; and
- Housing and homelessness.

**Operating result and review of operations**

The surplus for the financial year ended 30 June 2023 amounted to \$4,534,433 (2022: deficit of \$2,522,514).

**Wellways Australia Limited**  
**Directors' report**  
**30 June 2023**

*Normalised surplus reconciliation*

	2023	2022
	\$	\$
<b>Reported surplus/(deficit)</b>	<b>4,534,433</b>	<b>(2,522,514)</b>
Underpayment of employee benefits expenses (note 5)	-	3,372,740
Development and implementation of Workday Financials and Human Capital Management expenses (note 5)	496,553	2,035,517
Net fair value (gain)/loss on financial assets (note 11)	(480,831)	1,245,287
Fundraising income (note 4)	(193,584)	(1,397,087)
	<u>4,356,571</u>	<u>2,733,943</u>

Other than the matters described above, it is the opinion of the Directors that the results of the Company's 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**

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 28 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* follows this Directors' report.

On behalf of the Board

  
\_\_\_\_\_  
Michael Gorton  
Chair

  
\_\_\_\_\_  
Scott Hartley  
Director

2 November 2023

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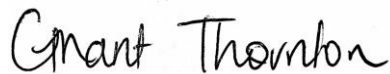
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## Auditor's Independence Declaration

### 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 2023, 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, 2 November 2023

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## **Wellways Australia Limited**

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### **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 2 November 2023.

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 and other comprehensive income**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Revenue and income</b>	4	175,055,597	158,516,657
Net fair value gain/(loss) on financial assets held at fair value through profit or loss	11	480,831	(1,245,287)
<b>Expenses</b>			
Employee benefits expense		(130,425,623)	(121,751,921)
Depreciation and amortisation	5	(6,360,203)	(5,601,632)
Participant support expenses		(15,737,915)	(17,116,863)
Occupancy and office expenses		(7,998,497)	(8,315,904)
Motor vehicle expenses		(1,500,218)	(1,204,609)
Property and equipment maintenance		(2,517,606)	(2,861,550)
Other expenses		(6,100,050)	(2,683,893)
Finance costs	5	(361,883)	(257,512)
Total expenses		<u>(171,001,995)</u>	<u>(159,793,884)</u>
<b>Surplus/(deficit) for the year attributable to the members of Wellways Australia Limited</b>		4,534,433	(2,522,514)
Other comprehensive income for the year		-	-
<b>Total comprehensive income/(loss) for the year attributable to the members of Wellways Australia Limited</b>		<u>4,534,433</u>	<u>(2,522,514)</u>

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

**Wellways Australia Limited**  
**Statement of financial position**  
**As at 30 June 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	33,515,326	24,922,680
Trade and other receivables	7	5,244,134	7,086,879
Contract assets	8	4,164,144	4,582,579
Financial assets at amortised cost	9	334,606	292,398
Other assets	10	2,864,724	2,143,608
Total current assets		<u>46,122,934</u>	<u>39,028,144</u>
<b>Non-current assets</b>			
Financial assets at fair value through profit and loss	11	9,567,932	8,701,149
Property, plant and equipment	12	5,930,119	6,438,473
Right of use assets	13	7,201,546	6,062,953
Intangible assets	14	319,478	313,899
Total non-current assets		<u>23,019,075</u>	<u>21,516,474</u>
<b>Total assets</b>		<u>69,142,009</u>	<u>60,544,618</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	13,581,934	19,670,575
Contract liabilities	16	14,900,826	5,486,840
Refund liabilities	17	10,194,580	10,870,395
Employee provisions	18	6,095,749	5,837,956
Lease liabilities	19	4,194,702	3,264,359
Total current liabilities		<u>48,967,791</u>	<u>45,130,125</u>
<b>Non-current liabilities</b>			
Employee provisions	18	381,114	376,440
Lease liabilities	19	3,193,770	2,973,152
Total non-current liabilities		<u>3,574,884</u>	<u>3,349,592</u>
<b>Total liabilities</b>		<u>52,542,675</u>	<u>48,479,717</u>
<b>Net assets</b>		<u>16,599,334</u>	<u>12,064,901</u>
<b>Equity</b>			
Reserves	20	2,894,957	2,894,957
Retained surplus		<u>13,704,377</u>	<u>9,169,944</u>
<b>Total equity</b>		<u>16,599,334</u>	<u>12,064,901</u>

*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 2023**

	<b>Asset revaluation reserve \$</b>	<b>Retained surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	6,407,068	9,669,741	16,076,809
Adjustment for correction of error (note 3)	-	(1,489,394)	(1,489,394)
Balance at 1 July 2021 - restated	6,407,068	8,180,347	14,587,415
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	<u>2,894,957</u>	<u>9,169,944</u>	<u>12,064,901</u>

	<b>Asset revaluation reserve \$</b>	<b>Retained surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	2,894,957	9,169,944	12,064,901
Surplus for the year	-	4,534,433	4,534,433
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	4,534,433	4,534,433
Balance at 30 June 2023	<u>2,894,957</u>	<u>13,704,377</u>	<u>16,599,334</u>

*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 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from funders, clients, donors and other agencies		200,834,789	164,540,994
Payments to suppliers and employees		(186,877,873)	(161,004,308)
Interest, dividends and distributions received		<u>1,270,833</u>	<u>503,379</u>
Net cash from operating activities		<u>15,227,749</u>	<u>4,040,065</u>
<b>Cash flows from investing activities</b>			
(Investment in)/withdrawal of term deposits		(42,208)	7,644,502
Purchase of financial assets	11	(385,952)	(4,723,790)
Payments for property, plant and equipment	12	(635,153)	(362,014)
Payments for intangible assets	14	(78,980)	(113,175)
Proceeds from disposal of non-current assets held for sale		<u>-</u>	<u>4,677,000</u>
Net cash (used in)/from investing activities		<u>(1,142,293)</u>	<u>7,122,523</u>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities (principal and interest)		<u>(5,492,810)</u>	<u>(4,619,413)</u>
Net cash used in financing activities		<u>(5,492,810)</u>	<u>(4,619,413)</u>
Net movement in cash and cash equivalents		8,592,646	6,543,175
Cash and cash equivalents at the beginning of the financial year		<u>24,922,680</u>	<u>18,379,505</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>33,515,326</u></u>	<u><u>24,922,680</u></u>

*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.

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

#### **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 2023 the Company had a net working capital deficiency, being current assets less current liabilities, of \$2,844,857 (2022: \$6,101,981). 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:

- For the year ended 30 June 2023 the Company recognised a surplus of \$4,534,433 (2022: deficit of \$2,522,514) and net cash inflows from operating activities of \$15,227,749 (2022: \$4,040,065);
- The Company, as at 30 June 2023, had \$9,567,932 (2022: \$8,701,149) 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 2023 of \$16,599,334 (2022: \$12,064,901); 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.

#### *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.

**Note 1. Significant accounting policies (continued)**

**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, its carrying value is written off.

*Impairment of financial assets*

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

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.

## **Note 1. Significant accounting policies (continued)**

### **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.

### *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.

## **Note 3. Restatement of comparatives**

### *Underpayment of employee entitlements (correction)*

During the 2023 financial year the Company identified an understatement of employee related costs/liabilities totalling \$1,489,394 incurred prior to the 2022 financial year, which were not reflected in comparative financial statements. Although the amount is not material for financial reporting purposes, the Company felt that it was prudent to adjust historical balances to incorporate those costs in their respective financial year. Accordingly the comparative financial information which forms the opening equity balances in the statement of changes in equity at 1 July 2021 have been amended to incorporate these costs/liabilities as shown below.

**Wellways Australia Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 3. Restatement of comparatives (continued)**

*Impact on statement of financial position at the beginning of the earliest comparative period*

	Previously reported \$	Adjustments \$	Restated \$
<b>30 June 2021</b>			
Employee provisions (current)	10,975,563	1,489,394	12,464,957
<b>Total current liabilities</b>	<b>36,861,405</b>	<b>1,489,394</b>	<b>38,350,799</b>
<b>Total liabilities</b>	<b>40,327,598</b>	<b>1,489,394</b>	<b>41,816,992</b>
<b>Net assets</b>	<b>16,076,809</b>	<b>(1,489,394)</b>	<b>14,587,415</b>
Asset revaluation reserve	6,407,068	-	6,407,068
Retained surplus	9,669,741	(1,489,394)	8,180,347
<b>Total equity</b>	<b>16,076,809</b>	<b>(1,489,394)</b>	<b>14,587,415</b>

**Note 4. Revenue and income**

	2023 \$	2022 \$
<i>Revenue from contracts with customers</i>		
Government revenue	52,674,386	37,892,273
Consumer directed services revenue	38,321,395	45,579,446
Other agencies revenue	21,343,267	17,523,105
	<u>112,339,048</u>	<u>100,994,824</u>
<i>Income</i>		
Grant income	60,022,484	53,153,500
Fundraising income	193,584	1,397,087
Dividend/distribution income from financial assets	355,029	416,382
Interest income	915,804	86,997
Other income	1,229,648	2,467,867
	<u>62,716,549</u>	<u>57,521,833</u>
Revenue and income	<u>175,055,597</u>	<u>158,516,657</u>

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.

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.

**Note 4. Revenue and income (continued)**

*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.

*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.

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**Note 5. Expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Surplus/(deficit) 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)	<u>496,553</u>	<u>2,035,517</u>
Underpayment of employee benefits expenses*	<u>-</u>	<u>3,372,740</u>
<i>Finance costs</i>		
Interest on lease liabilities	<u>361,883</u>	<u>257,512</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>11,002,415</u>	<u>9,289,905</u>
<i>Depreciation and amortisation</i>		
Depreciation of property, plant & equipment	1,143,507	1,283,641
Depreciation of right-of-use assets	5,143,295	4,277,842
Amortisation of intangible assets	<u>73,401</u>	<u>40,149</u>
	<u><u>6,360,203</u></u>	<u><u>5,601,632</u></u>

\*Relates to underpayments of employee remuneration identified by the Company. The amounts expensed represent historical payment shortfalls 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.

**Note 6. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash on hand	1,300	1,300
Cash at bank	33,006,645	24,392,533
Cash on deposit	<u>507,381</u>	<u>528,847</u>
	<u><u>33,515,326</u></u>	<u><u>24,922,680</u></u>

*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.

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**Note 7. Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Trade receivables	5,233,765	7,114,888
Less: Allowance for expected credit losses	(484)	(147,363)
	<u>5,233,281</u>	<u>6,967,525</u>
Other receivables	<u>10,853</u>	<u>119,354</u>
	<u><u>5,244,134</u></u>	<u><u>7,086,879</u></u>

*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 8. Contract assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Contract assets	<u>4,164,144</u>	<u>4,582,579</u>

*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 9. Financial assets at amortised cost**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Term deposits - at amortised cost	<u>334,606</u>	<u>292,398</u>

*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 maturity dates greater than three months from period end and interest rates ranging between 2.55% and 4.10%.



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**Note 10. Other assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Prepayments	2,466,923	1,720,563
Deposits and bonds issued	397,801	423,045
	<u>2,864,724</u>	<u>2,143,608</u>

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Managed investments - at fair value through profit or loss	<u>9,567,932</u>	<u>8,701,149</u>

*Reconciliation*

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

Opening fair value	8,701,149	5,222,646
Additions	385,952	4,723,790
Net fair value gain/(loss)	480,831	(1,245,287)
Closing fair value	<u>9,567,932</u>	<u>8,701,149</u>

*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.

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**Note 12. Property, plant and equipment**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Land & buildings - at revaluation	4,325,000	4,325,000
Less accumulated depreciation	<u>(429,629)</u>	<u>(211,196)</u>
	3,895,371	4,113,804
Motor vehicles - at cost	670,596	844,812
Less accumulated depreciation	<u>(642,019)</u>	<u>(802,737)</u>
	28,577	42,075
Office furniture and equipment - at cost	3,344,880	3,242,843
Less accumulated depreciation	<u>(2,288,080)</u>	<u>(1,753,873)</u>
	1,056,800	1,488,970
Computer equipment - at cost	1,981,508	1,956,534
Less accumulated depreciation	<u>(1,540,279)</u>	<u>(1,162,910)</u>
	441,229	793,624
Work in progress - at cost	508,142	-
	<u>5,930,119</u>	<u>6,438,473</u>

*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 2022	4,113,804	42,075	1,488,970	793,624	-	6,438,473
Additions	-	-	102,037	24,974	508,142	635,153
Depreciation expense	<u>(218,433)</u>	<u>(13,498)</u>	<u>(534,207)</u>	<u>(377,369)</u>	-	<u>(1,143,507)</u>
Balance at 30 June 2023	<u>3,895,371</u>	<u>28,577</u>	<u>1,056,800</u>	<u>441,229</u>	<u>508,142</u>	<u>5,930,119</u>

*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:

<i>Class of asset</i>	<i>Depreciation rate</i>
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.

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**Note 13. Right of use assets**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	16,357,998	12,252,995
Less: Accumulated depreciation	<u>(10,921,788)</u>	<u>(7,471,013)</u>
	5,436,210	4,781,982
Motor vehicles - right-of-use	7,255,345	5,078,460
Less: Accumulated depreciation	<u>(5,490,009)</u>	<u>(3,797,489)</u>
	1,765,336	1,280,971
	<u>7,201,546</u>	<u>6,062,953</u>

The Company leases land and buildings for its offices under agreements of between 1 to 6 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 2022	4,781,982	1,280,971	6,062,953
Additions	4,190,017	2,176,885	6,366,902
Termination	(85,014)	-	(85,014)
Depreciation expense	<u>(3,450,775)</u>	<u>(1,692,520)</u>	<u>(5,143,295)</u>
Balance at 30 June 2023	<u>5,436,210</u>	<u>1,765,336</u>	<u>7,201,546</u>

*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 relief under AASB 16 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.

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**Note 14. Intangible assets**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Software - in use - at cost	868,752	789,772
Less: Accumulated amortisation	<u>(549,274)</u>	<u>(475,873)</u>
	<u>319,478</u>	<u>313,899</u>

*Reconciliations*

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

	Software - in use \$
Balance at 1 July 2022	313,899
Additions	78,980
Amortisation expense	<u>(73,401)</u>
Balance at 30 June 2023	<u>319,478</u>

*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)

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**Note 15. Trade and other payables**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	3,781,405	4,173,156
Accrued expenses and other payables*	9,800,529	15,497,419
	<u>13,581,934</u>	<u>19,670,575</u>

\*Accrued expenses and other payables as at 30 June 2023 includes \$2,216,575 (2022: \$9,004,801) of unpaid underpayment liabilities identified by the Company, owed to current and former employees.

*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**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Contract liabilities	14,900,826	5,486,840

*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**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Refund liabilities	10,194,580	10,870,395

*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**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Provision for annual leave	5,261,591	4,997,354
Provision for long service leave	834,158	840,602
	<u>6,095,749</u>	<u>5,837,956</u>
<i>Non-current liabilities</i>		
Provision for long service leave	381,114	376,440
	<u>6,476,863</u>	<u>6,214,396</u>

**Note 18. Employee provisions (continued)**

*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.

*Accounting policy for employee benefits*

*Short-term employee benefits*

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

*Other long-term employee benefits*

The liability for employee leave benefits 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.

*Portable long service leave*

For certain eligible employees a percentage of eligible salaries is paid to portable long service leave authorities in the locations in which the Company operates, under relevant portable long service leave schemes. Any amounts payable to eligible employees in relation to long service leave post commencement of the relevant portable long service leave schemes are funded by the respective authority as and when they arise. However, the existence of the schemes does not discharge the Company's obligation to pay long service leave to employees in the event that the relevant authorities cannot meet their obligations. At balance date the committee members have no reason to believe that the authorities will not meet their obligations under the agreements with the Company as employer. As a result the long service leave provision as they pertain to the Company's eligible employees is shown net of amounts paid to the portable long service leave authorities.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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**Note 19. Lease liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Motor vehicle lease liability	1,051,036	729,502
Property lease liability	3,143,666	2,534,857
	<u>4,194,702</u>	<u>3,264,359</u>
<i>Non-current liabilities</i>		
Motor vehicle lease liability	754,518	577,891
Property lease liability	2,439,252	2,395,261
	<u>3,193,770</u>	<u>2,973,152</u>
	<u><u>7,388,472</u></u>	<u><u>6,237,511</u></u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	4,642,868	3,571,670
One to five years	3,827,334	3,444,576
	<u>8,470,202</u>	<u>7,016,246</u>

*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**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Asset revaluation reserve	<u>2,894,957</u>	<u>2,894,957</u>

*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.



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**Note 20. Reserves (continued)**

*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 2022	2,894,957
Balance at 30 June 2023	<u>2,894,957</u>

**Note 21. Directors & key management personnel**

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

	2023 \$	2022 \$
<i>Aggregate compensation</i>		
Directors - total number of Directors receiving benefit: 10 (2022: 10)	202,322	193,222
Key management personnel - total number of key management personnel receiving benefit: 20 (2022: 21)	<u>4,011,909</u>	<u>3,986,460</u>
	<u>4,214,231</u>	<u>4,179,682</u>

**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. Contingencies**

The Company had no contingencies as at 30 June 2023 (2022: \$nil).

**Note 24. Commitments**

The Company had no financing or capital commitments as at 30 June 2023 (2022: \$nil).

	2023 \$	2022 \$
<i>Lease commitments for leases which had not commenced by the end of the financial year</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	<u>524,204</u>	<u>151,860</u>

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**Note 25. Members' guarantee**

The Company is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 10, being the Directors of the Company.

**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:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Audit of the financial statements	56,175	52,500
Audit of acquittal statements	63,840	59,850
Non-assurance services: Financial statement compilation	4,500	4,200
	<u>124,515</u>	<u>116,550</u>

**Note 27. Non-cash investing and financing activities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Additions to the right-of-use assets	<u>6,366,902</u>	<u>4,501,751</u>

**Note 28. Events after the reporting period**

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

**Wellways Australia Limited**  
**Directors' declaration**  
**30 June 2023**

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 2022; and
- give a true and fair view of the Company's financial position as at 30 June 2023 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.

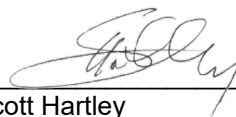
Signed in accordance with a resolution of directors and subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulations 2022.

On behalf of the Directors



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Michael Gorton  
Chair



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Scott Hartley  
Director

2 November 2023

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**Grant Thornton Audit Pty Ltd**

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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 2023, and the statement of 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 2023 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 2022*.

##### 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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### **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 2023, 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants

*J D Vasiliou*

J D Vasiliou  
Partner – Audit & Assurance  
Melbourne, 2 November 2023