VICTORIAN DEAF SOCIETY

AND CONTROLLED ENTITY

(ACN 004 058 084)

A COMPANY LIMITED BY GUARANTEE

Financial Report for the year ended 30 June 2023

Expression Australia

VICTORIAN DEAF SOCIETY AND CONTROLLED ENTITY

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Directors' Report

The Directors of Victorian Deaf Society (a company limited by guarantee) and its controlled entity submit herewith the financial statements for the year ended 30 June 2023 and report as follows.

The Directors at any time during the year and to the date of this report and other directorships held are:

Mr D (Demetrio) Zema – Chair - LLB, BA (International Relations) (La Trobe), Founder and Director – Law Squared. Director of The Pride Fund Ltd and YGAP Ltd, Director Royal Tasmanian Society for the Blind and Deaf. Appointed April 2017.

Mr G P (Gavin) Balharrie – President - BA (Planning and Design), BA (Property and Construction), AIQS, GAICD, National Director WT Partnership. Director Royal Tasmanian Society for the Blind and Deaf. Appointed October 2016 (Resigned May 2023).

Ms I (Irena) Farinacci – Diploma in Management, Associate Diploma in Computer Programming – National Diversity & Inclusion Coordinator with Tennis Australia. Appointed October 2021 (Resigned August 2023).

Ms K (Kathryn) Forrest – Executive General Manager Operations and Transformation, Telstra Super. Appointed October 2022.

Ms L (Lynnere) Gray – CA, MAICD, BCom (Flinders University), Director Corporate Services, Golden Plains Shire Council. Appointed August 2023.

Ms M (Melissa) Hale – BASoc (Latrobe) – Coordinator of Disability Advocacy Resource Unit (DARU) which resources and builds the capacity of the disability advocacy sector in Victoria. Appointed October 2019 (Resigned August 2023).

Ms C (Cassandra) Hatton – BA Human Resources (CQU) and Post Grad Dip Psychology (Monash). Chief Operating Officer, St Vincent de Paul Society Victoria. Appointed October 2022.

Mr J (Jamie) Mead – MEng (Loughborough University), CEO – Talaria Asset Management. Appointed 20 October 2020 (Resigned July 2022).

Mr P (Praveen) Reddy – BEng (Chem), MBA, GAICD, Executive Director, Freight Victoria at Department of Transport. Director The Onemda Association Inc. Appointed April 2015.

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

VICTORIAN DEAF SOCIETY AND CONTROLLED ENTITY

Meetings of Directors

During the financial year, 20 scheduled meetings of directors (including committees) were held. The number of scheduled meetings of the board or relevant committee attended and the number for which each director who was a committee member, was able to attend was as follows:

	Board	Finance, Audit and Risk Committee	Nominations and Remuneration Committee	Strategy, Planning and Performance Committee	Investment Sub-Committee	Property Planning Committee
D Zema	9 / 9	7 / 7	0 / 0	0 / 0	4 / 4	-
G Balharrie	7 / 7	-	0 / 0	0 / 0	-	0 / 0
I Farinacci	6 / 9	-	-	-	-	-
K Forrest	5 / 6	-	-	-	-	-
M Hale	9 / 9	-	-	0 / 0	-	0 / 0
C Hatton	5 / 6	-	-	-	-	-
J Mead	0 / 1	-	-	-	-	-
P Reddy	9 / 9	6 / 7	-	0 / 0	3 / 4	-

Mr Geoff McQueen – FCA, BBus (Federation University) held the position of Company secretary at the end of the financial year. Appointed November 2021.

Principal Activities

The principal activities of the Society are to provide a range of services for people who are Deaf or hard of hearing.

Company Objectives

The principal activities of the Society align to the Society's vision where we strive to create a future state to give all people who are Deaf and hard of hearing every opportunity to connect with and contribute to society. To have the freedom to develop in all aspects of life, in their language of choice, and for our support to extend to their families. The Society strives to achieve this vision through transformational services, by optimising new technologies, addressing inequity and driving social change.

The purpose of the Society is to create opportunities for people who are Deaf and hard of hearing by delivering targeted services and affecting social change. Expression Australia enables Deaf communities to flourish and is inclusive of all members of those communities, irrespective of age or background.

Strategies

In July 2021, the Society presented a new strategic plan for 2021 – 2024 to the community and stakeholders. To deliver on our goals and achieve our purpose, the Society has identified four key areas of focus through to 2024.

1. Advance our services; by delivering high quality services and support to people who are Deaf and hard of hearing, we create positive experiences and outcomes.
2. Grow and develop our Deaf community; by actively supporting the growth of people who are Deaf and hard of hearing, we can create education and employment opportunities.
3. Broaden our impact; by expanding our services and geographic footprint, Expression Australia can reach more members of the Deaf and hard of hearing community.
4. Deeper connection: by building trust, we will further strengthen our relationship with people who are Deaf and hard of hearing.

Company Performance

The organisational strengths we will build upon to deliver on our promises to the community of people who are Deaf and hard of hearing in Australia are our enablers of:

1. Optimal performance; keep our organisation and our people operating at the top of our game.
2. Exceptional culture; be a vibrant, inclusive organisation with a thriving bilingual, multifaceted culture.
3. Strategic partners & allies; grow meaningful, sustainable relationships. Key partners include people and organisations we can collaborate with on common initiatives. Allies are people and organisations with shared vision, but who we may not work with directly.
4. Elevated profile; Strengthen the trust and recognition in Expression Australia among people who are Deaf and hard of hearing as well as our staff, funders and partners.

Review of Operations and Results

The net loss for the year was $4,478,021 (2022: loss of $2,343,125). Total comprehensive loss for the year was $3,556,531 (2022: loss of $4,441,859).

The financial performance of all operational services saw revenues flat on the previous financial year. However considering the transition last financial year of two of Expression Employment's specialists' contracts to another service provider, which reduced revenue in the current financial year, the underlying operational services revenue grew by approximately 6%.

Operational revenues were adversely impacted in the financial year with lower Bequest income following a large one-off receipt in the previous year and the reduction in one-off project funding for specific time defined projects. Offsetting this in small part was increased Dividend and Interest income.
Following the previous year's volatile global investment markets, the current financial year saw a positive 10.61% Portfolio return on the Society's investment portfolio performance (2022: negative 1.89% return). This compared favourably to the Target return of 7.39% and composite Benchmark returns of 9.66%. The financial impact being Other Comprehensive Income $921,490 (2022: Other Comprehensive Loss $2,098,734), an improvement of $3,020,224. A healthy portfolio investment balance remains on 30 June 2023 of $22,060,181.

With ongoing challenges in rebuilding post COVID-19, the organisation has continued its strong focus on cost control, with year-on-year expenditure only increasing by 1.6% in a higher inflationary period.

Significant Changes in State of Affairs

During the financial year there was no significant change in the Society's affairs other than that referred to in this Report, the financial statements, and their notes.

Significant Events after Reporting Date

There were no significant events after reporting date.

Members' guarantee

The Society is incorporated under the *Corporations Act 2001 (Cth)* as a company limited by guarantee. If the company is wound up, the Constitution states that each member is required

contribute to a maximum of $10 each towards meeting any outstanding obligations of the Society. At 30 June 2023, the number of members, including life members was 27. The combined total amount that members of the company may be liable to contribute if the Society is wound up is $120.

Indemnifying Directors and Officers

Directors and Officers are indemnified under a State Government of Victoria funded Community Services insurance policy against loss arising out of any claim, by reason of any Wrongful Act committed by them, in their capacity as a Director or Officer.

Likely Developments and Expected Results

The organisation continues to explore the establishment of new market opportunities aligned with the growth strategy which has already seen the establishment of service delivery and an office presence in WA. At the same time, Management continues to explore all costs reduction opportunities to support the expected financial performance improvement. However, it remains a challenging business environment, and financial performance will continue to be closely monitored and actioned accordingly.

Directors' Emoluments

No Member of the Board since the end of the previous financial year has received or become entitled to receive a benefit as consideration for their role as a Director of the Society. Contracts may be made by the Society with a Board Member, or with a firm of which a Board Member is a member, or with a company in which the Board Member has a substantial financial interest, to supply goods or provide services in the normal course of business. Such transactions are to be on normal commercial terms and conditions no more favourable to those available to other parties. Any such transactions are detailed in Note 18 of the notes to the financial statements.

Environmental Issues

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

Proceedings on behalf of the Society

No person has applied for leave of any Court to bring proceedings on behalf of the Society.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 6.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors.

D ZEMA
Chair - Director

P REDDY
Director

Dated: 11th October 2023

Building a better working world

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Auditor's Independence Declaration to the Directors of Victorian Deaf Society

In relation to our audit of the financial report of Victorian Deaf Society for the financial year ended 30 June 2023, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and

b. No non-audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

Kylie Bodenham
Partner
11 October 2023

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	Consolidated 2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents	5	632,367	2,910,261
Trade and other receivables	6	1,942,301	1,846,022
Inventories		7,542	28,215
Other financial assets held in trust		4,334	17,384
Other assets	7	749,200	412,242
TOTAL CURRENT ASSETS		3,335,744	5,214,124
NON-CURRENT ASSETS			
Financial assets	8	22,060,181	23,393,215
Plant and equipment	9	128,088	176,114
Right-of-use assets	17	3,952,717	341,396
Intangible assets	10	78,975	144,104
TOTAL NON-CURRENT ASSETS		26,219,961	24,054,829
TOTAL ASSETS		29,555,705	29,268,953
CURRENT LIABILITIES			
Trade and other payables	11	2,554,141	1,791,120
Payables – held in trust		4,223	16,721
Provisions	12	1,525,033	1,330,275
Lease Liabilities	17	428,086	317,431
TOTAL CURRENT LIABILITIES		4,511,483	3,455,547
NON-CURRENT LIABILITIES			
Provisions	12	149,202	332,972
Lease Liabilities	17	3,611,908	68,408
TOTAL NON-CURRENT LIABILITIES		3,761,110	401,380
TOTAL LIABILITIES		8,272,593	3,856,927
NET ASSETS		21,283,112	25,412,026
EQUITY			
Reserves		2,226,618	1,877,509
Retained earnings		19,056,494	23,534,517
TOTAL EQUITY		21,283,112	25,412,026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Consolidated 2023 $	2022 $
Revenue	2a	13,004,267	15,031,835
Other income	2b	1,319,500	1,088,680
		14,323,767	16,120,515
Expenses			
Employee costs		(12,306,163)	(12,217,817)
Depreciation and amortisation		(873,422)	(1,038,460)
Other expenses		(5,467,480)	(5,172,359)
Finance Cost		(154,723)	(35,004)
		(18,801,788)	(18,463,640)
Net loss		(4,478,021)	(2,343,125)
Items that will not be reclassified to the profit or loss			
Changes in fair value of equity investments at FVOCI		921,490	(2,098,734)
Other comprehensive income/loss for the year		921,490	(2,098,734)
Total comprehensive loss for the year		(3,556,531)	(4,441,859)

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Financial Assets at FVOCI Reserve	Tasmanian Deaf Society Reserve	Unspent grants Reserve	Retained Earnings	Total Equity
	$	$	$	$	$
As at 1 July 2021	3,404,068	547,715	2,201,363	25,030,986	31,184,131
Loss for the year	-	-	-	(2,343,125)	(2,343,125)
Changes in fair value of available-for-sale financial assets, net of tax	(2,098,734)	-	-	-	(2,098,734)
Transfer of Tasmanian Deaf Society Reserve	-	(547,715)	-	547,715	-
Transfer to Unspent grants reserve	-	-	(1,629,188)	298,940	(1,330,248)
Total comprehensive loss for the year	(2,098,734)	-	-	(2,343,125)	(4,441,860)
Balance as at 30 June 2022	1,305,334	-	572,175	23,534,516	25,412,024
Loss for the year	-	-	-	(4,478,022)	(4,478,022)
Changes in fair value of available-for-sale financial assets, net of tax	921,490	-	-	-	921,490
Transfer to grant revenue for utilisation		-	(572,175)	-	(572,175)
Total comprehensive income/(loss) for the year	921,490	-	-	(4,478,022)	(3,556,532)
Balance as at 30 June 2023	2,226,618	-	-	19,056,494	21,283,112

The accompanying notes form part of these financial statements.

STATEMENT OF CASHFLOWS FOR YEAR ENDED 30 JUNE 2023

	Note	Consolidated 2023 $	2022 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from government and customers		13,349,034	12,836,816
Payments to suppliers and employees		(19,338,807)	(17,562,373)
Interest Paid		(155,668)	(35,925)
Interest received		2,538	3,749
Dividends and distributions received		1,313,309	929,539
Donations, bequests and fundraising		192,194	839,571
Net cash provided by operating activities		(4,637,400)	(2,988,623)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		-	36,357
Proceeds from sale of investments		7,921,136	10,597,651
Payment for plant & equipment		(69,679)	(71,152)
Payment for investments		(4,622,016)	(5,797,651)
Net cash generated from investing activities		3,229,441	4,765,205
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(621,182)	(765,744)
Movements in term deposits representing net cash used in financing activities		(248,753)	(4,449)
Net cash used in financing activities		(869,935)	(770,193)
Net (decrease)/increase in cash held		(2,277,894)	1,006,389
Cash at the beginning of the financial year		2,910,261	1,903,872
Cash at the end of the financial year	5	632,367	2,910,261

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
for the year ended 30 June 2023

1. ABOUT THIS REPORT

CORPORATE INFORMATION

The Financial Statements covers Victorian Deaf Society as a consolidated entity incorporating Tasmanian Deaf Society of which it is the sole member. Victorian Deaf Society and Tasmanian Deaf Society are companies limited by guarantee, incorporated and domiciled in Australia.

The company is registered charity with the Australian Charities and Not-for-Profit Commission, holds deductible gift recipient status and is exempt from income tax.

The registered office address is Level 6, 54 Wellington Street, Collingwood 3066.

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 (Cth) (ACNC Act), Australian Accounting Standards - Simplified Disclosures, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Victorian Deaf Society is a non-for-profit entity for the purposes of preparing these consolidated financial statements.

The financial statements have been prepared on an accruals basis and are based on historical costs, except for debt and equity financial assets that have been measured at fair value. The amounts presented in the financial statements have been rounded to the nearest Australian dollar.

The financial report was approved by the directors as at the date of the directors' report.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The following is a summary of material accounting policies adopted by the Society in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the parent (Victorian Deaf Society) and its subsidiaries as at 30 June 2023. Control is achieved when the Society is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

1. ABOUT THIS REPORT (cont.)

BASIS OF CONSOLIDATION (cont.)

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

COMPARATIVES

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

ECONOMIC DEPENDENCY

The Society depends on a significant amount of revenue from the National Disability Insurance Scheme (NDIS) and on grants provided by the Federal and Victorian State Governments. During the year ended 30 June 2023, approximately 49% or $6,202,332 (2022: 47% or $7,040,441) of the Society's revenue was sourced from the Federal, Victorian and Tasmanian State Governments.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgements are based on past performance and management's expectation for the future. The Society makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions in respect of future events, which could have a material impact on the assets and liabilities are discussed below:

Key estimates: -

(i) *Depreciation and amortisation*
Useful lives of assets have been estimated by management based on historical experience and other factors.

(ii) *Employee Benefits*
For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As

Notes to the Financial Statements

1. ABOUT THIS REPORT (cont.)

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (cont.)

the Society expects that most employees will not use all of their long service leave entitlements in the same year in which they are earned or during the following 12-month period, obligations for long service leave entitlements are classified under AASB 119 as other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

TAXES

The income of the Society is considered to be tax exempt under section 50 of the *Income Tax Assessment Act 1997(Cth)*.

Notes to the Financial Statements

2. TOTAL REVENUE AND OTHER INCOME

	2023 $	2022 $
2(a) Revenues		
NDIS Revenues and Federal government grants	5,647,404	6,456,296
State government operating grants	588,268	584,145
Donations, bequests and fundraising	192,194	839,571
Sale of goods and services	6,576,400	7,151,823
	13,004,267	15,031,835
2(b) Other income		
Interest income	2,538	184,825
Dividend and distribution income	1,315,847	975,831
Gain/(loss) from sale of plant and equipment	1,115	(71,976)
	1,319,500	1,088,680

Recognition and Measurement

The Society recognises revenue under AASB 1058 *Income of Not-for-Profit Entities* or AASB 15 *Revenue from Contracts with Customers* when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Society expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. In other cases, AASB 1058 applies when a Not For Profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately. The Society recognises revenue from the following major sources:

Notes to the Financial Statements

2. TOTAL REVENUE AND OTHER INCOME (cont.)

Federal and State Government Grants

Government grants are received by the entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants also include income where there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Grant Income is recognised in accordance with AASB 15 if the contract has sufficiently specific performance obligations. Grant income without sufficiently specific performance obligations is recognised under AASB 1058. Grant income for contracts with sufficiently specific performance obligations is recognised over time based on input method. The Society has made a decision that expense is a good indicator of performance obligations being performed over time.

The expenditure to which the grant relates to is expensed as incurred if it does not meet the capitalisation criteria for costs incurred to fulfil a contract. The expenditure may not correlate to the timing of grant receipts.

An unspent grant reserve has consequently been created within equity for which amounts that have been received from Federal and State Government grants are transferred to after first being recorded in profit or loss be applied against expenditure in future years.

Sale of goods

Revenue from sale of goods includes the sale of hearing aids and assistive listening devices. Revenue from sale of goods is recognised at a point in time when control of the goods passes to the customer and is measured at the fair value received or receivable.

Interest

Interest revenue is recognised on a time proportionate basis that takes into account the effective interest rate on the financial asset.

Dividends

Dividend revenue is recognised when the shareholder's right to receive payment has been established, provided it is probable that the economic benefits will flow to the Society and the amount of income can be measured reliably.

Rental income

Rental income received from properties owned by the Society is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Donations, bequests and sponsorships

The Society receives part of its income from donations, either as cash or in-kind. Donations are recognised as revenue when they are recorded in the books and records of the Society under AASB 1058. Bequests are recognised at the fair value of the benefit received when receipt of the amount is certain. Where required, bequests are recognised in accordance with the express terms of the will under AASB 1058. Sponsorship agreements entitle the sponsor to something of value in return for their support. Revenue is recognised point in time in accordance with AASB15.

Notes to the Financial Statements

2. TOTAL REVENUE AND OTHER INCOME (cont.)

Professional Service fees

Professional Service fees include interpreting fees, Auslan classes and accommodation fees. These fees are recognised on a straight-line basis over the period the services are provided as the services are transferred over time.

All revenue is stated net of the amount of goods and services tax (GST). Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recovered from the Australian Tax Office (ATO).

3. EXPENDITURE

	2023 $	2022 $
Depreciation and amortisation of non-current assets		
- Plant, equipment and intangibles	206,454	351,468
- Right of use assets	509,470	637,646
Cost of sales of goods	858,078	755,632
Employee benefits	12,306,163	12,217,817

Notes to the Financial Statements

4. KEY JUDGEMENTS AND ESTIMATES

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, 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 judgements and estimates used in relation to intangible Assets when preparing the financial statements for the year ended 30 June 2023 are consistent with those disclosed in our previous year end report, dated 30 June 2022.

In addition, the Society has applied judgement to determine the incremental borrowing rate and the likelihood of accepting lease renewal options, which significantly affect the amount of lease liabilities and right-of-use Assets (ROU) recognised.

Renewal Option
Victorian Deaf Society has the option, under some of its leases to lease properties for additional terms of two to three years. The Society applied judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Society reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew. The Society has therefore included the renewal period as part of the lease term for its property leases due to the needs of the business.

Notes to the Financial Statements

4. KEY JUDGEMENTS AND ESTIMATES INCOME (cont.)

Incremental borrowing rate
The Society has applied judgement to determine the incremental borrowing rate which significantly affects the amount of lease liabilities and right-of-use asset recognised. The Society applies a rate it best believes to be the rate that the Society will have to pay to obtain funds for an asset of a similar value to the right-of-use asset in a similar economic environment.

5. CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank	630,367	2,905,738
Cash on hand	2,000	4,523
	632,367	2,910,261

As at 30 June 2023, the Society has bank guarantees totalling $427,363 (30 June 2022: $222,926). While the Society has provided these guarantees, the probability of having to make payments under these guarantees is considered remote.

Significant accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Notes to the Financial Statements

6. TRADE AND OTHER RECEIVABLES

Current

	2023 $	2022 $
Trade debtors	1,167,762	1,224,925
Impairment loss	(203,458)	(214,247)
	964,304	1,010,678
Other receivables	977,997	835,324
	1,942,301	1,846,002

Significant accounting policy

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

For trade receivables, the Society applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which requires the use of the lifetime expected loss provision for all trade receivables.

6. TRADE AND OTHER RECEIVABLES (cont.)

Significant accounting policy (cont.)

Receivables 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.

Other receivables mainly relate to accrued dividend income and franking credits from investments.

7. OTHER ASSETS

	2023 $	2022 $
Current		
Rental Bonds	26,582	11,408
DiviPay Account	5,709	8,055
Prepayments	218,916	143,539
Term deposit	497,993	249,240
	749,200	412,242

8. FINANCIAL ASSETS

	2023 $	2022 $
Non-current		
Financial assets at fair value through OCI	22,060,181	23,393,215

Significant accounting policy

Initial recognition and measurement

On initial recognition, a financial asset is classified and measured: amortised cost; fair value through other comprehensive income (FVOCI) - debt instrument; FVOCI - equity instrument; or fair value through profit or loss (FVTPL). The classification depends on the Society's business model for managing the financial asset and the contractual terms of the cash flow.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Society changes its business model for managing financial assets.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Society's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

8. FINANCIAL ASSETS (cont.)

Significant accounting policy (cont.)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the Effective Interest Method (EIR). The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

Upon initial recognition, the Society can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument- by- instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Society benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Society elected to classify irrevocably its non- listed equity investments under this category.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Society no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non- cash assets or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements

9. PLANT AND EQUIPMENT

Cost	PPE	Leasehold improvements	Furniture & Fittings	ICT	Motor Vehicles	Total
As at 1 July 2022	429,695	528,614	345,124	835,428	110,750	2,249,611
Additions	-	-	48,825	20,855	-	69,679
Transfer	998	-	(998)	-	-	-
As at 30 June 2023	430,693	528,614	392,951	856,283	110,750	2,319,290
Accumulated Depreciation						
As at 1 July 2022	427,897	456,405	337,562	750,628	101,004	2,073,496
Charge for the year	2,796	43,412	11,227	56,376	3,895	117,706
As at 30 June 2023	430,693	499,817	348,789	807,004	104,899	2,191,202
Net book value						
At 30 June 2022	1,798	72,209	7,563	84,799	9,746	176,114
At 30 June 2023	-	28,797	44,162	49,279	5,851	128,088

Significant accounting policy

Plant and equipment are stated at cost less depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors for events or changes in circumstances that indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount. The resulting impairment loss is recognised in the statement of profit or loss and other comprehensive income.

Depreciation
The depreciable amounts of all plant and equipment are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use.

The depreciable amounts for each class of assets are:

	2023	2022
Plant and Equipment	25%	25%
Leasehold Improvements	25%	25%
Furniture & Fittings	25%	25%
IT Equipment	33%	33%
Motor Vehicles	15%	15%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Notes to the Financial Statements

9. INTANGIBLES

	2023 $	2022 $
Computer software - at cost	819,283	819,283
Accumulated amortisation	(740,308)	(675,179)
Net carrying amount	78,975	144,104

Movements in Carrying Amounts 2023

Balance at the beginning of the year	144,104
Amortisation expense	(88,748)
Balance at the end of the year	78,975

Significant accounting policy

Software
Software development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Society intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised software development costs are measured at cost less accumulated amortisation and accumulated impairment losses. The assets are amortised on a straight-line basis in profit or loss over their estimated useful life of 4 years, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

11. TRADE AND OTHER PAYABLES

	2023 $	2022 $
Current		
GST Payable	73,537	59,475
Trade creditors	413,588	381,471
Accrued expenses and other payables	753,625	589,097
Contract liabilities	1,313,391	761,077
	2,554,141	1,791,120

Contract liabilities
Contract liabilities includes amounts received in advance for Auslan classes and certain government grants with sufficiently specific performance obligations.

The following table includes the revenue on existing contracts expected to be recognised in the future which relates to performance obligations that are unsatisfied at the reporting date:

Notes to the Financial Statements

11. TRADE AND OTHER PAYABLES (cont.)

Contract Liabilities	2023 $	2022 $
Balance at 1 July	761,077	427,343
Additional contract liabilities during the year	1,574,320	194,452
Recognised as Revenue during the year	(1,022,006)	528,186
Balance at 30 June	1,313,391	761,077

Financial liabilities at amortised cost

	2023 $	2022 $
Trade and other payables		
- Total current	2,554,141	1,791,120
	2,554,141	1,791,120
Less: Contract liabilities	(1,313,391)	(761,077)
Financial liabilities at amortised cost	1,240,750	1,030,043

Significant accounting policy
Trade and other payables represent the liabilities for goods and services received by the Society 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.

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.

Income received in advance includes revenue for services contracted to be provided in the next financial year.

12. PROVISIONS

	2023 $	2022 $
Current		
Employee entitlements	1,525,033	1,270,275
Interpreting - Regis	-	60,000
	1,525,033	1,330,275
Non-current		
Employee entitlements	149,202	300,879
Interpreting - Regis	-	32,093
	149,202	332,972

Notes to the Financial Statements

12. PROVISIONS (cont.)

	Employee Entitlements $	Interpreting – Regis $	Total $
Analysis of total provisions:			
Balance at 1 July 2022	1,571,154	92,093	1,663,247
Additional provision raised during the year	1,012,906	-	1,012,906
Amount used	(909,825)	(92,093)	(1,001,918)
Balance at 30 June 2023	1,674,235	-	1,674,235

Significant accounting policy

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

Significant accounting policy

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

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

With the agreement terminated during the year, the Society no longer has an obligation to provide interpreting services under the Lake Park Aged Care Facility as per the contract of sale. Previously, provision was made for the Society's liability to provide interpreting services. Liabilities within one year have been provided for at their nominal amount. Liabilities greater than one year have been measured at the present value of the estimated future cash outflows to be made for interpreting needs. Other provisions are recognised where there is a present obligation as a result of a past event and a reliable estimate can be made of the obligation.

13. EMPLOYEE BENEFITS

Defined Benefit Plan
The Society participated in an employer-sponsored defined benefit superannuation plan for one staff member during the year. The benefits provided by this plan are based on length of service of the member at retirement and the Society would be liable for any shortfall. However, the Defined Benefit Plan ceased in October 2022 as the one staff member reached the age of 65.

Notes to the Financial Statements

14. RESERVES AND RETAINED EARNINGS

(a) Financial Assets at FVOCI Reserve
The financial assets at FVOCI are used to record unrealised gains/(losses) in investments under AASB 9.

(b) Unspent Grants Reserve
The unspent grants reserve represents the total of key grant monies received or receivable for specific purposes but not used at the end of the year. The full amount has been utilised as of 30 June 2023.

15. FINANCIAL RISK MANAGEMENT

The Society's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 $	2022 $
Financial assets			
Financial assets not measured at fair value:			
Amortised cost:			
Trade and other receivables	6	1,942,301	1,846,022
Financial assets held in trust		4,334	17,384
Financial assets measured at fair value:			
Cash and cash equivalents	5	632,367	2,910,261
Financial assets at fair value through OCI	8	22,060,181	23,393,215
Total financial assets		24,639,182	28,166,882
Financial liabilities			
- trade and other payables	11	1,240,750	1,030,250
- payables – held in trust		4,223	16,721
Total financial liabilities		1,244,973	1,046,971

Refer to Note 16 for detailed disclosures regarding the fair value measurement of the Society's financial assets and financial liabilities.

VICTORIAN DEAF SOCIETY AND CONTROLLED ENTITY

Notes to the Financial Statements

16. FAIR VALUE MEASUREMENTS

	2023 $	2022 $
Recurring fair value measurements		
Financial assets		
Financial assets at fair value through OCI	22,060,181	23,393,215

Significant accounting policy

"Fair value" is the price the Society would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurable date.

As fair-value is a market based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transactional costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or sell it to another market participant that would use the asset in its highest and best use.

For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

Notes to the Financial Statements

17. LEASES

	Right-of-use asset			Lease Liabilities
	Premises $	Motor Vehicles $	Total $	Total $
As at 30 June 2021	**934,163**	**114,405**	**1,048,568**	**1,195,043**
Depreciation Expense	(603,242)	(34,403)	(637,645)	-
Interest Payments	-	-	-	32,887
Payments	-	-	-	(765,744)
Lease modification	(69,527)		(69,527)	(76,347)
As at 30 June 2022	**261,394**	**80,002**	**341,396**	**385,839**
Additions during the year	4,120,791	-	4,120,791	4,120,791
Depreciation Expense	(475,067)	(34,403)	(509,470)	-
Interest Payments	-	-	-	154,546
Payments	-	-	-	(621,182)
As at 30 June 2023	**3,907,118**	**45,599**	**3,952,717**	**4,039,994**

The society has lease contracts for various premises and vehicles. Leases of premises generally have lease terms between 1 and 8 years, while motor vehicles generally have lease terms between 3 and 5 years.

The society also has certain leases of premises with lease terms of 12 months or less. The society applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Several lease contracts include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the society's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 4).

Lease Liabilities	2023 $	2022 $
Current	428,086	317,431
Non-current	3,611,908	68,408
Total	**4,039,994**	**385,839**

Presented below is a maturity analysis of future lease payments:

	2023 $	2022 $
Not later than 1 year	717,002	318,115
Later than 1 year and not later than 5 years	2,800,437	71,249
Later than 5 years	1,962,759	-
	5,480,198	**389,364**

The amount of expense relating to short-term leases and low-value assets recognised in the profit and loss during the year ended 30 June 2023 was $159,000 (2022: $256,000).

Notes to the Financial Statements

17. Leases (cont.)

The table below are the amounts recognised in profit and loss during the period:

	2023 $	2022 $
Depreciation expense of right-of-use asset	509,470	637,646
Interest expense on lease liabilities	154,546	32,887
Outgoings & other property costs	146,003	256,830
Gain on modification of leases	-	(6,820)
Total amount recognised in profit or loss	**810,019**	**934,183**

The society had total cash outflows for leases for FY23 is $621,182.

Significant accounting policy

Leases in which the Society is a lessee
The Society has recognised assets and liabilities for its operating leases. The Society is recognising a depreciation charge for right-of-use assets (ROU) and interest expense on lease liabilities.

Right-of-Use Assets
The Society recognises right-of-use assets at the commencement date of the leases (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated

depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Society is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities
At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers that payment occurs.

Notes to the Financial Statements

18. RELATED PARTY TRANSACTIONS

The table below discloses the compensation recognised as an expense during the reporting period related to Key Management Personnel.

	2023 $	2022 $
Short term employee benefits	1,240,721	852,930
Termination benefits	6,435	35,264
Total compensation	1,247,156	888,194

The Directors of the Victorian Deaf Society during the financial year were

D Zema	G P Balharrie
I Farinacci	K Forrest
M Hale	C Hatton
J Mead	P Reddy

No remuneration was paid or is payable to directors during the year.

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

Transactions with related parties:

		2023 $	2022 $
Remuneration to director's spouses	(a)	98,674	40,086
Legal services provided to the Society	(b)	46,696	51,817

(a) Two Directors have spouses working at Victorian Deaf Society and they are remunerated appropriate to the role.
(b) Mr D Zema legal firm, Law Squared, provided legal services at arm's length cost.

19. AUDITOR'S REMUNERATION

	2023 $	2022 $
Amounts received or due and receivable by Ernst & You for:		
- An audit of the financial report of the group	58,850	52,250

20. EVENTS OCCURRING AFTER REPORTING DATE

No significant events have occurred.

21. NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

New and amended standards and interpretations
The Society applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2022. The Society has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

VICTORIAN DEAF SOCIETY AND CONTROLLED ENTITY

Directors' Declaration

The directors of the Society declare that:

1. The financial statements and notes, as set out on pages 7 to 25, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*:

(a) comply with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and

(b) give a true and fair view of the financial position as at 30 June 2023 and performance for the financial year ended on that date of the Society.

2. In the directors' opinion, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

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

D ZEMA
Chair – Director

P REDDY
Director

Dated at Melbourne this 11th October 2023

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Independent Auditor's Report to the Members of Victorian Deaf Society

Opinion

We have audited the financial report of Victorian Deaf Society (the Company) and its subsidiary (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards – Simplified Disclosures and 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 Group 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 is the directors' report accompanying the financial report.

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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Group'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 Group'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 Group to cease to continue as a going concern.

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- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Ernst & Young

Ernst & Young

Kylie Bodenham
Partner
Melbourne
11 October 2023

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