



**ABN: 17 611 281 737**

**Consolidated Financial Report For The Year Ended  
30 June 2023**

**LaunchVic Limited and Controlled Entity**

**ABN: 17 611 281 737**

**Financial Report For The Year Ended  
30 June 2023**

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**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
**ABN: 17 611 281 737**  
**DIRECTORS' REPORT**

The directors present their report together with the consolidated financial statements of the Group, comprising LaunchVic Limited ('LaunchVic' or 'the Company') and its wholly owned subsidiary Alice Anderson Fund Pty Ltd as the Trustee for the Alice Anderson Fund Trust, for the financial year ended 30 June 2023.

**Directors**

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

Leigh Jasper  
Aneetha de Silva  
Catriona Larritt  
Ilona Charles  
Constantine Frantzeskos  
Teresa Engelhard

Shane Morris was Company Secretary during the whole of the financial year and remains in this role as at the date of this report.

**Principal Activities**

During the financial year the principal continuing activities of the Group consisted of being the lead Victorian Government agency responsible for the development and growth of the Victorian startup ecosystem. The Group continued to be responsible for:

- Creating more successful startups
- Unlocking investment capital
- Creating high value jobs

**Review of operations**

The Group generated a surplus of \$6,009,733 for the year ended 30 June 2023 (2022: Surplus of \$5,481,235). The Group earned revenue and income of \$20,523,594 in the reporting period (including various grants of \$19,151,537) and has expensed \$14,513,861 comprising program costs of \$12,501,155, fair value loss on investments of \$505,642 and operational costs of \$1,507,064.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Group during the financial year.

**Likely Developments and Expected Results of Operations**

The Group will continue to pursue its strategic objectives to drive the long-term success of Victoria's startup ecosystem by recognising the valuable contribution successful startups have on the economy through the creation of high value jobs and gross revenue for the state.

**Environmental Regulation**

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**Indemnity and insurance of officers**

The Company has indemnified the directors and executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditors**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
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**DIRECTORS' REPORT**

**Proceedings on Behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

**Events After the Reporting Period**

The directors of the Group are aware of the following significant events between the end of the financial year and the date of this report. Subsequent to the end of the financial year, the Hugh Victor McKay Fund was established to invest in Victorian AgTech startups and holds \$1m. At the same time, Hugh Victor McKay Fund Pty Ltd was established and appointed Trustee of the Hugh Victor McKay Fund Trust. LaunchVic Limited is the sole shareholder in Hugh Victor McKay Fund Pty Ltd and unit holder in the Fund. The fund was launched on 21 August 2023 and as at the date of this report, no investments have been made.

In the 2023 Victorian State Budget, the Government announced it was withdrawing funding for the Victorian Startup Capital Fund (VSCF). As a result, \$20m initial funding received by LaunchVic was returned to DJSIR at the end of September 2023.

Also through the 2023 Victorian State Budget, an additional \$5m in funding for the Alice Anderson Fund was awarded to LaunchVic, which is yet to be contracted.

Aside from the above, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Shares under option**

There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

**Shares issued on the exercise of options**

There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

**Information on Directors**

<b>Leigh Jasper (Chair)</b>	—	Director - joined the LaunchVic Board on 1 July 2020.
	—	University of Melbourne: Bachelor of Engineering (BE) (Honours), Mechanical and Manufacturing Engineering. Bachelor of Science (BSc). Mathematics.
Experience	—	Mr Leigh Jasper is the Chief Executive Officer and co-founder of Firmable, CEO of Saniel Ventures, Chair and Co-Founder of Second Quarter Ventures and a non-executive director of SEEK Ltd, Buildxact and Matrak.  He was the co-founder and CEO of Aconex between May 2000 and August 2019. Aconex is the world's largest provider of online collaboration solutions for the construction and engineering industries. As Aconex CEO, Mr Jasper led global growth for Aconex, expanding the business into Asia, North America, South America, the Middle East and Europe. In September 2008, Aconex secured a A\$109.5 million funding deal and one of the largest private capital raisings by an Australian technology company. In 2014 the company listed on the ASX. In 2018 Oracle acquired Aconex for \$1.6 billion in Australia's largest technology M&A transaction.
Special Responsibilities	—	Chair of the Board and Member of the Audit, Finance & Risk Sub-Committee and People Sub-Committee

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
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**DIRECTORS' REPORT**

**Information on Directors (continued)**

<b>Aneetha de Silva</b> Qualifications	<ul style="list-style-type: none"> <li>— Director - joined the LaunchVic Board on 1 July 2020.</li> <li>— University of Melbourne: Bachelor of Laws and Masters of Law. Executive education at the Kennedy School of Government &amp; Harvard University. Member of the Australian Institute of Company Directors.</li> </ul>
Experience	<ul style="list-style-type: none"> <li>— Ms Aneetha de Silva is a senior infrastructure executive with over 25 years' of experience across the government and private sectors in Australia, South Africa and the Asia Pacific. She has particular expertise as an advisor, developer and manager of large infrastructure assets and services, especially in transport, telecommunications and property.</li> </ul> <p>Aneetha is currently Managing Director, Government ANZ for Aurecon Group and a member of Aurecon's global board. She is also President of Roads Australia and sits on the Boards of LaunchVic, the Melbourne Arts Precinct Corporation and the North East Link State Tolling Corporation.</p> <p>An active angel investor, she is passionate about innovation, particularly the potential for new technologies to meet emerging customer needs and transform access to community services.</p>
Special Responsibilities	<ul style="list-style-type: none"> <li>— Chair of the Audit, Finance &amp; Risk Sub-Committee, Member of the Grants and Funding Sub-Committee and Alice Anderson Investment Committee.</li> </ul>
<b>Catriona Larritt</b> Qualifications	<ul style="list-style-type: none"> <li>— Director - joined the LaunchVic Board on 30 November 2016.</li> <li>— MBA - Harvard Business School Bachelor of Arts (Honours) - University of Melbourne</li> </ul>
Experience	<ul style="list-style-type: none"> <li>— Catriona is a customer driven business leader with more than 25 years of experience in successfully leading strategy, transformation and growth businesses. As the Chief Customer &amp; Digital Officer for the Qantas Group, she is a champion for customers, digitisation and change across the business.</li> </ul> <p>Before joining the Qantas Group in 2015, Catriona was a management consultant with The Boston Consulting Group for 13 years, specialising in consumer goods, retail and aviation, and has also been a senior executive with Spotless and Australia Post, where she focused on digital disruption and growth.</p>
Special Responsibilities	<ul style="list-style-type: none"> <li>— Chair of the Grants and Funding Sub-Committee</li> </ul>
<b>Ilona Charles</b> Qualifications	<ul style="list-style-type: none"> <li>— Director - joined the LaunchVic Board on 1 July 2020.</li> <li>— Swinburne University: MBA Australian Institute of Company Directors: Graduate Australian Human Resources Institute: Certified Member Bachelor of AppSc (OT) - Latrobe University</li> </ul>
Experience	<ul style="list-style-type: none"> <li>— Ms Ilona Charles is an experienced executive with an extensive career in human resources, transformation and change across a range of industries.</li> </ul> <p>Ilona has held executive roles with the CSIRO, Aconex, Telstra, Medibank and NAB and is currently the CEO and co-founder of ShiloPeople (shilo.), providing world-class on-demand HR talent and consulting solutions across Australia.</p> <p>She also founded pivotnow, providing strategic people advice to Founders, CEO's and Boards of organisations going through significant transition or scaling up.</p>
Special Responsibilities	<ul style="list-style-type: none"> <li>— Chair of the People Sub-Committee and Member of the Grants and Funding Sub-Committee</li> </ul>

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
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**DIRECTORS' REPORT**

**Information on Directors (continued)**

<b>Constantine Frantzeskos</b>	— Director, joined the LaunchVic Board on 11 March 2016.
Qualifications	— Bachelor of Economics - Monash University Graduate Diploma in Applied Finance and Investment (Finsia)
Experience	<p>— Mr Con Frantzeskos is Group Chief Growth and Innovation Officer at GrowthOps, creating strategic growth plans to address client growth challenges, drawing on the group's strengths in business and technology consulting, CX, digital marketing, creative, content, PR, and media in ten offices across Asia, the Middle East and Australia. He is the founder and former CEO of PENSO, a visionary digital strategy consultancy, and former Managing Director of AJF, one of Australia's top creative agencies.</p> <p>Mr Frantzeskos sits on the advisory board of the Swinburne University of Technology Innovation Precinct and is the Australian presenting Partner of The Future Laboratory, one of the world's most renowned futures and foresight consultancies.</p>
Special Responsibilities	— Member of the Audit, Finance & Risk Sub-Committee
<b>Teresa Engelhard</b>	— Director, joined the LaunchVic Board on 1 July 2020.
Qualifications	— Stanford University: MBA Caltech: Bachelor of Science Honours in Engineering and Applied Science
Experience	<p>— Ms Teresa Engelhard is the founder and CEO of edtech startup Stickytek and serves on the board of ASX-listed tech unicorn Wisetech Global. Her former ASX-listed non-executive director roles include Origin Energy and RedBubble, where she supported the company's growth from 25 people through to its ASX-listing.</p> <p>Her work at LaunchVic builds on over a decade of service to Australian public and not-for-profit entities. She previously was a member of Innovation Australia's Entrepreneurs' Programme Committee and was a Director at StartupAUS (now Tech Council of Australia) and Redkite Cancer Charity.</p> <p>Arriving in Australia in 2006 after a decade of experience as a venture capitalist in Silicon Valley, Teresa joined Jolimont Capital to eventually become a Managing Partner. Her investments there included NextWindow which achieved an AVCAL Chairman's award for IRR performance, and Daintree Networks which achieved Australia's highest value technology trade sale in 2016.</p>

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
**ABN: 17 611 281 737**  
**DIRECTORS' REPORT**

**Meetings of Directors**

During the financial year, eight meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Leigh Jasper (Chair)	8	8
Aneetha de Silva	8	8
Catriona Larritt	8	6
Ilona Charles	8	7
Constantine Frantzeskos	8	8
Teresa Engelhard	8	5

In addition to the above, during the reporting period the directors considered and unanimously agreed to one circular resolutions.

LaunchVic Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity. At 30 June 2023 the number of members was 1, (being the Treasurer, State Government, Victoria).

**Auditor's Independence Declaration**

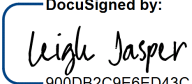
The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 8 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors, pursuant to Section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Director 

DocuSigned by:



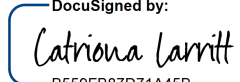
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**Leigh Jasper**

Dated this 24th day of October 2023

Director 

DocuSigned by:



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**Catriona Larritt**

Dated this 24th day of October 2023

## Auditor-General's Independence Declaration

### To the Directors, LaunchVic Limited

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

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

### *Independence Declaration*

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

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE  
26 October 2023



Simone Bohan  
*as delegate for the Auditor-General of Victoria*



**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
**ABN: 17 611 281 737**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

		2023	2022
	Note	\$	\$
Grant revenue	3	19,151,537	17,358,883
Other revenue and income	3	1,372,057	170,257
<b>Total revenue and income from transactions</b>		<u>20,523,594</u>	<u>17,529,140</u>
Employee benefits expense	4	(532,638)	(532,228)
Depreciation and amortisation expense	4	(192,612)	(120,168)
Program costs	4	(12,501,155)	(10,582,537)
Fair value gain/(loss) on investments through profit or loss	8	(505,642)	(292,540)
Professional fees		(120,169)	(109,714)
Finance costs on lease liability	4	(36,089)	(23,762)
Administration and operating expenses		(472,171)	(259,983)
Contractors		(153,385)	(126,973)
<b>Total expenses from transactions</b>		<u>(14,513,861)</u>	<u>(12,047,905)</u>
<b>Net surplus/(deficit) from transactions</b>		<u><u>6,009,733</u></u>	<u><u>5,481,235</u></u>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total Comprehensive income/(deficit)</b>		<u><u>6,009,733</u></u>	<u><u>5,481,235</u></u>

The accompanying notes form part of these financial statements.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
**ABN: 17 611 281 737**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	34,257,697	31,228,336
Accounts receivable and other debtors	6	25,350	276,060
Other current assets	7	176,790	76,608
Financial assets - Loan receivable	8	109,333	-
Financial Assets - Investments	8	10,339,704	10,153,497
<b>TOTAL CURRENT ASSETS</b>		<b>44,908,874</b>	<b>41,734,501</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets - Loan receivable	8	173,794	244,572
Financial Assets - Investments	8	5,685,385	2,811,751
Property, plant and equipment		23,642	23,946
Right-of-use assets	9	794,333	974,182
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,677,154</b>	<b>4,054,451</b>
<b>TOTAL ASSETS</b>		<b>51,586,028</b>	<b>45,788,952</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	10	1,930,120	1,755,027
Contract Liabilities	11	535,500	814,167
Funds held in trust	12	20,000,000	20,000,000
Lease liabilities	14	162,212	150,373
Employee related provisions	13	127,678	121,770
<b>TOTAL CURRENT LIABILITIES</b>		<b>22,755,510</b>	<b>22,841,337</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	14	656,860	820,034
Lease make good	14	25,000	25,000
Employee related provisions	13	118,915	82,571
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>800,775</b>	<b>927,605</b>
<b>TOTAL LIABILITIES</b>		<b>23,556,285</b>	<b>23,768,942</b>
<b>NET ASSETS</b>		<b>28,029,743</b>	<b>22,020,010</b>
<b>EQUITY</b>			
Retained surplus		28,029,743	22,020,010
<b>TOTAL EQUITY</b>		<b>28,029,743</b>	<b>22,020,010</b>

The accompanying notes form part of these financial statements.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
**ABN: 17 611 281 737**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<b>Retained Surplus \$</b>
<b>Balance at 1 July 2021</b>	16,538,775
Net result for the year	5,481,235
Other comprehensive income/(deficit) for the year	-
<b>Balance at 30 June 2022</b>	<u>22,020,010</u>
 <b>Balance at 1 July 2022</b>	 22,020,010
Net result for the year	6,009,733
Other comprehensive income/(deficit) for the year	-
<b>Balance at 30 June 2023</b>	<u><u>28,029,743</u></u>

The accompanying notes form part of these financial statements.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
**ABN: 17 611 281 737**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
State government grants		20,954,191	15,194,771
State government VSCF funding		-	22,000,000
Receipts from other income		192,893	33,916
Interest received		954,402	52,931
Payments to suppliers and employees		(1,305,870)	(1,007,362)
Payments for program activities		(14,020,930)	(14,126,512)
Interest expense on lease liabilities		(36,089)	(23,762)
Net cash generated from operating activities	24	<u>6,738,597</u>	<u>22,123,982</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(12,457)	(28,344)
Net proceeds from/(payments) for term deposits and funds held in trust		-	(10,112,159)
Net proceeds from/(payments) for investments		(3,379,277)	(3,104,291)
Net cash used in investing activities		<u>(3,391,734)</u>	<u>(13,244,794)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in deposits held of behalf of third parties		(166,167)	(596,401)
Advance of loan		-	-
Repayment of principal portion of lease liabilities		(151,335)	(83,688)
Net cash used in financing activities		<u>(317,502)</u>	<u>(680,089)</u>
<b>Net increase in cash held</b>		3,029,361	8,199,099
<b>Cash on hand at beginning of the financial year</b>		31,228,336	23,029,237
<b>Cash on hand at end of the financial year</b>	5	<u><u>34,257,697</u></u>	<u><u>31,228,336</u></u>

The accompanying notes form part of these financial statements.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
**ABN: 17 611 281 737**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 1      Summary of Significant Accounting Policies**

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards - Simplified Disclosures and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The consolidated financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

**(a) Income Tax**

No provision for income tax has been raised as the Group is exempt from income tax under 24AM of the *Income Tax Assessment Act 1997*.

**(b) Comparative Figures**

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. In the prior year, the comparative financial information includes the results of Alice Anderson Fund Trust from the date it was established, being 11 November 2021 to 30 June 2022. The Trustee company of Alice Anderson Fund is Alice Anderson Fund Pty Ltd. It was incorporated on the 3 November 2021 and became a wholly owned subsidiary of the Company.

**(c) Foreign currency balances/transactions**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. Non-monetary assets carried at fair value that are denominated in foreign currencies are translated to the functional currency at the rates prevailing at the date when the fair value was determined. Foreign currency translation differences are recognised in other economic flows in the consolidated comprehensive operating statement and accumulated in a separate component of equity, in the period in which they arise.

**(d) Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 22.

**(e) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2023 and the results of its subsidiary for the period then ended. LaunchVic Limited and its subsidiary together are referred to in these financial statements as 'the Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
**ABN: 17 611 281 737**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 1            Summary of Significant Accounting Policies (continued)**

**(f) New and Amended Accounting Standards**

Certain new and revised accounting standards have been issued but are not effective for the 2022-23 reporting period. These accounting standards have not been applied to these financial statements. The Group is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

**AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current**

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2023 with earlier application permitted however the AASB has recently issued AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. The Group is in the process of analysing the impacts of this Standard however, it is not anticipated to have a material impact.

**Other**

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Group's reporting.

**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.

**(a) Estimation of useful lives of assets**

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**(b) Impairment of non-financial assets**

The Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to it and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**(c) Employee related provision**

As discussed in note 13, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
**ABN: 17 611 281 737**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 2            Critical Accounting Judgements, Estimates and Assumptions (continued)**

**(d) Lease make good provision**

A provision has been made for the present value of anticipated costs for future restoration of leased premises. Changes to the estimated future make good costs are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

**(e) Fair value measurement of investments in startups**

Through the Alice Anderson Fund, direct equity investments are made into early stage companies. Startups are defined as tech-based companies, using innovation to access global markets. As an existing market for the product or services offered by early stage startups may yet be established, there is a significant degree of uncertainty with respect to the profitability and financial viability of these businesses. As a result, VC firms invest across a portfolio of companies, with the expectation of initial losses in the short term and potential gains in the longer term. The Fund recognises investments in these business at fair value through the profit or loss ("FVTPL") however, given the uncertainties, management have deemed cost as fair value on initial recognition.

Subsequent to initial recognition, management makes an assessment as to whether the carrying amount of each investment approximates fair value. Where a gain or loss arises from a subsequent priced round, any change in value is considered sufficient to support an adjustment in fair value. Where there is no observable market or sufficient data, management will make an assessment on the performance of investee companies in line with the Group's Investment Policy. The assessment is based on evidence sourced from investee companies to support ongoing fair value of the investment with reference to impairment indicators such as cash runway, founder commitment and likelihood of future capital raise. Any adjustments to fair value from management's assessment will be recognised through the profit or loss.

**(f) Fair value measurement of investments in managed funds**

During the year, the Company subscribed to units in a third party managed fund. These investments are measured at fair value through the profit or loss ("FVTPL") as described in note 8. The fund typically values its investments based according to applicable Australian accounting standards and the International Private Equity and Venture Capital Valuation Guidelines, which are consistent with best practice industry methodology. Where management has assessed the valuation obtained from the fund as being inconsistent with the applicable standards and guidelines, the Group will apply its own Investment Policy as described in note 2(e), which adheres to applicable Australian accounting standards and the International Private Equity and Venture Capital Valuation Guidelines, and consistent with best practice industry methodology.

On initial investment in the fund, the cost of the investment is deemed to be fair value. At the end of the financial period, the underlying Fund provides a statement of net asset value per unit for the individual funds. Management has assessed the valuation methodology applied and made a judgement that the fair value of the unit investment should be measured in line with the Group's Investment Policy. It is management's judgement that alignment of the valuation methodology applied by the Fund to the Group's Investment Policy approximates fair value.

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**Note 3            Revenue and Other Income**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Grant revenue</b>		
Grants recognised as income		
— State Government grants - Program costs	8,210,181	7,785,050
— State Government grants - Operating costs	1,448,856	1,373,833
— Other specific purpose grants	4,740,000	-
— Alice Anderson Funding	4,000,000	6,000,000
 Grants recognised as revenue from contracts with customers		
— Other specific purpose grants	752,500	2,200,000
<b>Total grant revenue</b>	<b>19,151,537</b>	<b>17,358,883</b>
 <b>Other revenue and income</b>		
— Interest income	1,179,164	136,341
— Ticket sales revenue	192,893	33,916
<b>Total other revenue</b>	<b>1,372,057</b>	<b>170,257</b>
 <b>Total revenue and other revenue</b>	<b>20,523,594</b>	<b>17,529,140</b>

**Grants recognised under AASB 1058**

The Group has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Group has an unconditional right to receive cash which usually coincides with receipt of cash.

On initial recognition of the asset, the Group recognises any increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15
- a lease liability in accordance with AASB 16
- a financial instrument, in accordance with AASB 9
- a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Income received for specific purpose grants for on-passing is recognised simultaneously as the funds are immediately on-passed to the relevant recipient entities on behalf of the State Government.

**Grants recognised under AASB 15**

Income from Grants enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with State Government. Revenue is recognised when the Group recognises the required performance obligation has been met. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received shortly after the relevant obligation is satisfied.

**Interest income**

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.



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**Note 4 Expenses for the Year**

a. Expenses	Note	2023 \$	2022 \$
Employee benefits expense:			
— Superannuation		259,521	217,741
— Salary and wages		2,634,834	2,382,722
— Payroll tax		180,219	139,186
— Workcover		10,716	13,027
— FBT		2,146	-
— Reported and included as direct program costs		(2,554,798)	(2,220,448)
Total employee benefits expense		<u>532,638</u>	<u>532,228</u>
Finance cost:			
— Interest expense on lease liability	14	<u>36,089</u>	<u>23,762</u>
Total finance cost		<u>36,089</u>	<u>23,762</u>
Depreciation and amortisation:			
— Office equipment		-	7,525
— Computer		12,763	7,731
— Right-of-use asset		<u>179,849</u>	<u>104,912</u>
Total depreciation and amortisation	23	<u>192,612</u>	<u>120,168</u>
<b>b. Program Costs</b>			
These expenses are related to payments made and / or accrued to funding recipients for grants and specific costs related to program activities delivered by the Group, including staff salaries directly attributable to deliver programs.			
Costs are recognised in the profit and loss when the grant is paid and when it is probable that the grant will be paid. Costs are accrued at year end to represent work undertaken by the grant recipient up until the end of the financial year where there is sufficient certainty that the grant conditions will subsequently be fully met.			

**Note 5 Cash and Cash Equivalents**

	Note	2023 \$	2022 \$
Cash at bank – unrestricted		14,202,197	16,006,669
Restricted cash - funds held in trust (DOH - CivVic program)		55,500	221,667
Restricted cash - funds held in trust (VSCF program)	12	<u>20,000,000</u>	<u>15,000,000</u>
	25	<u>34,257,697</u>	<u>31,228,336</u>

**Cash and cash equivalents**

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

**Restricted cash**

The Group has responsibility for transactions and balances relating to funds held in trust on behalf of third parties external to the company. Funds managed on behalf of third parties are not recognised in the Group's statement of profit and loss and other comprehensive income as they are managed on a fiduciary and custodial basis and therefore are not controlled by the Group. The funds held in trust relate to the 'CivVic accelerator program' where third parties provide deposits to the Group. In all cases the funds held in Trust are only paid out at the specific direction and instruction of the third party. A corresponding liability is included within 'Contract Liabilities' as recorded in note 11.

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**Note 6           Accounts Receivable and Other Debtors**

	<b>Note</b>	<b>2023 \$</b>	<b>2022 \$</b>
Accounts receivable		11,000	-
GST receivable		14,350	276,060
	25	<u>25,350</u>	<u>276,060</u>

**Accounts receivable and other debtors**

Accounts receivable and other debtors include amounts receivable in respect of GST refunds. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component. As described in Note 24, the Group recognises a loss allowance for expected credit losses on receivables that are measured at amortised cost or fair value through the profit and loss statement. Expected credit losses are probability weighted estimates based on the general approach, whereby an assessment of individual debtors is made at year end to determine the likelihood of loss having regard to all the circumstances. There was no doubtful debts provision at year end or any movement in the provision over the reporting period. The average credit period on accounts receivable is 30 days. GST receivable relates to refunds due by the Australian Taxation Office (ATO) in regards to GST for the Group. These amounts have been received after balance date.

**Note 7           Other Assets**

	<b>2023 \$</b>	<b>2022 \$</b>
Prepayments	<u>176,789</u>	<u>76,608</u>

**Note 8           Financial Assets**

	<b>Note</b>	<b>2023 \$</b>	<b>2022 \$</b>
<b>Categories of financial assets</b>			
Funds held in term deposits		10,000,000	5,000,000
Restricted cash - funds held in trust (VSCF program)	12	-	5,000,000
Restricted cash - funds held in trust (bank guarantee)		112,159	112,159
	25	<u>10,112,159</u>	<u>10,112,159</u>
Restricted cash - Accrued interest		<u>227,545</u>	<u>41,338</u>
<b>Total Restricted cash</b>		<u>10,339,704</u>	<u>10,153,497</u>

**Financial assets measured at fair value through the profit or loss (FVTPL)**

Investments in managed funds - at cost		1,412,045	1,000,000
Movement in fair value through profit or loss		(212,748)	(202,688)
Balance at 30 June 2023	25	<u>1,199,297</u>	<u>797,312</u>
Investments in startups - at cost		5,158,567	2,104,291
Movement in fair value through profit or loss		(672,479)	(89,852)
Balance at 30 June 2023	25	<u>4,486,088</u>	<u>2,014,439</u>
<b>Total financial assets measured at FVTPL</b>		<u>5,685,385</u>	<u>2,811,751</u>

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**Note 8 Financial Assets (continued)**

	Note	2023 \$	2022 \$
<b>Financial assets measured at amortised cost</b>			
Loan - current		109,333	-
Loan - non current		173,794	244,572
<b>Total financial assets measured at amortised cost</b>	25	<u>283,127</u>	<u>244,572</u>
<b>Total Financial asset</b>		<u>16,308,216</u>	<u>13,209,820</u>
<b>Summary of Financial assets</b>			
		2023 \$	2022 \$
Current		10,449,037	10,153,497
Non-Current		5,859,179	3,056,323
		<u>16,308,216</u>	<u>13,209,820</u>

**Restricted cash**

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

**Financial assets measured at fair value through the profit or loss (FVTPL)**

**Measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In certain circumstances, cost may be deemed to approximate fair value.

Refer note 2(e) and 2(f) for further details.

**Financial assets at amortised cost**

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Group to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

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**Note 9 Right-of-use Asset**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Commercial lease - at cost	1,079,094	1,079,094
Less: Accumulated depreciation	(284,761)	(104,912)
	<u>794,333</u>	<u>974,182</u>

**Reconciliation**

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

	<b>Commercial Leases</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>2022</b>		
Balance at the beginning of the year	-	-
Additions at cost	1,079,094	1,079,094
Depreciation expense	(104,912)	(104,912)
Carrying amount at the end of the year	<u>974,182</u>	<u>974,182</u>
<b>2023</b>		
Balance at the beginning of the year	974,182	974,182
Additions at cost	-	-
Depreciation expense	(179,849)	(179,849)
Carrying amount at the end of the year	<u>794,333</u>	<u>794,333</u>

In September 2021, the Group signed a commercial lease for 300sqm of office space in Richmond commencing December 2021. The lease has a six-year term (with a three-year break clause).

**Measurement**

**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated, less accumulated depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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

**Right-of-use Asset**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs incurred
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

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**Note 9 Right-of-use Asset (continued)**

**Depreciation**

**Property, Plant and Equipment**

Property, Plant and Equipment is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. All Property, Plant and Equipment is depreciated at a rate of 33% per annum. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**Right-of-use Asset**

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Where the Group obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset over its useful life. The right-of-use assets are also subject to revaluation.

Typical estimated useful lives for the different right-of-use assets for current and prior years are included in the table below:

Class of assets	Useful life (years)
Right-of-use Assets	6 years

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

**Impairment of Assets**

At the end of each reporting period, the Group 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 of disposal 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 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.

**Note 10 Accounts Payable and Other Payables**

	Note	2023 \$	2022 \$
Accounts payable		426,665	1,226,893
Other payables		1,363,559	528,134
GST payable		139,896	-
	10(a)	<u>1,930,120</u>	<u>1,755,027</u>
		2023 \$	2022 \$
<b>a. Financial liabilities at amortised cost</b>			
Accounts payable and other payables:			
— Total current		1,930,120	1,755,027
— Total non-current		-	-
		<u>1,930,120</u>	<u>1,755,027</u>
Less statutory payables		(139,896)	-
Financial liabilities as accounts and other payables	25	<u>1,790,224</u>	<u>1,755,027</u>

Accounts Payable and Other Payables represent the liabilities for goods and services received by the Group 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 initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

The average credit period on accounts payable and other payables (excluding GST payable) is one month. No interest is payable on outstanding payables during this period. For payables outstanding longer than one month, 0% per annum is payable.

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**Note 10      Accounts Payable and Other Payables (continued)**

**Other Payables - accruals at year end**

The Group contracts with various parties to undertake activities on behalf of the Group. These arrangements are documented in formal contractual arrangements whereby recipients undertake services and in return the Group is obliged to make payments on the completion of various milestones. At year end, the Group has undertaken an analysis of contracts and determined an approximation of the amount of accrued costs for work undertaken from the previous contract milestone date until 30 June 2023 having regard to various factors including the actual contract, the relevant milestone, the likelihood that the milestone payment will be ultimately made.

**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.

**Note 11      Contract Liabilities**

	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
Contract liabilities	25	535,500	814,167

**Note 12      Funds held in trust**

	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
Funds held in trust - VSCF program	20,000,000	20,000,000

The Victorian State Government announced as part of the 2020/21 Victorian State Budget that it will provide a \$60 million cornerstone investment into a new Fund of Funds – the Victorian Startup Capital Fund (VSCF). This cornerstone investment was to be matched by \$60 million private sector capital, to be raised by the VSCF Fund Manager, resulting in a total VSCF fund size of \$120 million. This funding was subsequently withdrawn through the 2023 Victorian State Budget announcement.

Under the VSCF Funding Agreement, LaunchVic Limited was acting as agent for the Government. As LaunchVic did not have control over the VSCF, the contracted obligation was to deliver funding (cash) to another entity, being the Fund Manager. On receiving the initial funding of \$20 million, it was recognised as 'Funds held in trust'. This funding was returned to DJSIR at the end of September 2023.

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**Note 13 Employee Benefits**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
Annual Leave	108,894	105,110
On-costs	18,784	16,660
<b>Total current provisions for employee benefits</b>	<b>127,678</b>	<b>121,770</b>
<b>Non-current provisions</b>		
Long Service Leave	101,421	71,182
On-costs	17,494	11,389
<b>Total non-current provisions for employee benefits</b>	<b>118,915</b>	<b>82,571</b>
<b>Total provisions for employee benefits</b>	<b>246,593</b>	<b>204,341</b>

**Reconciliation of movement in on-cost provision**

	<b>2023</b>
	<b>\$</b>
<b>Opening balance</b>	28,049
Additions	41,891
Amounts charged	(33,661)
<b>Closing balance</b>	<b>36,279</b>
Current	18,784
Non-current	17,495
	<b>36,279</b>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

**Wages and salaries, annual leave and sick leave**

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Group does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Group expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

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**Note 13 Employee Related Provisions (continued)**

Unconditional LSL is disclosed as a current liability, even where the Group does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at either:

- undiscounted value – if the Group expects to wholly settle within 12 months
- present value – if the Group does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

**Note 14 Leases**

<b>a. Lease liability and provision</b>	<b>Note</b>	<b>2023 \$</b>	<b>2022 \$</b>
Current - Lease liability		162,212	150,373
		<u>162,212</u>	<u>150,373</u>
Non current - Lease liability		656,860	820,034
Non current - Lease make good		25,000	25,000
		<u>681,860</u>	<u>845,034</u>
	25	<u>844,072</u>	<u>995,407</u>
<i>Future lease payments</i>			
Future lease payments (undiscounted) are due as follows:			
Within one year		193,046	187,424
One to five years		703,561	896,608
More than five years		-	-
		<u>896,607</u>	<u>1,084,032</u>

**b. Right-of-use Assets**

Right-of-use assets are presented in note 9.

Information about the lease for which the Group is a lessee is presented below.

**Terms and Conditions**

In September 2021, the Group signed a commercial lease for 300sqm of office space in Richmond commencing December 2021. The lease has a six-year term (with a three-year break clause).

**Lease make good**

The provision represents the present value of the estimated costs to make good the premises leased by the company at the end of the respective lease terms.

**Leases at significantly below-market terms and conditions**

In the prior year, the Victorian Government provided LaunchVic with use of its premises at 710 Collins Street, Melbourne at no cost. This facility included approximately 70 square metres of office accommodation, and additional shared space (meeting rooms, event and accelerator space) that were subject to significant usage restrictions. LaunchVic ended its use of the premises in December 2021.

The provision of accommodation where the accommodation is at significantly below-market terms and principally for LaunchVic to further its objectives is considered a 'peppercorn' lease. In prior year, LaunchVic has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions. LaunchVic was allowed a temporary exemption from this requirement under AASB 16 as the facilities are provided principally to enable LaunchVic to further its objectives.



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**Note 14      Leases (continued)**

**Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Interest expense on lease liabilities	36,089	23,762

**Amounts recognised in the Statement of Cash Flows**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Interest expense on lease liabilities	36,089	23,762

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group and for which the supplier does not have substantive substitution rights
- whether the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Group has the right to direct the use of the identified asset throughout the period of use
- whether the Group has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

**Separation of lease and non-lease components**

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

**Recognition and measurement of leases as a lessee**

***Lease Liability – initial measurement***

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

***Lease Liability – subsequent measurement***

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 15 Grant and Other Commitments**

	2023 \$	2022 \$
<b>a. Grant and Other Commitments</b>		
— not later than 12 months	4,655,366	7,416,775
— between 12 months and five years	2,967,400	2,800,135
— later than five years	-	-
Balance at 30 June 2023	<u>7,622,766</u>	<u>10,216,910</u>

**b. Operating Commitments**

The Group has not entered into any operating or lease commitments as at 30 June 2023 (2022: Nil).

**Note 16 Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by the auditor of the Group:

	2023 \$	2022 \$
<i>Audit Service</i>		
Audit of the financial statements	<u>50,000</u>	<u>44,400</u>

**Note 17 Contingent Liabilities and Contingent Assets**

The Group has no contingent assets or liabilities at 30 June 2023 (2022: Nil).

As at 30 June 2023, the Group had a bank guarantee of \$112,159 (2022: \$112,159) relating to a security deposit over its commercial lease for office space.

**Note 18 Events After the Reporting Period**

The directors of the Group are aware of the following significant events between the end of the financial year and the date of this report. Subsequent to the end of the financial year, the Hugh Victor McKay Fund was established to invest in Victorian AgTech startups and holds \$1m. At the same time, Hugh Victor McKay Fund Pty Ltd was established and appointed Trustee of the Hugh Victor McKay Fund Trust. LaunchVic Limited is the sole shareholder in Hugh Victor McKay Fund Pty Ltd and unit holder in the Fund. The fund was launched on 21 August 2023 and as at the date of this report, no investments have been made.

In the 2023 Victorian State Budget, the Government announced it was withdrawing funding for the Victorian Startup Capital Fund (VSCF). As a result, \$20m initial funding received by LaunchVic was returned to DJSIR at the end of September 2023.

Also through the 2023 Victorian State Budget, an additional \$5m in funding for the Alice Anderson Fund was awarded to LaunchVic, which is yet to be contracted.

**Note 19 Responsible Persons' Disclosures**

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

<b>Responsible Minister</b>	<b>Period</b>
The Honourable Ben Carroll: Minister for Industry and Innovation, Minister for Manufacturing Sovereignty, Minister for Employment, Minister for Public Transport.	14 December 2022 to 30 June 2023
The Honourable Jaala Pulford: Minister for Innovation, Medical Research and the Digital Economy	1 July 2022 to 26 November 2022
<b>Governing Board</b>	
Leigh Jasper (Chair)	1 July 2022 to 30 June 2023
Aneetha de Silva	1 July 2022 to 30 June 2023
Catriona Larritt	1 July 2022 to 30 June 2023
Ilona Charles	1 July 2022 to 30 June 2023
Constantine Frantzeskos	1 July 2022 to 30 June 2023
Teresa Engelhard	1 July 2022 to 30 June 2023
<b>Chief Executive Officer</b>	
Kate Cornick	1 July 2022 to 30 June 2023

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
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**Note 19 Responsible Persons' Disclosures (continued)**

**Remuneration of Responsible Persons**

The compensation for the responsible Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

No director was entitled to remuneration to perform their duties as a director of LaunchVic. Directors were reimbursed reasonable out of pocket expenses including taxis and other sundry costs.

Remuneration received or receivable by the Chief Executive Officer in connection with the management of the Group during the reporting period was in the range: \$380,001 – 390,000 (2022: \$340,001 – \$350,000).

**Note 20 Remuneration of Executives**

**Executive Officers' Remuneration**

The following persons were Executive Officers of LaunchVic Limited during the year

Georgia McDonald	Chief Operating Officer
Amanda Collins	Chief Finance Officer

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the Group, or on behalf of the Group, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long service benefits or deferred compensation.

**Termination benefits** include termination of employment payments, such as severance packages.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Remuneration of Executive Officers</b>		
Short-term employee benefits	429,076	416,878
Post-employment benefits	45,053	41,178
Termination benefits	-	17,482
	<u>474,129</u>	<u>475,538</u>
Total number of executives	2	4
Total annualised employee equivalents*	2.0	2.0

\*Annualised employee equivalent is based on the time fraction worked over the reporting period.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 21      Related Parties**

LaunchVic Limited is wholly and beneficially owned by the State of Victoria. As such all Victorian Government Departments are considered to be related parties.

**Significant transactions with government-related entities**

During the reporting period, the Company received the following cash amounts (excluding GST) from the Department of Jobs, Skills, Industry & Regions (formerly DJPR): \$9,659,036 under its funding arrangements; \$4,000,000 under the Alice Anderson funding agreement, and \$4,740,000 under the AgTech Support Fund agreement. These amounts have been recognised as revenue in the current reporting period.

From the Department of Environment, Land, Water & Planning (DELWP), the Company received cash of \$310,000 (excluding GST) in the reporting period to partner with DELWP to run a CivVic labs challenge program. This has been recognised as revenue in the current reporting period as the program was completed in October 2022, being the date when the performance obligation of the contract was met.

From the Department of Health (DOH), the Company recognised as revenue \$280,000 (excluding GST) in the reporting period for partnering with VicHealth to complete a CivVic labs challenge program in October 2022. In addition, the Company received cash of \$350,000 (excluding GST) to run a second CivVic labs challenge program with VicHealth. This has been recognised as a current contract liability in the reporting period. It will be recognised as revenue on completion of the program in November 2023, being the date when the performance obligation of the contract will be met.

On behalf of third parties, the Group held funds in trust that are only paid out at the specific direction of and instruction of the third party. The third parties include Government departments and relate to the 'CivVic accelerator program', where parties provided deposits to the Group. At 30 June 2023, total \$55,500 was held in trust by the Group on behalf of Safer Care Victoria (\$52,500) and AboriginalVic (\$3,000). Amounts recorded as 'restricted cash' in note 5 and as 'Contract liabilities' in note 11.

**Key Management Personnel (KMP)** are those people with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. They are those listed as responsible persons in note 19 and as executives in note 20.

<b>Remuneration of Key Management Personnel</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
Short-term employee benefits*	787,381	742,527
Post-employment benefits	70,346	63,991
Other long-term benefits	-	-
Termination benefits	-	17,482
	<u>857,727</u>	<u>824,000</u>

\* Note that KMPs are also reported in the disclosure of remuneration of responsible persons (Note 19) and remuneration of executive officers (Note 20).

**Transactions and balances with key management personnel and other related parties**

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with LaunchVic Board approved policies.

Outside of normal citizen type transactions with the Group, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

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**Note 22 Parent Entity Information**

Set out below is the supplementary information about the parent entity.

	<b>Parent</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Comprehensive Operating Statement</i>		
Net result from transactions	7,300,699	6,199,720
<b>Total comprehensive income</b>	<b>7,300,699</b>	<b>6,199,720</b>
<i>Balance Sheet</i>		
Current assets	41,377,972	38,424,756
Non-current assets	12,191,076	8,040,022
<b>Total Assets</b>	<b>53,569,048</b>	<b>46,464,778</b>
Current liabilities	22,729,075	22,798,678
Non-current liabilities	800,778	927,605
<b>Total Liabilities</b>	<b>23,529,853</b>	<b>23,726,283</b>
Retained surplus	30,039,195	22,738,495
<b>Total Equity</b>	<b>30,039,195</b>	<b>22,738,495</b>

**Contingent liabilities**

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

**Capital commitments - Property, plant and equipment**

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

**Significant accounting policies**

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1.

**Note 23 Interest in subsidiary**

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiary in accordance with the accounting policy described in note 1.

<b>Name</b>	<b>Principal place of business</b>	<b>Ownership interest</b>	
		<b>2023</b>	<b>2022</b>
		<b>%</b>	<b>%</b>
Alice Anderson Fund Pty Ltd	Australia	100%	100%

The Alice Anderson Program was approved by Victorian Government to co-invest in women-led startups. The program was launched on 1 July 2021 and Alice Anderson Fund Pty Ltd was incorporated on the 3rd November 2021 to enable investments to be made. On the 11th November 2021, the Alice Anderson Fund Trust was established and Alice Anderson Fund Pty Ltd was appointed Trustee of the Alice Anderson Fund Trust. LaunchVic Limited is the sole shareholder in Alice Anderson Fund Pty Ltd and unit holder in the Fund.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 24 Cash Flow Information**

	Note	2023 \$	2022 \$
<b>Reconciliation of Cash Flows from Operating Activities with Net result from Transactions</b>			
<b>Net result from transactions</b>		6,009,733	5,481,235
Adjustment for:			
Depreciation and amortisation expense	4	192,612	120,168
(Writeback) / Discount on non-current loan receivable		(38,557)	(42,072)
Fair value loss on investments measured through profit or loss	8	505,642	292,540
 Movement in working capital changes:			
(Increase)/decrease in accounts receivable and other debtors		250,710	216,795
(Increase)/decrease in other assets / financial assets		(286,388)	33,592
Increase/(decrease) in accounts payable and other payables		62,593	(4,017,054)
Increase/(decrease) in financial liabilities		-	20,000,000
Increase/(decrease) in employee provisions		42,252	38,778
		<u>6,738,597</u>	<u>22,123,982</u>

**Note 25 Financial Risk Management**

**Financial Instruments**

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Group's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

**Categories of financial assets**

**Financial assets at amortised cost**

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Group to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Cash and deposits, receivables (excluding statutory receivables) and term deposits are recognised using this method.

**Categories of financial liabilities**

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

The Group recognises payables (excluding statutory payables) in this category.

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**Note 25 Financial Risk Management (continued)**

**Financial instruments: Categorisation**

	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Financial assets</b>			
— Cash and cash equivalents	5	34,257,697	31,228,336
— Accounts receivable and other debtors	6	25,350	276,060
— Term deposits and funds held in trust	8	10,112,159	10,112,159
— Investments in managed funds	8	1,199,297	797,312
— Investments in startups	8	4,486,088	2,014,439
— Loan Receivable	8	283,127	244,572
<b>Total financial assets</b>		<b>50,363,718</b>	<b>44,672,878</b>
<b>Financial liabilities</b>			
— Accounts payable and other payables	10(a)	1,790,224	1,755,027
— Contract Liabilities	11	535,500	814,167
— Lease liabilities	14	844,072	995,407
<b>Total financial liabilities</b>		<b>3,169,796</b>	<b>3,564,601</b>

**Specific Financial Risk Exposures and Management**

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

**(a) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposures as its major source of revenue is the receipt of grants. Credit risk is further mitigated as grants are received from State Governments in accordance with funding agreements which ensure regular and scheduled funding.

*Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 6.

The Group has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Audit, Finance and Risk committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 25 Financial Risk Management (continued)**

	Note	2023 \$	2022 \$
Cash and cash equivalents - AA rated	5	34,257,697	31,228,336
Financial assets held in term deposits - AA rated	8	10,112,159	10,112,159
		<u>44,369,856</u>	<u>41,340,495</u>

**(b) Liquidity risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

**(c) Market Risk**

**i. Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

**ii. Sensitivity analysis**

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

<b>Year ended 30 June 2023</b>	<b>Equity \$</b>
+/- 2.0% in interest rates	1,001,105
<b>Year ended 30 June 2022</b>	<b>Equity \$</b>
+/- 1.0% in interest rates	441,522

No sensitivity analysis has been performed on foreign exchange risk as the Group has no material exposures to currency risk.

In preparing the above sensitivity analysis, the interest rate of 1% applied in prior year has been increased to 2% in the current reporting year to reflect a change in market rates.



**LAUNCHVIC LIMITED AND CONTROLLED ENTITY**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 26 Government Grant Acquittal**

	<b>30 June 2023</b>			
	<b>Revenue</b>	<b>Program Costs *</b>	<b>Operational Costs</b>	<b>Surplus / (Deficit)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
DJSIR Funding	18,561,536	(12,433,036)	(1,507,064)	4,621,436
DOH Funding (CivVic - Vic Health challenge)	280,000	(301,211)	-	(21,211)
DELWP Funding (CivVic challenge)	310,000	(272,550)	-	37,450
Interest and other income	1,372,058	-	-	1,372,058
	<u>20,523,594</u>	<u>(13,006,797)</u>	<u>(1,507,064)</u>	<u>6,009,733</u>

	<b>30 June 2022</b>			
	<b>Revenue</b>	<b>Program Costs *</b>	<b>Operational Costs</b>	<b>Surplus / (Deficit)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
DJSIR Funding	17,358,883	(10,578,573)	(1,172,828)	5,607,482
DOH Funding (CivVic - Vic Health challenge)	-	(163,009)	-	(163,009)
DEECA Funding (CivVic challenge)	-	(133,495)	-	(133,495)
Interest and other income	170,257	-	-	170,257
	<u>17,529,140</u>	<u>(10,875,077)</u>	<u>(1,172,828)</u>	<u>5,481,235</u>

\* The amount set out in the above tables for Program Costs from DJSIR includes movement in fair value on investments.

As set out in note 15, prior to 30 June 2023 the Group has contracted and committed with various parties to undertake future activities. The amounts set out above exclude future contracted commitments.

**Note 27 Group Details**

The registered office and principal place of business of the Group is:

LaunchVic Limited  
Level 1, 45-47 Wangaratta Street  
Richmond VIC 3121

**Note 28 Members' Guarantee**

LaunchVic Limited is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity. At 30 June 2023 the number of members was 1 (being the Treasurer, State Government, Victoria).

**Note 29 Ex-gratia Expenses**

Ex-gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are not made either to acquire goods, services or other benefits for the Group or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the Group. No ex-gratia payments were made by the Group in the reporting period.



# Independent Auditor's Report

## To the Directors of LaunchVic Limited

<b>Opinion</b>	<p>I have audited the consolidated financial report of LaunchVic Limited (the company) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> <li>consolidated statement of financial position as at 30 June 2023</li> <li>consolidated statement of profit or loss and other comprehensive income for the year then ended</li> <li>consolidated statement of changes in equity for the year then ended</li> <li>consolidated statement of cash flows for the year then ended</li> <li>notes to the financial statements, including significant accounting policies</li> <li>directors' declaration.</li> </ul> <p>In my opinion the financial report is in accordance with the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none"> <li>giving a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2023 and of their financial performance and cash flows for the year then ended</li> <li>complying with Australian Accounting Standards and the Corporations Regulations 2001.</li> </ul>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company and the consolidated entity in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I confirm that the independence declaration required by the <i>Corporations Act 2001</i>, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>

<b>Other information</b>	<p>The Directors of the Company are responsible for the other information, which comprises the information in the directors' report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion on the other information. However, in connection with my audit of the financial report, my responsibility is to read the other information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Directors' responsibilities for the financial report</b>	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the Audit Act 1994, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> <li>• identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control</li> </ul>

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**Auditor's  
responsibilities  
for the audit of  
the financial  
report  
(continued)**

- 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 and the consolidated entity'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 and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the company and the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the company and the consolidated entity. I remain solely responsible for my audit opinion.

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

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

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MELBOURNE  
26 October 2023



Simone Bohan  
*as delegate for the Auditor-General of Victoria*