EACH

ABN: 46 197 549 317

Consolidated Financial Report

For the Year Ended 30 June 2023

EACH

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For the Year Ended 30 June 2023

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Directors' Report
30 June 2023

The Board of Directors of EACH has pleasure in submitting the financial report for the financial year ended 30 June 2023.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Mrs. Judith Lillian Woodland	(Chair – until November 2022), (Retired June 2023)
Dr. Andrew Gosbell	(Dep. Chair – until November 2022), (Chair - Appointed November 2022)
Mr. Luke Guthrie	(Dep. Chair - Appointed November 2022)
Mr. Peter Hill	
Ms. Tanya Jardine	
Ms. Cathy Jones	
Ms. Amy Bach	
Ms. Hui (Helen) Sui	
Mr. Blake Tierney	

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

CEO

Ms Natalie Sullivan holds the position of Chief Executive Officer of EACH and EACH Housing Limited having commenced her tenure on 20 December 2021.

Retirement of Chair

Mrs Judith Woodland stepped down as Chairperson of the EACH Board on 24 November 2022 and officially retired as a member of the EACH Board on 30 June 2023 after 25 years as a non-executive Director. Mrs Woodland led the EACH Board and the broader organisation through a period of enormous growth and change.

Mrs Woodland was also the Chair of the EACH Housing Limited Board until 30 June 2023, as per her position on the EACH Board officially retiring on this date.

Dr Andrew Gosbell was appointed Chair of the EACH Board effective 24 November 2022.

Principal activities

The principal activities of the Group during the financial year remained the provision of support across EACH's many communities through the delivery of its major service types, the services are across the following program streams:

- Mental Health and Alcohol and Other Drugs
- Primary Care
- Child, Youth and Family Wellbeing
- National Disability Insurance Services
- Early Childhood Approach
- Older Adults
- Social Housing Services through EACH Housing Ltd.

EACH provides a diverse range of services as its commitment to a holistic and social model of health. This diversity has also been an important financial sustainability strategy.

Short and long term objectives of the Group

EACH has commenced work on its new Strategy (2024-2028) whilst still operating under the existing EACH 2021-2024 Plan.

At the heart of this plan is the objective to provide easily accessible, safe, effective, personal and connected care that is reliable and consistent everywhere, every time with services that can be trusted. EACH continues to build on its high quality, national services by prudently managing risk, strengthening and growing our services and further building hope to create more opportunities and improve the health of all of our communities.

The four (4) key goals within the 2021 – 2024 strategy are:

1. *Person-centred, accessible, connected, effective and safe services*
- We provide services you can trust
- Our services are easy to access
- We are effective
- We design services that are connected and meet each person's needs

2. *Strong connections with customers and community*
- We are local and reliable
- We respond to the voice of our customers

3. *Great people, positive culture*
- We develop our people and never stop learning
- We attract, retain and develop a diverse and high performing workforce

4. *Technology for better health and wellbeing*
- We use technology to transform our services
- Our people and our customers connect
- Data shapes our learning and delivers better customer outcomes

Strategies developed and/or implemented this year

Organisational Restructure

After Peter Ruzyla retired as CEO in late 2021, Natalie Sullivan took up the role. Following many months of observation and conversation with stakeholders inside and outside of EACH it was decided to embark on a major re-set of the organisation.

It was recognised that what had made EACH so successful for the last 20 years was a good platform from which to build on, but the preceding consultation also unearthed appetites for Innovation, Research & Evaluation, enhanced Partnerships, greater entrepreneurialism and a deeper investment in our work with First Nations communities.

To facilitate this reorientation, it was decided to return to management by function rather than geography and adopt a new Executive structure. Responsibility for Operations and the Organisation Enablement were consolidated into single roles and a new function called Business Development, Innovation & Impact was created. These functions were complemented by creating two new leadership roles to develop our future Strategy and to enhance EACH's capacity in Communications, Engagement & Advocacy.

A cascading structure of Directorships was created below the Executive positions, each of which hold responsibility for the development and accountability of respective teams.

Strategies developed and/or implemented this year (continued)

Redefining our Vision, Purpose and Strategy for Future Growth and Success

EACH has continued to refine and revise the Vision and Purpose to align with the upcoming 2024-2028 Strategy. The upcoming strategy will be driven by guiding principles that emphasise strategic alignment, impactful focus, financial sustainability, research and advocacy as well as collaboration.

Strategy development has taken a holistic approach engaging internal and external stakeholders, consumers and clients.

Great People, Positive Culture

A number of initiatives, strategies and frameworks were launched to continue to support and further develop the EACH workforce:

- Leading@EACH, including a leadership development program for existing and aspiring leaders across the organisation, learning and development program, leadership layers and a performance and goal setting process.
- Inclusion and Diversity Strategy focussing on workplace inclusion, diversity, creating meaningful opportunities and addressing barriers to ensure that everyone can participate and thrive in the organisation.
- Accessibility Action Plan to deliver targeted initiatives and actions that remove barriers and creates opportunities for people with disabilities.
- Industrial Relations Strategy to ensure EACH can attract and retain staff with competitive terms and conditions and meet EACH's organisational needs.

Technology for Better Health and Wellbeing

- A review of the Information Technology function at EACH was conducted to inform the future state for IT at EACH.
- A cyber security strategy was developed and approved by the Board.

Innovate Reconciliation Action Plan (RAP)

EACH commenced the development of its third Reconciliation Action Plan. The RAP has received conditional endorsement from Reconciliation Australia.

Quality and Service Improvements

A number of quality improvement initiatives were developed and launched including:

- The Quality, Clinical & Practice Governance Framework is in place and will be reviewed when the new Strategic plan is in place, to ensure they align.
- Work has commenced on reviewing the PACES charts (Person-centred, Accessible, Connected, Effective and Safe service) with teams to ensure that they are current, and a PACES option is now present in our Continuous Quality Improvement Plans, so that improvements can be measured against each element.
- A Quality Strategy for EACH will be developed that will identify how improvement opportunities can be identified, implemented and evaluated across EACH.
- A new, integrated Quality Management System solution is being sourced to improve management of compliance, operational risk, improvement, incidents, feedback and internal auditing.

Capital Works Developments

Significant building upgrades were completed at EACH's Residential Rehabilitation Facility in Healesville to upgrade the communal buildings for all residents and to add further residential space. An upgrade of the Burwood Highway, Ferntree Gully site commenced and is near completion.

Operating result

The financial outcome for the Group for the financial year is a surplus $609,781 (2022: $6,452,019).

The surplus as a percentage of revenue is 0.4% for this year (2022: surplus of 3.8%). The total revenue for the year was $161.4 Million compared to $171.2 Million for the previous year representing a decrease of 5.7%. The total expenditure for the year was $160.8 Million compared to $164.8 Million in the previous year representing a decrease of 2.4%.

Dividends paid or recommended

Being a non-profit organisation, the Group does not declare or distribute dividends.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Environmental legislation

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory. Nevertheless, EACH undertakes a range of sustainability initiatives including energy and water conservation, appropriate infrastructure, and practices recycling and resource use reduction practices.

Information on directors

Mrs. Judith Lillian Woodland	**(Chair – Retired June 2023)**
Qualifications	Qualified Speech Pathologist Postgraduate Certificate in Assessment and Evaluation
Experience	Extensive experience in both the community and public sectors through an evolving career with experience in direct service delivery, management of multidisciplinary teams, and state-wide program management and policy development. She has experience in various sectors including, health, welfare, community services and education
Special Responsibilities	Chair EACH (until November 2022) Member of the EACH Board Governance Committee Member of the Services Quality and Risk Committee Member of FAIR Committee (ex officio) (until November 2022) Chair EACH Housing Ltd. (Retired June 2023)
Dr. Andrew Gosbell	**(Dep. Chair), (Chair – Appointed November 2022)**
Qualifications	PhD Biomedical Science Bachelor Applied Science GAICD and FIML
Experience	Over 25 years of experience in health and related sectors, with skills in patient care, research, policy and advocacy, and education and training, in a range of roles including project management and senior management.
Special Responsibilities	Chair EACH (Appointed November 2022) Chair of the Services Quality and Risk Committee (until November 2022) Member of the Service Quality and Risk Committee Member of FAIR Committee (Appointed November 2022) Member of the Performance, Remuneration and Nomination Committee Director of EACH Housing Ltd.

Information on directors (continued)

Mr. Peter Hill	
Qualifications	Member of the Australian Institute of Company Directors
Experience	Specialist IT Strategy and Project Management consultant. Prior to joining EACH Board in January 2014, served as a Director of Knox Community Health Service Ltd.
Special Responsibilities	Member of the Finance, Audit, Infrastructure and Risk Committee
Ms. Tanya Jardine	
Qualifications	Master of Business Administration and GAICD
Experience	Extensive background in the health sector, principally within service-based health industries, incorporating senior health management.
Special Responsibilities	Member of the Service Quality and Risk Committee Member of the Finance, Audit, Infrastructure and Risk Committee
Mr. Luke Guthrie	**(Dep. Chair – Appointed November 2022)**
Qualifications	Graduate Diploma in Applied Finance & Investment Diploma of Financial Services Bachelor of Commerce (Accounting and Finance) Chartered Accountant Licensed Real Estate Agent GAICD
Experience	Over 25 years of global experience working most recently as a CEO, Chief Strategy Officer, CFO, Advisor and Non-Executive Director. Extensive experience spanning property development, real estate, investment, funds management, construction, volume home building, manufacturing and distribution in Australia and internationally.
Special Responsibilities	Deputy Chair EACH (Appointed November 2022) Chair of the Finance, Audit, Infrastructure and Risk Committee Member of the Performance, Remuneration and Nomination Committee Director of EACH Housing Ltd (appointed Chair July 2023)
Ms. Cathy Jones	
Qualifications	Master of Business Administration Bachelor Applied Science (Hon) – Speech Pathology GAICD
Experience	Over 25 years' experience in public and private health services, with clinical qualifications in allied health and an MBA. She represents the private sector on several national committees for the Australian Commission on Safety & Quality in Health Care, lectures internationally in quality and risk management, and hosts the No Harm Done podcast
Special Responsibilities	Chair of the Service Quality and Risk Committee (Appointed November 2022) Member of the Performance, Remuneration and Nomination Committee

Information on directors (continued)

Ms. Amy Bach

Qualifications	Master of Business Administration Master of Musculoskeletal Physiotherapy Bachelor of Physiotherapy (Hons)
Experience	Established senior healthcare leader with over 13 years' clinical and management experience across the private, public and not-for-profit health sectors in Australia and the UK. A physiotherapist by background, her skills include strategic planning and implementation expertise in the health sector, clinical governance, employee engagement, allied health service operations, marketing strategy and project management.
Special Responsibilities	Member of the Service Quality and Risk Committee

Ms. Helen Sui

Qualifications	Master's Professional Accountancy Graduate Diploma Local Government Law Executive Master of Business Administration Certified Practicing Accountant GAICD
Experience	Over 20 years professional experience in local and state governments and the not-for-profit sector. She is the Chief Executive Officer of Moonee Valley City Council. Helen was a finalist in the 2015 Telstra Businesswomen's awards, a judge for the 2020 Awards and recognised in 2023 in the top 50 Public Sector Women in Victoria.
Special Responsibilities	Member of the Finance, Audit, Infrastructure and Risk Committee

Mr. Blake Tierney

Qualifications	Bachelor Biomedical Science Diploma of Business Graduate Certificate Policy and Governance
Experience	A delivery focused Government Relations, Public Policy, Communications and Crisis Management professional, and has partnered with Australian Politicians, Federal and State Government Officials, Private Organisations and Not-for-profits. Extensive experience working in Public Policy, Government Relations, Communications and Crisis Management with high-level cross-cultural clients.
Special Responsibilities	Member of the Service Quality and Risk Committee (Appointed September 2022)

Meetings of directors

During the financial year, 8 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance, Audit, Infrastructure and Risk Committee Meetings		Service Quality and Risk Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mrs. Judith Lillian Woodland	8	8	4	4	4	4
Dr. Andrew Gosbell (Chair)	8	8	4	3	4	3
Mr. Peter Hill	8	6	8	4	-	-
Ms. Tanya Jardine	8	8	8	7	4	4
Mr. Luke Guthrie (Deputy Chair)	8	8	8	8	-	-
Ms. Cathy Jones	8	5	-	-	4	3
Ms. Amy Bach	8	8	-	-	4	3
Ms. Helen Sui	8	8	7	7	-	-
Mr. Blake Tierney	8	6	-	-	4	3

Options

No options over issued shares or interests in the Group were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification and insurance of officers and auditors

The Group maintains adequate insurance cover which includes Combined Directors and Officers Liability, Group Reimbursement Policy and Professional Indemnity Insurance. The Group has not provided any insurance or indemnity to its auditors.

Proceedings on behalf of the Group

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

The Group was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2023 has been received and can be found on page 8 of the consolidated financial report.

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

Director: Andrew Gosbell
Dr. Andrew Gosbell (Chair)

Director: Luke Guthrie
Mr. Luke Guthrie (Deputy Chair)

Dated: 5th October 2023

VAGO
Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board of Directors, EACH

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

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
24 October 2023

Sanchu Chummar
as delegate for the Auditor-General of Victoria

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

EACH

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023

	Note	2023 $	2022 $
Revenue and other income			
Revenue and other income	2	**161,384,192**	171,226,696
Total revenue		**161,384,192**	171,226,696
Expenditure			
Employee benefits expense		**(117,231,486)**	(122,799,498)
Depreciation and amortisation expense	4	**(4,838,211)**	(5,345,898)
Impairment expense	11	**(1,707,671)**	-
Operating lease expense		**(532,168)**	(1,234,557)
Property expenses		**(2,505,536)**	(3,137,320)
Client & program costs		**(15,825,269)**	(15,993,172)
Consulting and legal fees		**(2,444,256)**	(2,763,351)
Disbursement of grant expenses		**(5,863,534)**	(3,108,631)
Other administration expenses	5	**(9,589,457)**	(10,294,418)
Finance expenses	12	**(236,823)**	(97,832)
Total operational expenses		**(160,774,411)**	(164,774,677)
Surplus for the year		**609,781**	6,452,019
Other comprehensive income			
Items that will be reclassified to profit or loss			
Fair value re-measurements – (losses) / gains for fair value through other comprehensive income	24	**(567,650)**	9,696,531
Other comprehensive income for the year		**(567,650)**	9,696,531
Total comprehensive income attributable to members of the entity		**42,131**	16,148,550

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position
As at 30 June 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**56,536,433**	36,373,807
Trade and other receivables	7	**3,129,314**	7,316,769
Contract assets	8	**4,792,828**	4,774,836
Inventories		**110,907**	94,027
Financial assets	9	**2,411,561**	11,751,527
Other assets	10	**1,114,450**	1,028,477
TOTAL CURRENT ASSETS		**68,095,493**	61,339,443
NON-CURRENT ASSETS			
Trade and other receivables	7	**41,009**	-
Property, plant and equipment	11	**58,560,185**	60,760,004
Right-of-use assets	12	**4,368,506**	4,240,675
TOTAL NON-CURRENT ASSETS		**62,969,700**	65,000,679
TOTAL ASSETS		**131,065,193**	126,340,122
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**7,680,958**	7,174,419
Contract liabilities	14	**29,408,221**	26,089,693
Provisions	15	**16,164,009**	13,487,210
Lease liability	16	**2,649,978**	1,640,748
TOTAL CURRENT LIABILITIES		**55,903,166**	48,392,070
NON-CURRENT LIABILITIES			
Provisions	15	**3,439,852**	6,111,107
Lease liability	16	**2,682,587**	2,839,488
TOTAL NON-CURRENT LIABILITIES		**6,122,439**	8,950,595
TOTAL LIABILITIES		**62,025,605**	57,342,665
NET ASSETS		**69,039,588**	68,997,457
EQUITY			
Asset revaluation reserve	24	**22,234,032**	22,961,716
Financial asset reserve	24	**(31,636)**	(191,670)
Retained surplus		**46,837,192**	46,227,411
TOTAL EQUITY		**69,039,588**	68,997,457

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2023

	Retained Surplus	Asset Revaluation Surplus	Financial Asset Reserve	Total
	$	$	$	$
Balance at 1 July 2021	**39,775,392**	**12,923,565**	**149,950**	**52,848,907**
Surplus attributable to the entity	**6,452,019**	**-**	**-**	**6,452,019**
Other comprehensive income / (loss) for the year	**-**	**10,038,151**	**(341,620)**	**9,696,531**
Balance at 30 June 2022	**46,227,411**	**22,961,716**	**(191,670)**	**68,997,457**
Balance at 1 July 2022	**46,227,411**	**22,961,716**	**(191,670)**	**68,997,457**
Surplus attributable to the entity	609,781	-	-	609,781
Other comprehensive income / (expense) for the year	-	(727,684)	160,034	(567,650)
Balance at 30 June 2023	**46,837,192**	**22,234,032**	**(31,636)**	**69,039,588**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Commonwealth, state and government grants/contracts		**168,080,554**	179,722,850
Receipts from services provided		**7,281,478**	5,981,241
Receipts from donations		**40,713**	150,917
Interest received		**1,393,505**	133,920
Dividends received from investments		**186,042**	165,566
Payments to suppliers and employees		**(161,020,246)**	(163,044,781)
Repayment of funding	14	**(1,671,888)**	(1,565,185)
Net cash provided by operating activities	23	**14,290,158**	21,544,528
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	11	**(3,473,001)**	(7,792,159)
Proceeds from sale of property, plant and equipment		**2,574,780**	103,126
Withdrawal / (purchase) of financial assets		**9,500,000**	(9,500,000)
Net cash provided by / (used in) investing activities		**8,601,779**	(17,189,033)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities		**(2,729,311)**	(3,278,785)
Net cash used in financing activities		**(2,729,311)**	(3,278,785)
Net increase in cash and cash equivalents held		**20,162,626**	1,076,710
Cash and cash equivalents at beginning of year		**36,373,807**	35,297,097
Cash and cash equivalents at end of financial year	6	**56,536,433**	36,373,807

The accompanying notes form part of these financial statements.

1 Summary of Significant Accounting Policies

Basis of Preparation

These general-purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012.* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Group is a not-for-profit Group 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 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 financial statements are presented in nearest Australian dollars. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements are prepared on a going concern basis.

Accounting policies

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (EACH) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls a Group when it is exposed to, or has rights to, variable returns from its involvement with the Group and has the ability to affect those returns through its power over the Group. Details of subsidiaries are provided in Note 26.

(b) Revenue and other income

Revenue recognition

Revenue is recognised in accordance with the following five-step process:

1. Identifying the contract with the customer.
2. Identifying the performance obligations in the contract.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations in the contract.
5. Recognising revenue as and when the performance obligations are satisfied.

1 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Revenue recognition (continued)

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 14).

A performance obligation satisfied in advance of billing the customer is recorded as a contract asset (Note 8).

Client fees

Client fees are recognised when the services are provided as this is when the performance obligation is satisfied.

Grant revenue

When the Group receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Group:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Group:

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

If a contract liability is recognised as a related amount above, the Group recognises income in profit or loss when or as it satisfies its obligations under the contract.

1 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Capital grant

When the Group receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Group recognises income in profit or loss when or as the Group satisfies its obligations under terms of the grant.

Brokerage income

Brokerage fee income is recognised as revenue at a specific point in time. This point in time is determined by the completion and delivery of the relevant service for which the fee is charged.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

The Group recognises dividends in profit or loss only when the Group's right to receive payment of the dividend is established.

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

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Freehold land and buildings are shown at fair value based on periodic valuation, with at least triennial valuation by external independent valuers. When land and buildings are purchased as a single property, a valuation for splitting the price of the land and building is done at the time of recording the asset.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' assessment to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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

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

Leasehold improvements are shown at cost less subsequent depreciation.

Motor vehicles and office equipment are shown at their cost less accumulated depreciation.

1 Summary of Significant Accounting Policies (continued)

(c) Property, plant and equipment (continued)

The carrying amount of leasehold improvements and other plant and equipment are reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining the recoverable amounts.

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

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The depreciation rates for each class of depreciable asset for the current and prior periods are shown below:

Fixed asset class	Depreciation rate
Buildings	2.50 - 5.00%
Leasehold improvements	5.00 - 12.00%
Office Equipment	10.00 - 45.00%
Motor Vehicles	10.00 - 18.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

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

(d) Inventories

Inventories are valued at the lower of cost or net realisable value.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

1 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Initial recognition and measurement (continued)

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers.*

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and

1 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Classification and subsequent measurement (continued)

- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e., it has no practical ability to make unilateral decisions to sell the asset to a third party).

1 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Derecognition (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the financial asset revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Group elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the financial asset revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

(f) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the Group estimates the recoverable amount of the cash generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Impairment of financial assets

Impairment of financial assets is recognised in the form of a loss allowance for expected credit loss. The loss allowance is measured as a lifetime expected credit loss if, at the reporting date, the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance is measured as 12 month expected credit loss if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition.

The Group determines whether there has been a significant increase in credit risk since initial recognition by comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition using reasonable and supportable information, unless the financial instrument is determined to have low credit risk at the reporting date.

Changes in expected credit losses from the previous reporting period are recognised in profit or loss as an impairment gain or loss.

1 Summary of Significant Accounting Policies (continued)

(g) Impairment of financial assets (continued)

Expected credit losses are measured with reference to the maximum contractual period and considering:

a. an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;

b. the time value of money; and

c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables (other than government subsidies) are written off if there is objective evidence regarding bankruptcy or insolvency of the debtor and no guarantees are otherwise available from any third party on behalf of the debtor. This is the approach even if enforcement activities have already been initiated. Government subsidies are written off if there is evidence regarding changes in Government policies or non-compliance with the conditions related to the grant that the Group is no longer eligible to the subsidies.

(h) 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 six months or less, and bank overdrafts.

(i) Accounts receivable and other debtors

Trade and other receivables include amounts receivable from customers for services provided in the ordinary course of business. 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.

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

(j) Accounts payable and other payables

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

(k) Leases

The Group as lessee

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

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

1 Summary of Significant Accounting Policies (continued)

(k) Leases (continued)

The Group as lessee (continued)

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

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- The lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

1 Summary of Significant Accounting Policies (continued)

(k) Leases (continued)

The Group as lessee (continued)

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' accounting policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

Concessionary leases

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

The Group as lessor

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases is recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Short term employee provisions

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

1 Summary of Significant Accounting Policies (continued)

(l) Provisions (continued)

Other long term employee provisions

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

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

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST amount, except where GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Income tax

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

(o) Comparative figures

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

When the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

(p) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

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

1 Summary of Significant Accounting Policies (continued)

(p) Fair value of assets and liabilities (continued)

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the Group at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

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

The fair value of liabilities and the Group's own equity instruments (excluding those related to share based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(q) Critical accounting estimates and judgements

Key estimates

(i) Useful lives of property, plant and equipment

As described in Note 1(c), the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The Group expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

(ii) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the Group will make. The Group determines the likeliness to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic, and which are key to the future strategy of the Group.

1 Summary of Significant Accounting Policies (continued)

(q) Critical accounting estimates and judgements (continued)

Key judgements (continued)

(iii) Performance obligations under AASB 15

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

(iv) Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to the customer for which the company has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the Group transfers the contracted goods or services to the customer, subject to the services provided judgement may be required to determine the allocation of value across periods.

(v) Fair value of land and buildings

Management assesses at each balance date whether the fair value adopted for land and buildings is materially in line with the last independent valuation performed. If the valuation is determined to not represent fair value at the balance date, then management will engage a suitably qualified, independent valuation expert to perform an updated valuation for adoption in the financial statements.

(vi) Impairment of non-financial assets

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Company. Impairment triggers include adverse changes in the economic or political environment and future service expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined.

(r) Economic dependence

EACH is dependent on the Commonwealth and State government departments for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the respective government departments will not continue to support EACH.

1 Summary of Significant Accounting Policies (continued)

(s) New and revised Australian Accounting Standards on issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

- AASB No. 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (applicable to annual reporting periods beginning on or after 1 January 2024).

- AASB No. 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback (applicable to annual reporting periods beginning on or after 1 January 2024).

- AASB No. 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants (applicable to annual reporting periods beginning on or after 1 January 2024).

- AASB No. 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities (applicable to annual reporting periods beginning on or after 1 January 2024).

At the date of these financial statements, the impact of the standards and interpretations not yet effective listed above on the Group has not been determined. The Directors are still assessing the likely impact of the adoption.

2 Revenue and Other Income

	Note	2023 $	2022 $
Revenue from contracts with customers	2(a)	**150,834,191**	164,051,046
Revenue accounted for under AASB 1058 *Income of Not-For-Profit Entities*	2(b)	**2,812,713**	2,445,516
Other Income	2(c)	**7,737,288**	4,730,134
		161,384,192	171,226,696

(a) Revenue from contracts with customers

	2023 $	2022 $
- Service income from Commonwealth government	**79,323,105**	78,094,800
- Service income from Victorian government	**64,229,608**	79,975,005
- Client Fees	**7,281,478**	5,981,241
	150,834,191	164,051,046

Timing of revenue recognition

	2023 $	2022 $
Goods transferred at a point in time	**7,281,478**	5,981,241
Goods/services transferred over time	**143,552,713**	158,069,805
	150,834,191	164,051,046

Details regarding performance obligations

	Clients fee income	Grant income
Nature of goods or services involved	Delivery of community health service.	Delivery of community health service.
Satisfaction of performance obligations	Performance obligations are satisfied at a point in time when the service is delivered.	Performance obligations are satisfied overtime as the program is delivered.
Other obligations	Refund clause.	Refund clause.

Transaction price allocated to remaining performance obligations

	2024 $	Total $
Grant income	**29,408,221**	29,408,221

Refer to note 14 for a reconciliation of contract liabilities.

2 Revenue and Other Income (continued)

(b) Income accounted for under AASB 1058 Income of Not-For-Profit Entities

	2023	2022
	$	$
- Donations	**40,713**	150,917
- Capital grants	**2,772,000**	2,294,599
	2,812,713	2,445,516

(c) Other Income

	2023	2022
- Brokerage income	**2,393,613**	1,457,624
- Rental income	**1,588,773**	1,718,382
- Interest income	**1,680,306**	133,920
- Dividend income	**189,142**	165,566
- Gain on disposal of asset	**958,540**	103,131
- Other income	**926,914**	1,151,511
	7,737,288	4,730,134

3 Significant Expenses

Surplus for the year has been determined after the following significant expenses:

	2023	2022
Decrease in provision for doubtful debts	**(52,125)**	(14,640)
Brokerage expenses	**12,033,705**	9,049,263
Agency staff expenses	**1,211,692**	4,449,585
Consulting and legal fees	**2,444,256**	2,763,351

4 Depreciation Expense

	2023	2022
Depreciation - Property, plant & equipment	**2,233,608**	2,153,169
Depreciation - Right-of-use asset	**2,604,603**	3,192,729
	4,838,211	5,345,898

5 Other administration expenses

	2023	2022
Information technology expense	**4,532,541**	5,534,572
Travel expenses	**1,017,932**	811,401
Staff training expenses	**650,537**	564,465
Motor vehicle expense	**500,682**	578,862
Low value furniture, fixture and equipment expense	**306,652**	461,710
Loss on disposal of assets	**263,362**	-
Advertising and recruitment	**406,502**	379,310
Printing and stationery expenses	**258,518**	431,827
Essential safety measure expenses	**182,916**	181,969
Memberships Subscriptions	**191,681**	150,703
Conferences and seminars	**146,979**	63,742
Other administration expenses	**1,131,155**	1,135,857
	9,589,457	10,294,418

6 Cash and Cash Equivalents

	2023 $	2022 $
CURRENT		
Cash on hand	**3,984**	5,061
Cash at bank	**1,426,471**	2,568,992
Short-term bank deposits	**55,105,978**	33,799,754
	56,536,433	36,373,807

The effective interest on short term bank deposits was 4.95% (2022: 1.27%). These deposits have varying maturity dates.

7 Trade and Other Receivables

	2023	2022
CURRENT		
Trade receivables	**2,445,241**	7,517,875
Other receivables	**224,372**	80,224
Lease receivables	**693,881**	-
Provision for impairment of receivables	**(234,180)**	(281,330)
	3,129,314	7,316,769

	2023	2022
NON-CURRENT		
Lease receivable	**41,009**	-

Ageing of Trade Receivables

	2023	2022
Current	**2,272,711**	4,324,612
30 days	**68,658**	1,640,602
60 days	**39,807**	1,080,469
90 days	**10,237**	98,795
120 days	**53,828**	7,300
>120 days	**-**	366,097
	2,445,241	7,517,875

Current trade receivables are non-interest bearing and generally receivable within 30 to 60 days.

8 Contract Assets

	2023	2022
CURRENT		
Opening balance	**4,774,836**	4,583,239
Increase in estimates of progress measurement	**40,020,237**	63,936,999
Reclassification from contract assets to receivables	**(40,002,245)**	(63,745,402)
Total current contract assets	**4,792,828**	4,774,836

Notes to the Financial Statements
For the Year Ended 30 June 2023

9 Financial Assets

	2023 $	2022 $
CURRENT		
Investments in equity instruments designated at fair value through other comprehensive income		
Listed investments	**2,411,561**	2,251,527
Investments in financial assets designated at amortised cost		
Bank term deposits	**-**	9,500,000
Total financial assets	**2,411,561**	11,751,527

10 Other Assets

CURRENT		
Prepayments	**553,206**	657,777
Accrued income	**357,960**	68,059
Other receivables	**203,284**	302,641
	1,114,450	1,028,477

11 Property Plant and Equipment

Freehold land		
At fair value	**34,478,000**	35,848,000
Buildings		
At fair value	**18,006,977**	15,575,575
Less: accumulated depreciation	**(688,788)**	(165,240)
	17,318,189	15,410,335
Capital works in progress		
At cost	**2,195,521**	5,886,116
Motor vehicles		
At cost	**3,491,905**	3,903,471
Less: accumulated depreciation	**(2,644,523)**	(2,882,444)
	847,382	1,021,027
Office equipment		
At cost	**9,540,895**	8,093,322
Less: accumulated depreciation	**(7,371,298)**	(7,177,035)
	2,169,597	916,287
Leasehold Improvements		
At cost	**6,829,670**	6,344,150
Less: accumulated depreciation	**(5,278,174)**	(4,665,911)
	1,551,496	1,678,239
Total property, plant and equipment	**58,560,185**	60,760,004

Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Property Plant and Equipment (continued)

The fair value of freehold land, buildings and leasehold improvements is determined at least every three years based on valuations by an independent valuer. WBP Group and Westlink Consulting performed an independent valuation of the Company's land and buildings effective 30 June 2022. The valuer utilised the direct comparison method.

During the financial year, an asset impairment expense of $1,707,671 was recognised. This expense relates to the redevelopment projects in Cranbourne and Ferntree Gully, which the Directors determined were not in the company's best interest to go ahead with.

Movements in carrying amounts of property, plant and equipment

	Capital Works in Progress	Land	Buildings	Motor Vehicles	Office Equipment	Leasehold Improvements	Total
	$	$	$	$	$	$	$
Year ended 30 June 2022							
Balance at the beginning of year	**2,730,829**	**23,994,178**	**14,520,880**	**1,028,739**	**1,458,676**	**2,256,422**	**45,989,724**
Additions	7,518,790	-	-	246,181	27,188	-	7,792,159
Revaluation	-	11,853,822	(1,464,812)	-	-	(350,859)	10,038,151
Depreciation	-	-	(763,433)	(253,893)	(601,602)	(534,241)	(2,153,169)
Transfers	(3,456,642)	-	3,117,700	-	32,025	306,917	-
Impairment	(906,861)	-	-	-	-	-	(906,861)
Balance at the end of the year	**5,886,116**	**35,848,000**	**15,410,335**	**1,021,027**	**916,287**	**1,678,239**	**60,760,004**
Year ended 30 June 2023							
Balance at the beginning of year	**5,886,116**	**35,848,000**	**15,410,335**	**1,021,027**	**916,287**	**1,678,239**	**60,760,004**
Additions	3,199,843	-	-	179,175	94,983	-	3,474,001
Disposals	-	(1,370,000)	(326,042)	(4,257)	(6,693)	(25,549)	(1,732,541)
Depreciation	-	-	(724,937)	(348,563)	(706,397)	(453,711)	(2,233,608)
Transfers	(5,182,767)	-	2,958,833	-	1,871,417	352,517	-
Impairment	(1,707,671)	-	-	-	-	-	(1,707,671)
Balance at the end of the year	**2,195,521**	**34,478,000**	**17,318,189**	**847,382**	**2,169,597**	**1,551,496**	**58,560,185**

12 Right-of-Use Assets

	2023	2022
	$	$
NON-CURRENT		
Lease buildings	**14,671,824**	12,551,732
Accumulated depreciation	**(10,303,318)**	(8,311,057)
Total	**4,368,506**	4,240,675

Movement in carrying amounts:

	2023	2022
Leased buildings:		
Opening balance	**4,240,675**	4,830,966
Additions	**422,110**	151,872
Lease modifications	**2,310,324**	2,450,566
Depreciation expense	**(2,604,603)**	(3,192,729)
Net carrying amount	**4,368,506**	4,240,675

12 Right-of-Use Assets (continued)

Movement in carrying amounts: (continued)

The Group has entered into 3 new leases post 30 June 2023. The total committed undiscounted lease payments are $422,100.

The entity does not have any leases which contain variable lease payments.

AASB 16 related amounts recognised in the consolidated statement of comprehensive income

	2023	2022
	$	$
Depreciation charge related to right-of-use assets	**(2,604,603)**	(3,192,729)
Interest expense on lease liabilities	**(236,823)**	(97,832)
Short-term and low value asset leases expenses	**(532,168)**	(1,234,557)
Total amount recognised in the statement of profit or loss	**(3,373,594)**	(4,525,118)

The Group has 9 concessionary leases, which have a lease term between 1 and 30 years, and an annual payment amount between $0.01 and $800. The lease is measured in accordance with the accounting policies as outlined in note 1(k). The concessionary lease provides a significant reduction in administration expenses and the savings allow the Group to further achieve its mission and vision.

13 Trade and Other Payables

	2023	2022
	$	$
CURRENT		
Trade payables	**2,568,934**	2,240,759
Other payables	**5,017,899**	4,873,660
Bonds held in trusts	**94,125**	60,000
	7,680,958	7,174,419

14 Contract Liabilities

CURRENT		
Opening balance	**26,089,693**	16,565,789
Cash received from funding body	**123,049,339**	145,682,651
Repayment to funding body	**(1,671,888)**	(1,565,185)
Recognition of revenue from contract liabilities	**(118,058,923)**	(134,593,562)
Closing balance	**29,408,221**	26,089,693

15 Provisions

	2023 $	2022 $
CURRENT		
Annual leave	**7,035,443**	7,109,180
Long service leave	**8,794,747**	6,227,560
Other employee entitlements	**333,819**	150,470
Total current provisions	**16,164,009**	13,487,210
NON-CURRENT		
Long service leave	**3,128,050**	5,789,140
Provision for make good	**311,802**	321,967
Total non-current provisions	**3,439,852**	6,111,107
Total provisions	**19,603,861**	19,598,317

Movements:

	2023	2022
Opening balance at 1 July	**19,598,317**	17,026,428
Provisions made during the year	**11,825,398**	13,441,256
Settlements made during the year	**(11,819,854)**	(10,869,367)
Closing balance at 30 June	**19,603,861**	19,598,317

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

16 Lease Liability

	2023 $	2022 $
Maturity analysis:		
Year 1	**2,726,324**	1,727,591
Year 2	**1,435,956**	1,168,564
Year 3	**752,129**	816,764
Year 4	**488,306**	437,234
Year 5 and beyond	**151,212**	511,073
	5,553,927	4,661,226
Less interest	**(221,362)**	(180,990)
Total	**5,332,565**	4,480,236

	2023 $	2022 $
Analysed as:		
Current	**2,649,978**	1,640,748
Non-current	**2,682,587**	2,839,488
Total	**5,332,565**	4,480,236

17 Contracted Commitments

Operating leases contracted for but not capitalised in the financial statements:

	2023 $	2022 $
Payable - minimum lease payments		
not later than 12 months	**548,633**	337,689
between 12 months and 5 years	**719,242**	1,121,293
between 5 years and 10 years	**-**	-
Total	**1,267,875**	1,458,982

18 Contingent Liabilities and Contingent Assets

(a) **Bank guarantees**

Bank guarantees backed by term deposits and provided for tenancy deposits is $518,944 (2022: $565,994).

(b) **At Call Account**

EACH's corporate credit cards have a total limit of $50,000 of which $5,718 is the used amount as at 30 June 2023 (2022: $24,595). These cards are issued with the security At Call accounts held with CBA.

19 Events after the end of the Reporting Period

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

20 Related Parties

Key Management Personnel Compensation

	2023	2022
	$	$
Short term benefits	**2,488,116**	2,300,182
Long term benefits	**242,603**	805,271
Post-employment benefits	**143,903**	175,459
	2,874,622	3,280,912

Key management personnel comprises the CEO and other senior staff members within EACH. While the Board of Director's are key management personnel, they receive no compensation for their service and are therefore excluded from the above disclosure.

There were no related party transactions required to be disclosed for the Group's Board of Directors, Chief Executive Officer and Executive Directors in 2023.

21 Financial Risk Management

Financial Risk Management Policies

The Finance, Audit, Infrastructure and Risk (FAIR) Committee is responsible for monitoring and managing the Group's compliance with its risk management strategy and consists of senior board members. The FAIR committee's overall risk management strategy is to assist the Group in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

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 for the Company.

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 over 85% of the grants being received from Commonwealth, state and local governments are in accordance with funding agreements which ensure regular funding for a period ranging from 1 to 3 years.

21 Financial Risk Management (continued)

(a) Credit risk (continued)

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 7.

The Group has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 7.

Credit risk related to balances with banks and other financial institutions is managed by the Finance Audit Infrastructure and Risk Committee in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA for at least 60% of its investments. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty.

	2023	2022
	$	$
AA- rated	**34,979,602**	35,387,705
BBB+	**21,552,847**	10,481,041
Total Cash on hand	**56,532,449**	45,868,746

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations in relation 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.

There are no external borrowings for the Group for the year ended 30 June 2023 (2022: nil).

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial instruments. The Group does not hold any derivative financial instruments directly.

21 Financial Risk Management (continued)

(b) Liquidity risk (continued)

Financial Instrument Composition and Maturity Analysis

		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
Financial liabilities due for payment	**Note**	**2023 $**	**2022 $**	**2023 $**	**2022 $**	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Trade and other payables	13	**(7,680,958)**	(7,174,419)	**-**	-	**-**	-	**(7,680,958)**	(7,174,419)
Lease liabilities	16	**(2,649,978)**	(1,640,748)	**(2,682,587)**	(2,755,642)	**-**	(83,846)	**(5,332,565)**	(4,480,236)
Total expected outflows		**(10,330,936)**	(8,815,167)	**(2,682,587)**	(2,755,642)	**-**	(83,846)	**(13,013,523)**	(11,654,655)
Financial assets - cash flows realisable									
Cash and cash equivalent	6	**56,536,433**	36,373,807	**-**	-	**-**	-	**56,536,433**	36,373,807
Trade and other receivables	7	**3,129,314**	7,316,769	**41,009**	-	**-**	-	**3,170,323**	7,316,769
Financial assets	9	**2,411,561**	11,751,527	**-**	-	**-**	-	**2,411,561**	11,751,527
Total anticipated inflows		**62,077,308**	55,442,103	**41,009**	-	**-**	-	**62,118,317**	55,442,103
Net (outflow) / inflow		**51,746,372**	46,626,936	**(2,641,578)**	(2,755,642)	**-**	(83,846)	**49,104,794**	43,787,448

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(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.

The financial instruments that expose the Group to interest rate risk are limited to lease liabilities, listed shares, government and fixed interest securities, and cash on hand.

Interest rate risk is managed using a mix of fixed and floating rate debt. At 30 June 2023, the Group had no debts. The Group also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre agreed credit terms.

(ii) *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

21 Financial Risk Management (continued)

(c) Market risk (continued)

The Group's investments are held in the following sectors at the end of the reporting period:

	2023	2022
	$	$
Banking and finance	**2,411,561**	2,251,527

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 on how profit and equity values reported at the end of the reporting year would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	Surplus	Deficit
	$	$
Year ended 30 June 2023		
+/- 1% interest rates	**565,364**	(565,364)
+/- 1% in listed investments	**24,116**	(24,116)

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

There have been no changes in any of the assumptions used to prepare the above sensitivity.

Fair Values

Fair Value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Refer to Note 22 for detailed disclosures regarding the fair value measurement of the Group's financial assets and financial liabilities.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (i.e., accounts receivables, loan liabilities) are to be held until maturity and therefore the fair value figures calculated bare little relevance to the Group.

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

21 Financial Risk Management (continued)

(c) Market risk (continued)

		2023		2022	
		Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	Note	**$**	**$**	**$**	**$**
Financial assets					
Financial assets at amortised cost:					
Cash on hand (i)	6	**56,536,433**	**56,536,433**	36,373,807	36,373,807
- bank term deposits	21, 9	**-**	**-**	9,500,000	9,500,000
Accounts receivable and other debtors (i)	7	**3,170,323**	**3,170,323**	7,316,769	7,316,769
Fair value through OCI:					
- listed investments	21, 9	**2,411,561**	**2,411,561**	2,251,527	2,251,527
Total financial assets		**62,118,317**	**62,118,317**	55,442,103	55,442,103
Financial liabilities					
Trade and other payables (i)	13	**7,680,958**	**7,680,958**	7,174,419	7,174,419
Lease liabilities	16	**5,332,565**	**5,332,565**	4,480,236	4,480,236
Total financial liabilities		**13,013,523**	**13,013,523**	11,654,655	11,654,655

(i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 9.

22 Fair Value Measurement

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Listed investments; and
- Freehold land and building

(a) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

22 Fair Value Measurement (continued)

(b) Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by EACH are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, EACH gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of EACH's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		Level 1	Level 2	Level 3	Total
30 June 2023		**$**	**$**	**$**	**$**
Recurring fair value measurements					
Financial assets					
Listed Investments	9	**2,411,561**	**-**	**-**	**2,411,561**
Total financial assets recognised at fair value		**2,411,561**	**-**	**-**	**2,411,561**
Non-Financial assets					
Freehold land	11	**-**	**34,478,000**	**-**	**34,478,000**
Freehold buildings	11	**-**	**17,318,189**	**-**	**17,318,189**
Total non-financial assets recognised at fair value		**-**	**51,796,189**	**-**	**51,796,189**

		Level 1	Level 2	Level 3	Total
30 June 2022		**$**	**$**	**$**	**$**
Recurring fair value measurements					
Financial assets					
Listed Investments	9	2,251,527	-	-	2,251,527
Total financial assets recognised at fair value		2,251,527	-	-	2,251,527
Non-Financial assets					
Freehold land	11	-	35,848,000	-	35,848,000
Freehold buildings	11	-	15,410,335	-	15,410,335
Total non-financial assets recognised at fair value		-	51,258,335	-	51,258,335

23 Cash Flow Information

Reconciliation of Cash Flow from operations with profit from Operating Activities:

	2023	2022
	$	$
Surplus for the year	**609,781**	6,452,019
Non-cash flows in profit:		
- depreciation	**4,838,211**	5,345,898
- bad and doubtful debts	**(52,125)**	(14,640)
- gain on disposal of property, plant and equipment	**(958,540)**	(103,126)
- lease liability interest expense	**236,823**	97,832
- impairment loss	**1,707,671**	906,861
Changes in assets and liabilities:		
- decrease / (increase) in trade and other receivables	**4,198,571**	(1,183,681)
- (increase) / decrease in inventories	**(16,880)**	13,291
- increase in contract assets	**(17,992)**	(191,597)
- (increase) / decrease in other assets	**(85,973)**	1,238,960
- increase in trade and other payables	**506,539**	605,529
- increase in contract liabilities	**3,318,528**	9,523,904
- decrease in financial liabilities	**-**	(3,718,611)
- increase in provisions	**5,544**	2,571,889
Cash flow provided by operations	**14,290,158**	21,544,528

24 Reserves

(a) Asset Revaluation Reserve

The asset revaluation reserve records the revaluations of non-current assets.

(b) Financial asset reserve

The financial assets reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as Fair Value Through Other Comprehensive Income.

(c) Analysis of Each Class Reserve

	2023	2022
	$	$
Revaluation gains / (losses) on listed investment	**160,034**	(341,620)
(Write back) / revaluation gains on land and buildings	**(727,684)**	10,038,151
	(567,650)	9,696,531

25 Remuneration of the Auditor

Remuneration of the auditor for:		
- auditing reviewing and compiling the financial reports	**90,300**	87,800

26 Interests in Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by EACH. The proportion of ownership interests held equals the voting rights held by EACH. The subsidiary's principal place of business is also its country of incorporation.

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2023	Percentage Owned (%)* 2022
Subsidiaries:			
EACH Housing Limited	Australia	**100**	100
Clinical Psychology Solutions Pty Limited**	Australia	**-**	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

** Clinical Psychology Solutions Pty Limited is dormant and was wound up on 17 August 2022.

27 Members' Guarantee

The Group is incorporated under the *Corporation Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding's and obligations of the entity. At 30 June 2023 the total number of members was 83 members including 18 associate members (2022: 80 total & 18 associate members).

28 Statutory Information

The entity is a company limited by guarantee.

The registered office of the company is:

EACH
Level 1
20 Melbourne Street
Ringwood VIC 3134

The principal place of business is Victoria.

EACH

ABN: 46 197 549 317

Directors' Declaration

The directors of EACH declare that:

1. The financial statements and notes as set out on pages 9 - 42, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:

   (a) comply with Australian Accounting Standards; and

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

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

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.

Director Andrew Gosbell	Director Luke Guthrie
Dr. Andrew Gosbell (Chair)	Mr. Luke Guthrie (Deputy Chair)

Dated 5th October 2023

Independent Auditor's Report

VAGO
Victorian Auditor-General's Office

To the Directors of EACH

Opinion	I have audited the consolidated financial report of EACH (the company) and its controlled entity (together the consolidated entity) which comprises the: • consolidated statement of financial position as at 30 June 2023 • consolidated statement of profit or loss and other comprehensive income for the year then ended • consolidated statement of changes in equity for the year then ended • consolidated statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • directors' declaration. In my opinion the consolidated financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including: • giving a true and fair value view of the consolidated financial position of the company as at 30 June 2023 and its financial performance and cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the consolidated financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Directors' responsibilities for the financial report	The directors of the company are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of a consolidated financial report that is free from material misstatement, whether due to fraud or error. In preparing the consolidated financial report, the directors are responsible for assessing the company's 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.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the consolidated financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the consolidated 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 consolidated financial report.

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

- identify and assess the risks of material misstatement of the consolidated financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's 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's 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 consolidated 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 consolidated financial report, including the disclosures, and whether the consolidated financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

MELBOURNE
24 October 2023

Sanchu Chummar
as delegate for the Auditor-General of Victoria