

MATTER

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ANGLICARE VICTORIA

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ANGLICARE VICTORIA

Statement of surplus and deficit and other comprehensive income For the year ended 30 June 2024

	Note	2024 \$'000's	2023 \$'000's
Service Delivery - Operating Revenue			
Government funds / grants			
- State		226,235	211,107
- Federal		4,804	4,430
- Local		82	101
Funding from other Agencies		9,779	9,403
Other		843	921
Total operating revenue		241,743	225,962
Service Delivery - Operating Expenditure			
Employee benefits expenses	7	203,271	184,388
Client and caregiver costs		26,389	25,101
Property, maintenance & equipment expenses		4,431	4,464
Travel & motor vehicle expenses		1,972	1,783
Administration expenses		8,488	9,050
Depreciation & amortisation expenses	13	7,372	7,087
Leasing expenses	17	757	646
Financing costs - interest on lease liabilities		393	318
Other expenses		73	129
Total operating expenditure		253,146	232,966
OPERATING DEFICIT		(11,403)	(7,004)
Net investment income	6a	5,514	5,554
Net fundraising, donations and bequests	6b	6,013	4,347
SURPLUS BEFORE NON-OPERATING ACTIVITIES		124	2,897
Non-operating activities			
Net gain on sale of property, plant, equipment & investments	8	12	407
Financial assets - net change in fair value through profit and loss		2,582	1,270
		2,594	1,677
NET SURPLUS FOR THE YEAR		2,718	4,574
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,718	4,574

The notes on pages 6 to 20 are an integral part of these financial statements.

ANGLICARE VICTORIA

Statement of financial position

As at 30 June 2024

	Note	2024 \$'000's	2023 \$'000's
Assets			
Cash and cash equivalents	10(a)	5,883	16,590
Other financial assets	10(b)	640	-
Trade and other receivables	11	5,232	5,077
Inventories		178	144
Investments	12	60,164	56,392
Total Current Assets		72,097	78,203
Investments	12	2,927	4,233
Property, plant and equipment	13a	28,534	25,627
Intangible assets	13b	4,062	3,968
Lease - right of use assets	13c	7,991	7,636
Total Non-Current Assets		43,514	41,464
Total Assets		115,611	119,667
Liabilities			
Trade and other payables	14a	5,055	5,643
Provision for Redress claims	14b	1,517	1,653
Employee benefits	15	25,115	23,395
Deferred income		18,259	25,157
Lease liabilities	17a	3,475	3,418
Total Current Liabilities		53,421	59,266
Provision for Redress claims	14b	7,782	8,575
Employee benefits	15	303	968
Deferred Income		400	400
Lease liabilities	17a	5,079	4,655
Provision for make good	17b	130	25
Total Non-Current Liabilities		13,694	14,623
Total Liabilities		67,115	73,889
Net Assets		48,496	45,778
Equity			
Establishment corpus	16	23,767	23,767
Property reserves		15,618	15,618
Accumulated Profits		9,111	6,393
Total Equity		48,496	45,778

The notes on pages 6 to 20 are an integral part of these financial statements.

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Statement of changes in equity For the year ended 30 June 2024

	Establishment corpus	Property reserve	Accumulated profit	Total equity
	\$'000's	\$'000's	\$'000's	\$'000's
Balance at 1 July 2022	23,767	15,618	1,819	41,204
Total comprehensive income for the year				
Surplus for the year	-	-	4,574	4,574
<i>Other comprehensive income</i>	-	-	-	-
Total comprehensive income for the year	-	-	4,574	4,574
<i>Items recognised directly in equity</i>	-	-	-	-
Total items recognised directly in equity	-	-	-	-
Balance at 30 June 2023	23,767	15,618	6,393	45,778
Balance at 1 July 2023	23,767	15,618	6,393	45,778
Total comprehensive income for the year				
Surplus for the year	-	-	2,718	2,718
<i>Other comprehensive income</i>	-	-	-	-
Total comprehensive income for the year	-	-	2,718	2,718
<i>Items recognised directly in equity</i>	-	-	-	-
Total items recognised directly in equity	-	-	-	-
Balance at 30 June 2024	23,767	15,618	9,111	48,496

The notes on pages 6 to 20 are an integral part of these financial statements.

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Statement of cash flows

For the year ended 30 June 2024

	Note	2024 \$'000's	2023 \$'000's
Cash flows used in operating activities:			
Receipts from government and other		263,192	251,125
Payments to suppliers and employees		(271,486)	(248,500)
Cash from operations		(8,294)	2,625
Bequests received		3,064	262
Net cash (used in) / from operating activities		(5,230)	2,887
Cash flows used in investing activities:			
Interest received		430	822
Dividends and distributions received		4,773	4,419
Fund manager fees		(199)	(186)
Acquisition of property, plant and equipment		(5,463)	(2,618)
Acquisition of intangible assets		(652)	(900)
Acquisition of investments and financial assets		(10,188)	(16,196)
Proceeds from sale of property, plant and equipment		25	18
Proceeds from sale of investments and financial assets		10,424	11,888
Net cash used in investing activities		(850)	(2,753)
Cash flows used in financing activities:			
Payment of lease liabilities		(4,234)	(4,060)
Interest on lease liabilities		(393)	(318)
Net cash used in financing activities		(4,627)	(4,378)
Net decrease in cash and cash equivalents		(10,707)	(4,244)
Cash and cash equivalents at 1 July		16,590	20,834
Cash and cash equivalents at 30 June	10	5,883	16,590

The notes on pages 6 to 20 are an integral part of these financial statements.

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Notes to the financial statements

For the year ended 30 June 2024

1. Reporting Entity

Anglicare Victoria (The Agency) is an Anglican welfare agency established by the Anglicare Welfare Agency Act 1997. The purpose of the Act was to incorporate an Agency as the successor in law of the Anglican Mission to the Streets and Lanes of Melbourne, The Mission of St James and St John and St Johns Home for Boys and Girls. It is a not-for-profit agency domiciled in Australia and is endorsed as Deductible Gift Recipient (DGR).

The Agency is primarily involved in the provision of benefits for the welfare of children, young people and families who are disadvantaged.

The Agency's registered office (registered with Australian Charities and Not-for-Profits Commission) is 103 Hoddle Street, Collingwood, Victoria 3066.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Agency have been prepared as Tier 2 general purpose financial statements in accordance with Australian Accounting Standards- Simplified Disclosures.

The Agency is a reporting entity under the Australian Charities and Not-for-profits Commission Act and is not exempt from preparing consolidated financial statements.

These separate financial statements reflect the financial performance and position of the Agency only, and do not include the financial performance and position of its controlled entity.

The details of the investment in a controlled entity are disclosed in Note 18 to the financial report. The investment is accounted for at cost.

The financial report was authorised for issue by the Board on 4 September 2024.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for investments which are measured at fair value and the provision for claims which are accounted for as set out in Note 3(g).

(c) Functional and presentation currency

The financial statements are presented in Australian dollars. All financial information presented has been rounded to the nearest thousand, unless otherwise stated.

(d) Going Concern

The financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(e) Use of estimates and judgements

The preparation of financial statements requires management to make certain judgements, estimates and assumptions that affect the reported amounts of particular assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are described in Note 14(b) – Provisions – Redress Claims.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Cash and cash equivalents

Cash, cash equivalents and any deposits held at call with a bank or financial institution are recognised at their nominal amounts. Interest is accrued to revenue as it is earned.

(b) Financial instruments

Financial instruments in relation to these financial statements are the following:

Financial assets	- cash and cash equivalents - trade and other receivables - investments
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Financial Liabilities	- trade and other payables
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Recognition and derecognition

Financial assets and financial liabilities are recognised at cost when the Agency becomes a party to the contractual provisions of the financial instrument. Financial assets are

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Notes to the financial statements

For the year ended 30 June 2024

derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and measurement of financial assets and financial liabilities

The Agency has measured and classified its financial assets and financial liabilities as follows:

- Trade and other receivables, cash and cash equivalents measured and classified as Financial Assets at Amortised Cost, with gains and losses taken through the statement of surplus and deficit and other comprehensive income.
- Investments are measured and classified as Financial Assets at Fair Value (refer note 4), with all gains and losses recognised through the statement of surplus and deficit and other comprehensive income.
- Financial liabilities consist of trade and other payables, which are measured initially at fair value plus any directly attributable transaction costs, and are then subsequently measured at amortised cost through the statement of surplus and deficit and other comprehensive income.

(c) Impairment

(i) Impairment of financial assets

Impairment testing is based on an informed assessment of expected credit losses that may occur.

Write-off

The gross carrying amount of a financial asset is written off when the Agency has no reasonable expectations of recovery.

(ii) Impairment of non-financial assets – Property, Plant, Equipment and Intangible assets

The carrying amounts of the Agency's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment i.e. the recoverable amount of the asset is estimated to be less than its carrying amount. If any such indication exists, then the asset's recoverable amount is estimated and the carrying amount is reduced to its recoverable amount. The reduction in carrying amount of the asset is classified as

an impairment loss recognized immediately in the statement of surplus and deficit and other comprehensive income.

The Agency engages a professional property valuer to independently assess the valuation of the properties that it owns every 3 years. The last formal valuation undertaken by the Agency was as at 30 June 2023.

For the year ended 30 June 2024 there was no impairment adjustments made to these classes of assets.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Any gain and loss on disposal of an item of property, plant and equipment is recognised in Statement of surplus and deficit and other comprehensive income.

(ii) Depreciation

Depreciation is charged against the cost of property, plant and equipment less their estimated residual values, using the straight-line basis over their estimated useful lives, and is recognised in the statement of surplus and deficit and other comprehensive income.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Agency will obtain ownership by the end of the lease. Land is not depreciated. The estimated useful lives of property, plant and equipment are as follows for current and comparative year:

<i>Buildings</i>	<i>40 years</i>
<i>Plant and equipment - other</i>	<i>4-7 years</i>
<i>Fixtures and fittings (plant and equipment)</i>	<i>3-9 years</i>
<i>Motor vehicles (plant and equipment)</i>	<i>5 years</i>
<i>Leasehold improvements</i>	<i>3-10 years</i>

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Notes to the financial statements

For the year ended 30 June 2024

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

(e) Leases

The Agency recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Agency's incremental borrowing rate.

The Agency leases assets that include property, motor vehicles and office equipment.

The Agency has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Agency recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Employee benefits

(i) Defined contribution superannuation funds

The Agency contributes to defined contribution plans. Obligations are recognised as a personnel expense in the statement of surplus and deficit and other comprehensive income.

(ii) Short-term employee benefits

Short-term employee benefits are expensed in the year incurred. A liability is recognised for the amount expected to be paid if the Agency has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Other long-term employee benefits

The Agency's net obligation in respect of long service leave and annual leave provisions is the amount of future benefit

that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Australian high quality corporate bonds that have maturity dates approximating the terms of the Agency's obligation.

From 1 July 2019, the Agency paid into the Victorian Government's Portable LSL scheme for those applicable staff under the scheme. Any future payments for LSL accrued for these staff from this date can be claimed back from the scheme. Portable LSL expense (nett of claims) for the year was \$2.6m (2023: \$2.3m).

(g) Provisions

A provision is recognised if, as a result of a past event, the Agency has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Investment income

Investment income comprises interest income on funds invested, dividend income and rental income from properties and distributions from managed funds. Interest income is recognised on an accrual's basis. Dividend income is recognised on the date that the Agency's right to receive payment is established, which in the case of quoted securities is the ex-dividend or interest date. Distributions from managed funds are recognised as distributed.

(i) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is

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For the year ended 30 June 2024

included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for GST components of cash flows arising from investing and financing activities which are classified as operating cash flows.

(j) Revenue

(i) Government grant income

Grant income arising from an agreement to provide services which contains enforceable and sufficiently specific performance obligations are recognised when control of each performance obligations are satisfied. The performance obligations vary based on the agreement. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the revenue recognition is based on either cost or time incurred which best reflects the transfer of control. Where specifically designated grant revenue and the designated expenditure for such grants during the year has not occurred or is incomplete and there is likely to be an obligation to repay, the resulting amount is carried forward and recognised as a contract liability and will be brought to account as income in future years as the funds are expended.

(ii) Non-government funds

Revenue derived from donations, fundraising activities, client fees, philanthropic trusts, foundations and other sources, are recognised as revenue when received unless specific obligations attached to the funds received are yet to be performed. Such unperformed obligations are recorded as deferred income in the Statement of Financial Position.

(iii) Net gain on sale of non-current assets

Net gain (or loss) on sale of non-current assets is recognised in the Statement of surplus and deficit and other comprehensive income. These can be

derived when investments, or property, plant and equipment are disposed.

(iv) Deferred income

Deferred income relates to unexpended grant income, legacies, gifts in wills and donations for which revenue will be recognised over time as the Agency's performance obligations are met, and where there is an obligation to repay any unutilised funds.

(v) Rental income

Rents received are recognised on a straight line basis over the lease term.

(k) Intangible assets – IT software

(i) Recognition and measurement

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Agency intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs.

Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses in accordance with Note 3(c)(ii).

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisations

Intangible assets are amortised on a straight-line basis in the Statement of surplus and deficit and other comprehensive income over their estimated useful lives, from the date that they are available for use.

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Notes to the financial statements

For the year ended 30 June 2024

The estimated useful lives for the current and comparative years are as follows:

Capitalised software development costs 5 – 10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value.

(m) Changes in Material Accounting Policies

The Agency adopted *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054, 1060)* from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on application of materiality of disclosure of accounting policies. Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2023: Significant accounting policies) in line with the amendments.

A number of other new accounting standards are also effective from 1 July 2023 but they do not have a material effect on the Agency's financial statements.

4. Determination of fair values, and financial risk management

A number of the Agency's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/ or disclosure purposes based on the following methods:

(i) Accounts receivables and payables

The carrying amounts of current receivables and current payables are considered to be a reasonable approximation of fair value because of their short-term maturity.

(ii) Investments

The fair value of investments are determined as follows:

- Listed – by reference to their quoted bid price at the reporting date; and
- Unlisted – by reference to declared fund manager valuations at the reporting date, which are typically determined by reference to recent transaction values or commonly accepted valuation methodologies.

Financial assets at fair value through profit or loss are classified as 'Current' assets due to the liquidity of the investments and the Agency's requirement to have an open "intent to call" option available.

Risk management approach to investments

The Agency has assets in investments and managed funds that trade in the financial markets, which include the equities, currencies, commodities, fixed interest and private equity markets. Taking positions in these markets expose the Agency's investments and managed funds to price fluctuations due to changes in credit, liquidity, currency, interest rate, political and economic conditions, locally in Australia and internationally.

The Agency's risk management philosophy on investments is to diversify financial market risks as follows:

- Asset diversification – have a balanced portfolio of asset classes, within a tolerance band for each asset class.
- Style diversification – engage fund managers with different investment styles.
- Time in the markets – invest over a long period of time, and over different business cycles.

Other risk management initiatives

The Agency's operating environments are constantly evolving. The governance and management of operational risks is overseen by

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Notes to the financial statements

For the year ended 30 June 2024

the Board on all matters relating to the financial performance and integrity of the Agency.

Liquidity risks

Liquidity risk is the risk the Agency will not be able to meet its financial obligations as they fall due. The Agency adopts a prudent approach to managing liquidity to ensure that it has sufficient cash to meet expected operational expenses and liabilities.

5. Taxation

The Agency is a not-for-profit entity. It is exempt from most forms of Taxation with the exception of Fringe Benefits Tax and Goods and Services Tax.

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Notes to the financial statements For the year ended 30 June 2024

Note	2024 \$'000's	2023 \$'000's
6(a). Net investment income		
Distribution from Anglicare Victoria Childrens Foundation	1,500	1,525
Dividend and distribution income	3,273	3,012
Interest income	430	687
	<u>5,203</u>	<u>5,224</u>
Less: Fund managers' fees	(181)	(169)
	<u>5,022</u>	<u>5,055</u>
Rental income	492	499
Net investment income	<u>5,514</u>	<u>5,554</u>
6(b). Net Revenue from bequests, donations and fundraising		
Bequests	3,064	1,439
Donations and fundraising	3,754	3,754
	<u>6,818</u>	<u>5,193</u>
Less: fundraising expenses	(805)	(846)
	<u>6,013</u>	<u>4,347</u>
7. Employee expenses		
Wages and salaries	172,603	155,739
Other associated personnel expenses	12,087	12,235
Contributions to defined contribution superannuation funds	18,534	16,001
Increase in liability for annual leave	736	637
Decrease in liability for long service leave	(689)	(224)
	<u>203,271</u>	<u>184,388</u>
8. Net gain on sale of non-current assets		
Net gain on disposal of investments	89	425
Net loss on disposal of property, plant and equipment	(77)	(18)
	<u>12</u>	<u>407</u>
9. Auditor's remuneration		
Audit Services:	\$	\$
Auditors of the Agency		
KPMG Australia:		
Audit and review of financial reports	90,287	86,815
Other regulatory audit services	11,918	11,460
	<u>102,205</u>	<u>98,275</u>
Other Services:		
Auditors of the Agency		
KPMG Australia:		
Advisory services	3,500	45,000
	<u>3,500</u>	<u>45,000</u>
Total auditor's remuneration	<u>105,705</u>	<u>143,275</u>

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Notes to the financial statements **For the year ended 30 June 2024**

	Note	2024 \$'000's	2023 \$'000's
10.(a) Cash and cash equivalents			
Bank balances		1,904	2,655
Call deposits		3,979	13,935
		<u>5,883</u>	<u>16,590</u>
10.(b) Other financial assets			
Deposits held as surities		640	-
		<u>640</u>	<u>-</u>
Deposits held as surities for bank guarantees relating to leased properties.			
11. Trade and other receivables			
<u>Current</u>			
Investments Income receivable		-	45
Other receivables		3,559	4,247
Prepayments		1,673	785
		<u>5,232</u>	<u>5,077</u>
12. Investments			
<u>Current</u>			
Investments at fair value through profit or loss (FVTPL)	3(b)	60,164	56,392
		<u>60,164</u>	<u>56,392</u>
<u>Non-Current</u>			
Investment in COMPASS Social Impact Bond Loan Notes designated as at FVTPL		833	2,139
Investment in controlled entity at cost		2,094	2,094
		<u>2,927</u>	<u>4,233</u>
Total Investments		<u>63,091</u>	<u>60,625</u>

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Notes to the financial statements

For the year ended 30 June 2024

13. Property, plant and equipment and intangible assets

13.(a) Property, plant and equipment

	\$'000's Land and buildings	\$'000's Leasehold improvements	\$'000's Plant and equipment	\$'000's Capital work in progress	\$'000's Total
Cost					
Balance at 1 July 2022	22,448	5,012	7,948	2,115	37,523
Additions	42	350	513	1,630	2,535
Disposals	-	-	(1,089)	-	(1,089)
Transfer from capital work in progress	102	654	1,287	(2,043)	-
Balance at 30 June 2023	22,592	6,016	8,659	1,702	38,969
Balance at 1 July 2023	22,592	6,016	8,659	1,702	38,969
Additions	2,758	-	583	2,122	5,463
Disposals	-	(119)	(1,174)	-	(1,293)
Transfer from capital work in progress	31	744	537	(1,312)	-
Balance at 30 June 2024	25,381	6,641	8,605	2,512	43,139
Depreciation					
Balance at 1 July 2022	4,086	3,087	4,960	-	12,133
Depreciation charge for the year	346	636	1,296	-	2,278
Disposals	-	-	(1,069)	-	(1,069)
Balance at 30 June 2023	4,432	3,723	5,187	-	13,342
Balance at 1 July 2023	4,432	3,723	5,187	-	13,342
Depreciation charge for the year	361	677	1,416	-	2,454
Disposals	-	(38)	(1,153)	-	(1,191)
Balance at 30 June 2024	4,793	4,362	5,450	-	14,605
Carrying amounts					
At 1 July 2022	18,362	1,925	2,988	2,115	25,390
At 30 June 2023	18,160	2,293	3,472	1,702	25,627
At 1 July 2023	18,160	2,293	3,472	1,702	25,627
At 30 June 2024	20,588	2,279	3,155	2,512	28,534

Anglicare Victoria's land and building assets were independently valued \$44.185m as at 30 June 2023. Since then, one additional property has been purchased.

As such, the carrying values of land and buildings do not exceed their replacement cost.

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Notes to the financial statements **For the year ended 30 June 2024**

13. Property, plant and equipment and intangible assets (continued)

13.(b) Intangible assets -software

	\$'000's Intangible Assets	\$'000's Intangible Assets (work-in progress)	\$'000's Total
Cost			
Balance at 1 July 2022	5,682	433	6,115
Additions	84	898	982
Disposals	-	-	-
Transfer from work in progress	-	-	-
Balance at 30 June 2023	5,766	1,331	7,097
Balance at 1 July 2023	5,766	1,331	7,097
Additions	420	232	652
Disposals	-	-	-
Transfer from work in progress	1,331	(1,331)	-
Balance at 30 June 2024	7,517	232	7,749
Amortisation			
Balance at 1 July 2022	2,469	-	2,469
Amortisation charge for the year	660	-	660
Disposals	-	-	-
Balance at 30 June 2023	3,129	-	3,129
Balance at 1 July 2023	3,129	-	3,129
Amortisation charge for the year	558	-	558
Disposals	-	-	-
Balance at 30 June 2024	3,687	-	3,687
Carrying amounts			
At 1 July 2022	3,213	433	3,646
At 30 June 2023	2,637	1,331	3,968
At 1 July 2023	2,637	1,331	3,968
At 30 June 2024	3,830	232	4,062

ANGLICARE VICTORIA

Notes to the financial statements For the year ended 30 June 2024

13. Property, plant and equipment and intangible assets (continued)

13.(c) Leases - Right of use assets

Anglicare Victoria leases the following assets.

	\$'000's Property	\$'000's Motor Vehicles	\$'000's Office Equipment	\$'000's Total
Balance at 1 July 2022	5,135	1,484	485	7,104
Additions	3,126	1,555	-	4,681
Disposals	(455)	(87)	-	(542)
Depreciation charge for the year	(2,007)	(1,462)	(138)	(3,607)
Balance at 30 June 2023	5,799	1,490	347	7,636
Balance at 1 July 2023	5,799	1,490	347	7,636
Additions	2,752	1,964	-	4,716
Disposals	(190)	(349)	-	(539)
Depreciation charge for the year	(2,492)	(1,194)	(136)	(3,822)
Balance at 30 June 2024	5,869	1,911	211	7,991

ANGLICARE VICTORIA

Notes to the financial statements For the year ended 30 June 2024

	2024 \$'000's	2023 \$'000's
14.(a) Trade and other payables		
<u>Current</u>		
Trade creditors	1,689	2,719
Other creditors and accruals	3,366	2,924
	<u>5,055</u>	<u>5,643</u>
14.(b) Provision for Redress claims		
Provision for redress claims - Current	1,517	1,653
- Non-Current	7,782	8,575
	<u>9,299</u>	<u>10,228</u>

Anglicare Victoria recognises the importance of justice for former clients who may have suffered harm during their time in care with the Agency or its predecessor agencies being:

- the Mission of St. James and St. John;
- St. John's Homes for Boys and Girls; and
- the Mission to the Streets and Lanes.
- St Lukes Anglicare

It deeply regrets any incident of abuse perpetrated in any of our predecessor agencies against children who had been in their care.

All client claims that are lodged with Anglicare Victoria undergo due process that enables them to be properly assessed for the appropriate responses and resolution. The resolution of a claim might involve providing pastoral care and counselling to former clients, responding to the disclosure of harm suffered by former clients in a way that is just and observant of community expectations, and it might involve financial compensation.

As at 30 June 2021, Anglicare Victoria had provided for the settlement of potential future client claims of \$12,700,000, which was based on an independent actuarial assessment commissioned by Anglicare Victoria during 2021. The provision as at 30 June 2024 of \$9,299,000 is a continuation of this actuarial assessment less client claims settled during the three subsequent financial years.

	2024 \$'000's	2023 \$'000's
15. Employee benefits		
<u>Current</u>		
Salaries and wages accrued	7,513	6,614
Liability for long service leave	4,794	4,818
Liability for annual leave	12,699	11,963
Liability for employee termination benefits	109	-
	<u>25,115</u>	<u>23,395</u>
<u>Non-Current</u>		
Liability for long service leave	303	968
	<u>303</u>	<u>968</u>
Total employee benefits	<u>25,418</u>	<u>24,363</u>

ANGLICARE VICTORIA

Notes to the financial statements For the year ended 30 June 2024

16. Establishment corpus

The corpus of Anglicare Victoria was established on 1 July 1997 upon the amalgamation of The Mission to the Streets and Lanes, The Mission of St James and St John, and St John's Homes for Boys and Girls. The assets and liabilities, obligations and entitlements of these three preceding Agencies were assumed by Anglicare Victoria at their fair market value.

17(a). Lease liabilities

	2024 \$'000's	2023 \$'000's
Discounted Non-cancellable operating lease rentals are payable as follows:		
Less than one year	3,475	3,418
Between one and five years	5,079	4,655
More than five years	-	-
Total discounted lease liabilities as at 30 June	<u>8,554</u>	<u>8,073</u>

During the financial year ended 30 June 2024, \$0.757 million was recognised as an expense in the Statement of surplus and deficit and other comprehensive income in respect of short-term operating leases. In the prior year, 2023, \$0.646 million was recognised as an operating lease expense.

In relation to "Peppercorn or Concessionary" leases, the Agency leases 27 residential units for clients from the State Government on terms of 5 years with an annual rental of \$12 per unit. There are no specific restrictions on the use of the underlying asset mentioned in the contract. The Agency opted to measure the right-of-use asset relating to these leases at cost and the impact is not material.

17(b). Provision for make good

Contractual lease obligation to return property to its original condition at end of lease term.

Less than one year	130	-
Between one and five years	-	25
	<u>130</u>	<u>25</u>

ANGLICARE VICTORIA

Notes to the financial statements

For the year ended 30 June 2024

18. Investment in controlled entity

The Agency's relationship with the Anglicare Victoria Childrens Foundation ("AVCF")

Both Anglicare Victoria and AVCF are domiciled in Australia and are non-statutory entities.

Anglicare Victoria does not have any ownership interest in the AVCF, however the Board of the Agency is the sole Trustee of AVCF. It has the capacity to control AVCF as it is exposed to, or has rights to, variable returns for its involvement with AVCF and has the ability to affect those returns through its power over AVCF.

Accordingly, Anglicare Victoria has recognised its investment of \$2.094 million towards the establishment corpus of the AVCF.

19. Subsequent event

There have been no events subsequent to balance date which would have a material effect on the Agency's financial report at 30 June 2024.

20. Commitments

As at 30 June 2024 the Agency has capital commitments of \$1.44m (30 June 2023: \$0.62m).

21. Key board members disclosures

The names of the members of the Board of Anglicare Victoria who have held office during the financial year are:

Mr. Anthony Sheumack
Ms. Shawana Andrews
Mr. Andrew Asten
Ms. Joanna Fazio
Dr. David Mackay
Mr. Matthew Pringle
Ms. Claire Sime
Mr. Daryl Williams AM KC
Bishop Matthew Brain

No member of the Board of Anglicare Victoria received any salary, compensation or other benefits during the financial year.

Members of the Board, or entities associated with members of the Board may from time to time, make donations to Anglicare Victoria

during the year. These donations may be made in response to fund-raising appeals, special events or may be unsolicited.

22. Transactions with key management personnel

There were no transactions with key management personnel during the financial year.

The key management personnel compensation included in 'wages and salaries' (see note 7) are as follows:

	2024 \$	2023 \$
Short-term employee benefits	<u>3,985,208</u>	<u>3,695,852</u>

23. Other related party disclosures

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

(i) Anglicare Victoria Childrens Foundation (AVCF)

During the 2024 financial year, the Anglicare Victoria Childrens Foundation made a distribution of \$1.500 million (2023 - \$1.525 million) to Anglicare Victoria.

(ii) Compass Leaving Care Limited

Anglicare Victoria is a registered member of Compass Leaving Care Limited as well as an investor in the Compass SIB Loan Notes, with a percentage holding of 15.9% of the total aggregate subscribed loan notes amounting to \$14.2 million (Refer Note 12).

Compass Leaving Care Limited is a not-for-profit public company limited by guarantee which is established to be and to continue as a charity. The liability of members of Compass Leaving Care Limited is limited to \$10.

Anglicare Victoria also entered into the following agreements with Compass

ANGLICARE VICTORIA

Notes to the financial statements

For the year ended 30 June 2024

Leaving Care Limited to deliver support services to the Compass Program:

- Services Subcontract Agreement with Compass Leaving Care Limited
- Interface Agreement with Compass Leaving Care Limited and VincentCare Victoria.

During the financial year, Compass Leaving Care Limited paid \$120,532 (2023: \$1,442,079) to Anglicare Victoria to deliver program support services.

BOARD DECLARATION

In the opinion of the members of the Board of Anglicare Victoria (the Agency):

- (a) the financial statements and notes, set out on pages 2 to 20:
 - (i) give a true and fair view of the financial position of the Agency as at 30 June 2024 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
 - (ii) comply with Australian Accounting Standards – Simplified Disclosure Requirements; and
- (b) there are reasonable grounds to believe that the Agency will be able to pay its debts as and when they become due and payable.

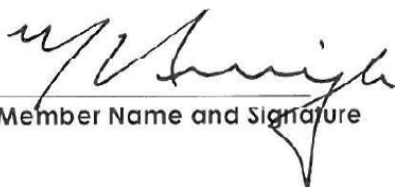
This declaration is made in accordance with a resolution of the Board of Anglicare Victoria and is signed for and on behalf of the Board by:

ANTHONY SHEUMACK



Board Member Name and Signature

MATTHEW PRINGLE



Board Member Name and Signature

Dated at Melbourne this 4th day of SEPTEMBER 2024.



Independent Auditor's Report

To the members of Anglicare Victoria

Opinion

We have audited the **Financial Report**, of Anglicare Victoria (the Agency).

In our opinion, the accompanying Financial Report of the Agency present fairly, in all material respects, the Agency's financial position as at 30 June 2024, and of its financial performance and its cash flows for the year ended on that date, in accordance with *Australian Accounting Standards – Simplified Disclosures Framework*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2024.
- ii. Statement of surplus and deficit and other comprehensive income, Statement of changes in equity and Statement of cash flows for the year then ended; and
- iii. Notes, including material accounting policies.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Agency in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Restriction on use and distribution

The Financial Statements have been prepared to assist the Board of Anglicare Victoria to meet the needs of its members.

As a result, the Financial Statements and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the members of Anglicare Victoria and should not be used by or distributed to parties other than the members of Anglicare Victoria. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Statements to which it relates, to any person other than the members of Anglicare Victoria or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in Agency's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Board is responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Board for the Financial Report

The Board is responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Agency's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Agency or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

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

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to

fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ii. 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 registered Agency's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- iv. Conclude on the appropriateness of the Board's 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 registered Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Agency to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

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



KPMG

Melbourne

4 September 2024



Auditor's Independence Declaration

To: the Board of Anglicare Victoria

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2024 there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A stylized blue signature of the KPMG logo.

KPMG

A blue handwritten signature of Adrian Nathanielsz.

Adrian Nathanielsz

Partner

Melbourne

4 September 2024

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please telephone **1800 809 722** or email info@anglicarevic.org.au

Anglicare Victoria's Annual Report is available on our website: anglicarevic.org.au



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