

Windana Drug and Alcohol Recovery Limited

ABN 68 398 137 238

Annual Report - 30 June 2024

Windana Drug and Alcohol Recovery Limited

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Windana Drug and Alcohol Recovery Limited
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Windana Drug and Alcohol Recovery Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

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

Jennifer Margaret Gillam
Stelvio Nevaldo Vido
Cameron James Bird
Jennifer Riley
Marita Jan Scott
Anthony Boffa
Deborah Dobbie (appointed 20 November 2023)
Minh Nguyen (appointed 20 November 2023)
Larissa Seymour (appointed 20 November 2023)
Robyn Batten AM (appointed 1 October 2024)

Objectives

Short term – to improve the company's ability to support people recovering from the harmful effects of alcohol and other drug ("AOD") dependence, by building staff capacity, improving treatment programs and facilities, and strengthening relationships with the AOD sector and supporters.

Long term – Help more people impacted by substance use to achieve even better outcomes than today and demonstrate our positive impact for the people and communities we serve.

Strategy for achieving the objectives

To achieve our objectives, we are focused on impacting clients, our workforce, and the sector. We are committed to continuously improving our programs and services and to do this we will invest in new practices and technologies that can support our mission to change lives. We recognise that our mission to improve the lives of those we service must extend beyond our frontline services – we must promote and preserve a healthy environment. To this extent we will focus on our sustainability ensuring we reduce our carbon footprint and improve resource efficiency. We are committed to reaching more people with our services and to this end our strategic focus is on growing our organisation. Growth enables impact in diverse ways, with greater scale providing a platform for advocacy and influence. Growth can also create opportunities to work in a more streamlined way, delivering impact more efficiently due to economies of scale.

Principal activities

During the financial year the major services delivered by the company were adult and youth Residential and Non-Residential Withdrawal, Rehabilitation, Aftercare, Harm Reduction and Community based services. Services were delivered across Victoria, funded by State and Federal Government, and philanthropy.

During the financial year, Windana merged with TaskForce Community Agency. The merger became effective on 20 November 2023. This expanded Windana's offering to be providing connected services for more people in need. Windana's expanded suite of services and expertise means we now provide holistic evidence-based services for adults and young people experiencing alcohol and other drug harms, family violence, mental health challenges and social disadvantage across Victoria.

Performance measures

Windana monitors and reports on performance to the Windana Board through governance reporting mechanisms during:

- Board meetings
- Finance, Risk and Audit Subcommittee meetings
- Quality and Safety Subcommittee meetings
- Other Board Subcommittee meetings.

Windana Drug and Alcohol Recovery Limited

Directors' report

30 June 2024

Information on directors

Name: Jennifer Margaret Gillam
Title: Director and Board Chair
Qualifications: Diploma of Management
Experience and expertise: Jenny has a depth of executive experience having worked in the public, private and community sectors. She has specialist skills in Human Resources management and Executive Search with particular expertise in strategic planning, governance and financial management. As Director of Jenny Gillam Consulting, she works both in Talent Acquisition consulting and Executive Search. Having been on the Windana Board for many years, Jenny has seen the Drug and Alcohol sector change and develop significantly. Over recent years with rapid expansion, she has continued to develop her understanding about the needs of clients, the diverse range of service offerings and the broader sector. Jenny's pro-bono work includes being Chair of the Victorian Committee for the National Association of Women in Operations.

Special responsibilities: Jenny joined the Windana Board in 2002
Board Chair
Member Finance Risk & Audit Subcommittee
Chair Remuneration & Nominations Subcommittee

Name: Stelvio Nevaldo Vido
Title: Director and Deputy Chair
Qualifications: BCom, LLB, University of Melbourne
MBA, Melbourne Business School
Graduate Australian Institute of Company Directors (GAICD)
Experience and expertise: Stelvio is an experienced Director and Chair with over 20 years Board experience across a range of sectors including health and human services, group training and employment services, community legal aid and TAFE. He also has extensive executive experience having worked in senior roles in community organisations, management consulting, local government and commercial media. His most recent role executive was CEO of Spectrum Migrant Resource Centre. Since then, he has focussed on governance roles in for purpose organisations. Stelvio is currently a Director of Latrobe Community Health Service, Family Planning Victoria and SuniTAFE.

Special responsibilities: Stelvio joined the Windana Board in May 2021.
Deputy Chair
Member Finance Risk & Audit Subcommittee
Member Quality & Safety Subcommittee

Name: Cameron James Bird
Title: Director
Qualifications: Bachelor of Commerce, Monash University
Bachelor of Science, Monash University
Graduate Diploma of Chartered Accounting (ICAA)
Graduate Diploma of Applied Finance & Investment (Kaplan)
Experience and expertise: Cameron is a Partner with Ernst & Young focusing on strategic advice in public policy and investment in the health & human services sector. Cameron has worked with a range of private and public organisations across health, hospitals, research, aged care, disability, social housing and child & family services.

Special responsibilities: Cameron joined the Windana Board in 2016.
Member Remuneration & Nominations Subcommittee

Windana Drug and Alcohol Recovery Limited
Directors' report
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Name: Jennifer Riley
Title: Director
Qualifications: Bachelor of Arts
Master of Development
Studies Diploma in Governance
Experience and expertise: Jen has over 20 years social sector experience having worked for government agencies and a range of large not-for-profits in Australia and overseas. Jen has worked in Aboriginal and Torres Strait Islander health, youth transitions, early years education, mental health, family violence, homelessness and drug and alcohol. For the past 10 years Jen's focus has been on the measurement and evaluation of social impact and as consultant has provided support to range of organisations including (in the past) Windana. Currently, the Chief Impact Officer at Our Community, Jen provides evaluation and outcome support to a government and non-government grant-makers. Jen has a lived experience of mental illness, and lives in Bayside with her wife and two young children.

Special responsibilities: Jen joined the Windana Board in May 2021.
Member Remuneration & Nominations Subcommittee.

Name: Marita Jan Scott
Title: Director
Qualifications: Registered Nurse Division 1
Graduate Diploma Health Management
Experience and expertise: Marita has extensive executive experience working in health and human services including for purpose, public and private. Operational experience across diverse sectors including primary health, aged care, child, youth and family, mental health, drug and alcohol, disability and asylum seeker/refugee sectors provides a clear understanding of the social model of health. Marita is passionate about good governance which provides the foundations for a thriving culture and the provision of quality human services. A value driven professional who is committed to social justice in which human rights and equality are demonstrated in the everyday lives of people. Marita is committed to help building a society in which individuals are empowered to achieve their dreams and goals within an inclusive community. Her pro bono work includes membership of Sisters of Mercy Safeguarding Advisory Committee.

Special responsibilities: Marita joined the Windana Board in November 2021.
Chair Quality & Safety Subcommittee
Member of Strategic Planning Subcommittee

Name: Anthony Boffa
Title: Director
Qualifications: Master of Business Management, CPA Australia
Experience and expertise: Anthony is currently the Chief Operating Officer for Dementia Australia having joined the organisation in 2019. Anthony's roles before this cover over 20 years' experience in the not-for-profit sector – having worked for organisations providing services in the disability, home nursing, home aged care support and residential aged care sectors. Prior to his involvement in the not-for-profit space Anthony had a number of roles in the commercial sector covering transport, service industries and travel. Anthony is also a Board member of Palliative Care South-East.

Special responsibilities: Anthony joined the Windana board in August 2022.
Public Officer
Chair of Finance Risk & Audit Subcommittee

Windana Drug and Alcohol Recovery Limited

Directors' report

30 June 2024

Name:	Deborah Dobbie (appointed 20 November 2023)
Title:	Director
Qualifications:	Bachelor of Arts Graduate Diploma in Business Administration Diploma of Education Graduate Diploma in Applied Psychology
Experience and expertise:	As a dedicated organisational development professional, Deborah brings more than 25 years of expertise in steering and implementing transformative people initiatives across diverse organisations in the commercial, government and not-for-profit sectors. Deborah works with organisations to create vibrant work cultures that unlocks and amplifies individual potential, inspiring them to be their best both personally and professionally. She has a proven ability to collaborate with organisations to bridge the gap between personal development and tangible business outcomes by creating development strategies that align with business objectives. Deborah has specialist skills in creating career pathways and fostering a culture of formal and informal knowledge exchange to engage and develop aspiring and experienced leaders. Deborah's pro bono work includes 14 years on the board of TaskForce, a not-for-profit community agency supporting clients with substance misuse.
Special responsibilities:	Deborah joined the Windana Board in November 2023. Member Remuneration & Nominations Subcommittee
Name:	Minh Nguyen (appointed 20 November 2023)
Title:	Director
Qualifications:	Master of Social Work Bachelor of Laws Bachelor of Arts
Experience and expertise:	Minh has experience in governance, risk and strategic leadership through board membership of community and membership-based organisations. Minh has worked in diverse sectors with roles in senior management, research and evaluation and systemic advocacy. Minh is passionate about social justice, representation and respecting people as experts in their own lives.
Special responsibilities:	Minh joined the Windana Board in November 2023. None
Name:	Larissa Seymour (appointed 20 November 2023)
Title:	Director
Qualifications:	Graduate Australian Institute of Company Directors (GAICD) Postgraduate Diploma Psychology Bachelor Social Sciences Diploma Population Health Diploma Community Development
Experience and expertise:	Larissa has 15 years' experience as a company director in the health sector. She has contributed to both state and federal policy development and implementation, and has managed a range of public health policy responses within non-profit organisations, Primary Health Networks, and state government branches. This has included, local, regional, and state-wide service planning, commissioning, and implementation across mental health, AOD, housing and COVID-19 initiatives. Larissa's work is currently focused on implementing key recommendations from the Royal Commission into Victoria's Mental Health System.
Special responsibilities:	Larissa joined the Windana Board in November 2023. Member Quality & Safety Subcommittee

Windana Drug and Alcohol Recovery Limited**Directors' report****30 June 2024**

Name:	Robyn Batten AM (appointed 1 October 2024)
Title:	Director
Qualifications:	Master of Social Work Master of Business Administration Fellow Australian Institute of Company Directors (FAICD)
Experience and expertise:	Initially training as a nurse, Robyn has held CEO and executive director positions in health, local government, community and aged care in Victoria, South Australia, Queensland and the Northern Territory. Robyn served as the Chair of Western Health and as a non-executive director of Uniting Victoria and Tasmania. In addition to her role on Windana's Board, Robyn is the Deputy Board Chair of the Eastern Melbourne PHN, the Executive Chair of Leap in! and the Vice-Chair of MIM China Pty Ltd.
Special responsibilities:	Robyn joined the Windana Board in October 2024. None

Company secretary

Andrea Janette McLeod has held the role of Company Secretary since February 2023.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Finance Risk & Audit Subcommittee	
	Attended	Held	Attended	Held
Jennifer Margaret Gillam	9	9	5	7
Stelvio Nevaldo Vido	8	9	7	7
Cameron James Bird	4	9	-	-
Jennifer Riley	9	9	-	-
Marita Jan Scott	9	9	-	-
Anthony Boffa	8	9	7	7
Deborah Dobbie	4	4	-	-
Minh Nguyen	4	4	-	-
Larissa Seymour	4	4	-	-
	Quality & Safety Subcommittee		Remunerations & Nominations Subcommittee	
	Attended	Held	Attended	Held
Jennifer Margaret Gillam	-	-	4	4
Stelvio Nevaldo Vido	2	2	-	-
Cameron James Bird	-	-	3	4
Jennifer Riley	-	-	4	4
Marita Jan Scott	4	4	-	-
Deborah Dobbie	-	-	2	3
Larissa Seymour	1	2	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$90, based on 9 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

Windana Drug and Alcohol Recovery Limited
Directors' report
30 June 2024

This report is made in accordance with a resolution of directors.

On behalf of the directors



[Jenny Gillam \(Nov 25, 2024 14:29 GMT+11\)](#)

Jennifer Margaret Gillam
Director and Board Chair

25 November 2024
Melbourne, Victoria

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Windana Drug and Alcohol Recovery Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian professional accounting bodies; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads "Rsm".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that appears to read "Warwick Spargo".

WARWICK SPARGO
Partner

Dated: 26 November 2024
Melbourne, Victoria

Windana Drug and Alcohol Recovery Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 \$	2023 \$
Revenue from operations	4	32,467,888	24,416,228
Expenses			
Contractor expenses		(4,197,407)	(2,839,400)
Employee benefits expense	5	(22,440,705)	(16,006,694)
Cleaning costs		(314,269)	(177,465)
Depreciation expense	5	(1,372,437)	(1,287,787)
Client costs		(728,325)	(605,057)
Computer expenses		(652,718)	(518,477)
Natural therapy expenses		(70,141)	(77,757)
Consultancy fees		(1,182,910)	(774,422)
Utilities expenses		(309,409)	(265,564)
Repairs and maintenance expenses		(393,728)	(367,357)
Rent and rates expenses		(5,497)	(126,382)
Travel and accommodation expenses		(28,112)	(17,997)
Telephone and internet expenses		(197,227)	(108,152)
Motor vehicle expenses		(231,505)	(141,667)
Other expenses	5	(1,001,155)	(763,124)
Finance costs	5	(175,161)	(57,285)
(Deficit)/surplus for the year		(832,818)	281,641
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of financial assets at fair value through other comprehensive income		166,180	45,139
Other comprehensive income for the year		166,180	45,139
Total comprehensive (loss)/income for the year		(666,638)	326,780

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

Windana Drug and Alcohol Recovery Limited
Statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	4,250,647	7,955,424
Trade and other receivables	7	431,032	3,671
Contract assets		695,163	-
Inventories		3,960	6,123
Other assets	8	292,239	375,548
Total current assets		<u>5,673,041</u>	<u>8,340,766</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	9	4,775,656	510,535
Property, plant and equipment	10	21,870,686	19,343,066
Right-of-use assets	11	3,354,039	629,167
Total non-current assets		<u>30,000,381</u>	<u>20,482,768</u>
Total assets		<u>35,673,422</u>	<u>28,823,534</u>
Liabilities			
Current liabilities			
Trade and other payables	12	4,139,395	2,523,618
Contract liabilities		209,958	909,592
Lease liabilities	13	570,573	384,604
Provisions	14	1,505,216	1,170,513
Total current liabilities		<u>6,425,142</u>	<u>4,988,327</u>
Non-current liabilities			
Lease liabilities	13	2,898,926	312,629
Provisions	14	135,429	104,157
Total non-current liabilities		<u>3,034,355</u>	<u>416,786</u>
Total liabilities		<u>9,459,497</u>	<u>5,405,113</u>
Net assets		<u>26,213,925</u>	<u>23,418,421</u>
Equity			
Reserves	15	8,263,786	8,097,606
Accumulated surplus	16	14,487,997	15,320,815
Equity attributable to the members of Windana Drug and Alcohol Recovery Limited		<u>22,751,783</u>	<u>23,418,421</u>
Non-controlling interest	17	3,462,142	-
Total equity		<u>26,213,925</u>	<u>23,418,421</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Windana Drug and Alcohol Recovery Limited
Statement of changes in equity
For the year ended 30 June 2024

	Issued capital \$	Accumulated surplus \$	Asset revaluation reserve \$	Investment revaluation reserve \$	Non- controlling interest \$	Total equity \$
Consolidated						
Balance at 1 July 2022	-	15,039,174	8,054,271	(1,804)	-	23,091,641
Surplus for the year	-	281,641	-	-	-	281,641
Other comprehensive income for the year	-	-	-	45,139	-	45,139
Total comprehensive income for the year	-	281,641	-	45,139	-	326,780
Balance at 30 June 2023	-	15,320,815	8,054,271	43,335	-	23,418,421
	Issued capital \$	Accumulated surplus \$	Asset revaluation reserve \$	Investment revaluation reserve \$	Non- controlling interest \$	Total equity \$
Consolidated						
Balance at 1 July 2023	-	15,320,815	8,054,271	43,335	-	23,418,421
Deficit for the year	-	(832,818)	-	-	-	(832,818)
Other comprehensive income for the year	-	-	-	166,180	-	166,180
Total comprehensive (loss)/income for the year	-	(832,818)	-	166,180	-	(666,638)
<i>Transactions with members in their capacity as members:</i>						
Acquisition of Taskforce Community Agency Inc., (Refer note 24)	-	-	-	-	3,462,142	3,462,142
Balance at 30 June 2024	-	14,487,997	8,054,271	209,515	3,462,142	26,213,925

The above statement of changes in equity should be read in conjunction with the accompanying notes

Windana Drug and Alcohol Recovery Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 \$	2023 \$
Cash flows from operating activities			
Government grants received		28,118,601	20,607,277
Payments to suppliers and employees		(30,834,521)	(22,900,278)
Donations and contributions		70,921	1,431,656
Client fees		1,258,526	1,076,636
Other income received		478,237	118,824
Interest received		210,209	213,916
Dividend received		120,452	-
Net cash (used in)/from operating activities	26	<u>(577,575)</u>	<u>548,031</u>
Cash flows from investing activities			
Net cash acquired on acquisition of business	24	439,245	-
Payments for investments		(3,120,099)	(127,200)
Payments for property, plant and equipment		(409,606)	(1,505,827)
Proceeds from disposal of plant and equipment		595,626	11,307
Net cash used in investing activities		<u>(2,494,834)</u>	<u>(1,621,720)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(632,368)</u>	<u>(479,852)</u>
Net cash used in financing activities		<u>(632,368)</u>	<u>(479,852)</u>
Net decrease in cash and cash equivalents		(3,704,777)	(1,553,541)
Cash and cash equivalents at the beginning of the financial year		<u>7,955,424</u>	<u>9,508,965</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>4,250,647</u></u>	<u><u>7,955,424</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Windana Drug and Alcohol Recovery Limited
Notes to the financial statements
30 June 2024

Note 1. General information

The financial statements cover Windana Drug and Alcohol Recovery Limited as a consolidated entity consisting of Windana Drug and Alcohol Recovery Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Windana Drug and Alcohol Recovery Limited's functional and presentation currency.

Windana Drug and Alcohol Recovery Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

47 Wellington Street
St. Kilda, VIC 3182

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 November 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Windana Drug and Alcohol Recovery Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Windana Drug and Alcohol Recovery Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

Note 2. Material accounting policy information (continued)

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

Revenue and other income

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

Grants

Grant revenue is recognised in profit or loss when the consolidated entity satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the consolidated entity is eligible to retain the contribution, the grant will be recognised in the consolidated statement of financial position as a liability until those conditions are satisfied.

Donations and bequests

Donations and bequests are recognised as revenue when received or invoiced, where required.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. .

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

Income tax

As the consolidated entity is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 2. Material accounting policy information (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Contract assets

Contract assets are recognised when the consolidated entity has transferred services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Note 2. Material accounting policy information (continued)

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and impairment. Costs include purchase price, other directly attributable costs and the initial estimate of the cost of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model. Increases in the carrying amounts arising on revaluation are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the consolidated entity, commencing when the asset is ready for use. The depreciation rates used for each class of depreciable asset are shown below:

<i>Fixed asset class</i>	<i>Depreciation rate</i>
Buildings	5 - 15%
Plant and equipment	15%
Motor vehicles	23%
I.T. Hardware and software	35%
Leasehold improvements	15%

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 2. Material accounting policy information (continued)

Impairment of non-financial assets

At the end of each financial year, the consolidated entity reviews the carrying values of its tangible 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 to sell and value-in-use, is compared to the asset's carrying value. Value-in-use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 *Impairment of Assets* are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income. As at 30 June 2024, no impairment losses have been recorded.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

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

Note 2. Material accounting policy information (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

From 1 July 2019, qualifying employees under the *Long Service Benefits Portability Act 2018 (Vic)* were transferred to a portable long service scheme. Applicable long service leave entitlements accrued since was treated as a payable and remitted directly to the Portable Long Service Benefits Authority, an independent statutory body established to administer the long service leave.

Defined contribution superannuation expense

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

Fair value measurement

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

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

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 2. Material accounting policy information (continued)

A business combination achieved without the transfer of consideration

In a business combination achieved by contract alone (wherein the consolidated entity obtains control of an acquiree without transferring consideration), the consolidated entity shall attribute to the owners of the acquiree, the amount of the acquiree's net assets recognised in accordance with AASB 3 *Business Combinations*. In other words, the equity interests in the acquiree held by parties other than the consolidated entity are a non-controlling interest in the consolidated entity's post-combination financial statements even if the result is that all of the equity interests in the acquiree are attributed to the non-controlling interest.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Economic dependence

The consolidated entity is dependent on the State and Federal governments for the majority of its revenue used to operate the business. At the date of this report the board members have no reason to believe the State and Federal governments will not continue to support the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

The board makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. The significant estimates and judgements made have been described below.

Revenue from grants received

When recognising revenue in relation to grants received, the consolidated entity assesses the grant contract to determine if the grant revenue should be recognised in line with AASB 1058 *Income of Not-for-Profit Entities* or AASB 15 *Revenue from Contracts with Customers*. When recognising services or grant revenue over time, judgement and estimates are exercised in ascertaining the percentage of completion of performance obligation at reporting date.

Estimation of useful lives of assets

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

Impairment of non-financial assets

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

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of property, plant and equipment

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

The consolidated entity conducts a formal valuation of its properties every 3 years. An independent valuation of Windana's land and buildings was performed in the prior period with the effective date of the valuation being 30 June 2021. The fair value was determined on the basis of an active and liquid market and on a depreciated replacement cost.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Windana Drug and Alcohol Recovery Limited
Notes to the financial statements
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Note 4. Revenue from operations

	Consolidated	
	2024	2023
	\$	\$
<i>Revenue from contracts with customers</i>		
State and federal grants - operational	25,708,084	21,214,991
Contracted funding	4,417,988	214,285
Client fees	1,258,526	1,076,636
Lead agent management fee	123,337	138,307
State and federal grants - capital	8,125	1,429,069
	<u>31,516,060</u>	<u>24,073,288</u>
<i>Other revenue</i>		
Dividends received	120,452	-
Interest received	210,209	213,916
Donations and contributions	70,921	2,587
Fee for services	254,193	-
Other revenue	296,053	126,437
	<u>951,828</u>	<u>342,940</u>
Revenue from operations	<u><u>32,467,888</u></u>	<u><u>24,416,228</u></u>

Disaggregation of revenue

The consolidated entity derives its entire revenue from operations within the geographical region of Australia.

Windana Drug and Alcohol Recovery Limited
Notes to the financial statements
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Note 5. Expenses

	Consolidated	
	2024	2023
	\$	\$
(Deficit)/surplus includes the following specific expenses:		
<i>Depreciation expense</i>		
Property, plant and equipment	867,230	874,140
Right-of-use assets	505,207	413,647
Total depreciation expense	1,372,437	1,287,787
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	175,161	57,285
<i>Net (gain)/loss on disposal</i>		
Net (gain)/loss on disposal of property, plant and equipment	(72,009)	18,711
<i>Employee benefit expense</i>		
Defined contribution superannuation expense	1,982,925	1,412,768
Other employee benefits	20,457,780	14,593,926
Total employee benefits expense	22,440,705	16,006,694
<i>Other expenses</i>		
Management fees	113,989	157,735
Legal fees	17,627	-
Insurance	83,472	70,956
Acquisition costs	395,206	-
Non-operating merger costs	200,601	-
Other	190,260	534,433
	1,001,155	763,124

Note 6. Cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Cash on hand	4,500	4,500
Cash at bank	4,246,147	7,950,924
	4,250,647	7,955,424

Note 7. Trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Trade receivables	471,289	3,671
Less: Allowance for expected credit losses	(40,257)	-
	431,032	3,671

Windana Drug and Alcohol Recovery Limited
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Note 8. Other assets

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Prepayments	190,610	365,009
Security deposits	101,629	10,539
	<u>292,239</u>	<u>375,548</u>

Note 9. Financial assets at fair value through other comprehensive income

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Managed Investment Schemes	<u>4,775,656</u>	<u>510,535</u>

Reconciliation

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

Opening fair value	510,535	338,196
Additions	3,120,099	127,200
Additions through business combinations (note 24)	978,842	-
Revaluation increments	166,180	45,139
Closing fair value	<u>4,775,656</u>	<u>510,535</u>

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Note 10. Property, plant and equipment

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Land - at fair value	12,052,333	10,343,029
Buildings - at fair value	9,671,293	8,690,950
Less: Accumulated depreciation	<u>(1,515,835)</u>	<u>(1,021,051)</u>
	8,155,458	7,669,899
Leasehold improvements - at cost	953,288	576,552
Less: Accumulated depreciation	<u>(326,483)</u>	<u>(226,892)</u>
	626,805	349,660
Plant and equipment - at cost	1,026,873	968,598
Less: Accumulated depreciation	<u>(498,573)</u>	<u>(408,523)</u>
	528,300	560,075
Motor vehicles - at cost	324,521	386,585
Less: Accumulated depreciation	<u>(152,810)</u>	<u>(342,393)</u>
	171,711	44,192
I.T. Hardware and software	1,514,159	1,396,649
Less: Accumulated depreciation	<u>(1,178,080)</u>	<u>(1,020,438)</u>
	336,079	376,211
	<u><u>21,870,686</u></u>	<u><u>19,343,066</u></u>

Reconciliations

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

	Land	Buildings	Leasehold improvements	Plant and equipment	Motor vehicles	I.T. Hardware and software	Total
Consolidated	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	10,343,029	7,669,899	349,660	560,075	44,192	376,211	19,343,066
Additions	-	104,647	39,444	32,649	165,046	67,820	409,606
Additions through business combinations (note 24)	1,709,304	875,696	337,292	25,626	511,253	49,690	3,508,861
Disposals	-	-	-	-	(523,617)	-	(523,617)
Depreciation expense	-	(494,784)	(99,591)	(90,050)	(25,163)	(157,642)	(867,230)
Balance at 30 June 2024	<u><u>12,052,333</u></u>	<u><u>8,155,458</u></u>	<u><u>626,805</u></u>	<u><u>528,300</u></u>	<u><u>171,711</u></u>	<u><u>336,079</u></u>	<u><u>21,870,686</u></u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 30 June 2021 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

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Note 11. Right-of-use assets

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	3,542,490	878,577
Less: Accumulated depreciation	(992,259)	(507,065)
	<u>2,550,231</u>	<u>371,512</u>
 Motor vehicles - right-of-use	 1,145,385	 579,218
Less: Accumulated depreciation	(341,577)	(321,563)
	<u>803,808</u>	<u>257,655</u>
	<u><u>3,354,039</u></u>	<u><u>629,167</u></u>

The consolidated entity leases land and buildings for its offices under agreements of between 2 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases motor vehicles under agreements of between 1 to 5 years.

Reconciliations

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

	Land and buildings \$	Motor vehicles \$	Total \$
Consolidated			
Balance at 1 July 2023	371,512	257,655	629,167
Additions through business combinations (note 24)	2,680,870	776,269	3,457,139
Disposals	(16,958)	(210,102)	(227,060)
Depreciation expense	(485,193)	(20,014)	(505,207)
	<u>2,550,231</u>	<u>803,808</u>	<u>3,354,039</u>
Balance at 30 June 2024	<u><u>2,550,231</u></u>	<u><u>803,808</u></u>	<u><u>3,354,039</u></u>

Note 12. Trade and other payables

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	469,180	777,561
Other payables	1,003,421	1,220,858
Accrued expenses	2,666,794	525,199
	<u>4,139,395</u>	<u>2,523,618</u>

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Note 13. Lease liabilities

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	570,573	384,604
<i>Non-current liabilities</i>		
Lease liability	2,898,926	312,629
	<u>3,469,499</u>	<u>697,233</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	791,338	408,761
One to five years	2,010,768	338,930
More than five years	1,310,871	-
	<u>4,112,977</u>	<u>747,691</u>

Note 14. Provisions

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Annual leave	1,369,323	982,169
Long service leave	135,893	188,344
	<u>1,505,216</u>	<u>1,170,513</u>
<i>Non-current liabilities</i>		
Long service leave	80,686	50,020
Lease make good	54,743	54,137
	<u>135,429</u>	<u>104,157</u>
	<u>1,640,645</u>	<u>1,274,670</u>

Lease make good

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

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Lease make good \$
Consolidated - 2024	
Carrying amount at the start of the year	54,137
Additional provisions recognised	<u>606</u>
Carrying amount at the end of the year	<u>54,743</u>

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Note 15. Reserves

	Consolidated	
	2024	2023
	\$	\$
Asset revaluation reserve	8,054,271	8,054,271
Investment revaluation reserve	209,515	43,335
	<u>8,263,786</u>	<u>8,097,606</u>

Asset revaluation reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings.

Investment revaluation reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

	Asset revaluation reserve \$	Investment revaluation reserve \$	Total \$
Consolidated			
Balance at 1 July 2023	8,054,271	43,335	8,097,606
Revaluation increments	-	166,180	166,180
Balance at 30 June 2024	<u>8,054,271</u>	<u>209,515</u>	<u>8,263,786</u>

Note 16. Accumulated surplus

	Consolidated	
	2024	2023
	\$	\$
Accumulated surplus at the beginning of the financial year	15,320,815	15,039,174
(Deficit)/surplus for the year	(832,818)	281,641
Accumulated surplus at the end of the financial year	<u>14,487,997</u>	<u>15,320,815</u>

Note 17. Non-controlling interest

	Consolidated	
	2024	2023
	\$	\$
Non-controlling interest	<u>3,462,142</u>	<u>-</u>

Represents equity interests in Taskforce Community Agency Inc., held by parties other than the consolidated entity pursuant to business combination that occurred during the year. Refer note 24 for further information.

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Note 18. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2024	2023
	\$	\$
Aggregate compensation	<u>1,315,812</u>	<u>1,197,435</u>

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

	Consolidated	
	2024	2023
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit of the financial statements	<u>50,000</u>	<u>34,500</u>
<i>Other services - RSM Australia Partners</i>		
Audit of funding acquittals	2,500	2,000
Preparation of financial statements	<u>8,000</u>	<u>5,000</u>
	<u>10,500</u>	<u>7,000</u>
	<u><u>60,500</u></u>	<u><u>41,500</u></u>

Note 20. Contingent liabilities

The consolidated entity has given bank guarantees as at 30 June 2024 of \$100,568 (2023: \$49,500) to various landlords.

Note 21. Commitments

The consolidated entity did not have any commitments for capital expenditure as at 30 June 2024 and 30 June 2023.

Note 22. Related party transactions

Parent entity

Windana Drug and Alcohol Recovery Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Windana Drug and Alcohol Recovery Limited
Notes to the financial statements
30 June 2024

Note 23. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	\$	\$
Surplus	2,346,447	281,641
Total comprehensive income	2,346,447	281,641

Statement of financial position

	Parent	
	2024	2023
	\$	\$
Total current assets	5,821,400	8,340,766
Total assets	35,821,781	28,823,534
Total current liabilities	6,856,380	4,988,327
Total liabilities	9,890,735	5,405,113
Equity		
Asset revaluation reserve	8,054,271	8,054,271
Investment revaluation reserve	209,515	43,335
Accumulated surplus	17,667,260	15,320,815
Total equity	25,931,046	23,418,421

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiary as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The parent entity has given bank guarantees as at 30 June 2024 of \$81,593 (2023: \$49,500) to various landlords.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Windana Drug and Alcohol Recovery Limited
Notes to the financial statements
30 June 2024

Note 24. Business combinations

On 20 November 2023, Windana Drug & Alcohol Recovery Ltd ('Windana') signed an agreement to merge with TaskForce Community Agency Inc ('TaskForce'). TaskForce is a not-for-profit organisation supporting Victorians in need, with a focus on drug and alcohol misuse, youth and family services, education and employment. Both parties are registered charities and Public Benevolent Institutions. The Parties have a similar mission, vision and objects for providing community benefit to their communities. The purpose of this merger is to enhance the effectiveness and sustainability of both parties and enable them join together to provide improved services to the communities they serve. By merging with TaskForce, Windana is able to now provide services for adults and young people experiencing alcohol and other drug harms, family violence, mental health challenges and social disadvantage across Victoria.

This transaction has been assessed to be a business combination achieved without the transfer of consideration under AASB 3 *Business Combinations* wherein Windana is the acquirer and TaskForce is the acquiree. The effective date of acquisition is 20 November 2023. Given Windana did not have any equity interest in TaskForce prior to 20 November 2023, all of the equity interests in TaskForce are attributed to non-controlling interest.

Pursuant to the merger, all operations of TaskForce were transferred to Windana. TaskForce contributed revenues of \$Nil and loss of \$202,924 to the consolidated entity for the period from 20 November 2023 to 30 June 2024. If the acquisition occurred on 1 July 2023, the full year contributions would have been revenues of \$8,226,279 and profit of \$449,389. The values identified in relation to the acquisition of TaskForce are final as at 30 June 2024.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	439,245
Trade receivables	250,769
Contract assets	1,493,084
Investments	978,842
Land and buildings	2,585,000
Plant and equipment	923,861
Right-of-use assets	3,457,139
Trade payables	(1,014,131)
Other payables	(133,900)
Contract liabilities	(2,060,628)
Lease liability	(3,457,139)
Net assets acquired	3,462,142
Goodwill	-
Acquisition-date fair value of the total consideration transferred	<u>3,462,142</u>
Representing:	
Non-controlling interest	<u>3,462,142</u>

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
TaskForce Community Agency Inc	Victoria, Australia	100.00%	-

Windana Drug and Alcohol Recovery Limited
Notes to the financial statements
30 June 2024

Note 26. Reconciliation of (deficit)/surplus to net cash (used in)/from operating activities

	Consolidated	
	2024	2023
	\$	\$
(Deficit)/surplus for the year	(832,818)	281,641
Adjustments for:		
Depreciation expense	1,372,437	1,287,787
Other adjustments	103,152	68,383
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(176,592)	9,498
Decrease in contract assets	797,921	-
Decrease in inventories	2,163	3,060
Decrease/(increase) in prepayments	83,309	(220,918)
Decrease in trade and other payables	(2,292,516)	(858,582)
Increase/(decrease) in other provisions	365,369	(22,838)
Net cash (used in)/from operating activities	<u>(577,575)</u>	<u>548,031</u>

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Windana Drug and Alcohol Recovery Limited

Directors' declaration

30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



Jenny Gillam (Nov 25, 2024 14:29 GMT+11)

Jennifer Margaret Gillam
Director and Board Chair

25 November 2024
Melbourne, Victoria

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INDEPENDENT AUDITOR'S REPORT

To the Members of Windana Drug and Alcohol Recovery Pty Ltd

Opinion

We have audited the financial report of Windana Drug and Alcohol Recovery Pty Ltd. (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be 'W Spargo'.

WARWICK SPARGO

Partner

Dated: 26 November 2024
Melbourne, Victoria