

# **Ranges Community Health t/a Inspiro**

**ABN 14 188 575 324**

**Financial Report - 30 June 2023**

**Ranges Community Health t/a Inspiro**

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**30 June 2023**

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**Ranges Community Health t/a Inspiro  
Responsible Persons' report  
30 June 2023**

Your directors present their Responsible Persons' Report of Ranges Community Health trading as Inspiro (Inspiro) for the year ended 30 June 2023.

**Responsible Persons**

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

Stephen Potter	Chairperson
Graham Warren	Deputy Chairperson
Linda Steane (Hancock)	Director
Helen Ruddell	Director (term expired October 2022, re-commenced March 2023)
Katie Nitti (Yeaman)	Director
Kim Griffiths	Director
Vicki Doherty	Director
Gordon Botwright	Director
Timothy Griffiths	Director

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

**Business objectives**

Inspiro exists to inspire healthier lives. Inspiro does this by enhancing health and wellbeing for all people in the Yarra Ranges community through responsive, affordable, accessible and high-quality health care.

**Principal activities**

The principal activities of Inspiro during the financial year were to provide health services to the community.

No significant changes in the nature of Inspiro's principal activities occurred during the financial year.

**Review of operations**

The deficit of Inspiro for the financial year ended 30 June 2023 was:

<b>2023</b>	<b>2022</b>
\$	\$
<u>(1,137,857)</u>	<u>(1,081,498)</u>

**Significant changes in the state of affairs**

No significant changes in Inspiro's state of affairs occurred during the financial year.

**Strategic plan**

**Strategic priorities**

Recovering from a year of continued complexity and returning to business as usual had its challenges. Regardless, we are proud of the work we achieved in supporting our community with continued service delivery, improved and impactful partnerships and continued commitment to stakeholder relationships. Like most healthcare organisations, we also faced significant workforce challenges which impeded our objective to expand our service offering.

Following the establishment of the Lilydale Youth Hub during the all-consuming COVID-19 response period and demonstrating a critical need and gap for such services to young people in the Yarra Ranges, Inspiro was advised that funding for the program would cease. Inspiro and the Hub consortium initiated an unreserved advocacy campaign which was supported by the Yarra Ranges Council, Mental Health Victoria and a number of other local stakeholders.

Unfortunately, the Lilydale Youth Hub program closed its doors 31 December 2022. While not funded to continue, the program was successful and delivered a positive impact to the young people in the community. We attribute its success to the dedicated and committed team of workers. Without them we would never have trialled a model that we now know works. We will continue to advocate for this model of service delivery as opportunities arise.

**Ranges Community Health t/a Inspiro  
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In late 2022 the Board of Directors and senior staff commenced the development of the 2023 – 2026 Strategic Plan. Following comprehensive consultation with staff and consumers the Plan includes the following:

**3-year Strategic Ambition**

Enhance our presence in the Yarra Ranges community so that we can improve health and wellbeing outcomes through strategic, purpose-driven growth.

**Focus Areas**

To be responsive to the needs of our community, we will continue to play an integral role by delivering a broad range of health and wellbeing services.

Our focus for growth will be on mental health, chronic disease management, aged care, disability and paediatrics.

*Priority Area 1: People and Culture*

- We recognise our people deliver the best possible outcomes for our community and we commit to acknowledging their contribution and supporting their wellbeing and development.
- We attract purpose-driven people who embody the values that shape Inspiro, and in turn we celebrate achievements and foster an environment of flexibility, trust and collaboration.
- Our teams are highly skilled and best placed to deliver innovative services that support the community of the Yarra Ranges.

Our strong commitment to our workers is reflected in our focus on building internal leadership because we recognise that high quality people deliver high quality services. The results of our 2022 People Matter Survey confirmed an opportunity for improvement if we created career progression, career pathways and internal capability.

This resulted in a restructure of our service delivery areas and the corporate function to ensure a more purposeful leadership structure. It also served to ensure we have the right mix of knowledge, skills, positions, and ultimately overall structure that supports and enables efficient service delivery, positioning Inspiro to deliver on its strategic objectives.

We appreciate that staff wellbeing is central to ensuring a resilient workforce. For this reason we facilitated staff training in trauma informed care for all staff including Board Directors, mental health first aid and psychological safety for all leaders. It was supplemented with Wellness Workshops and the establishment of a Resilience Plan process across the entire organisation, which was done in partnership with Access H&C and healthAbility. We also launched the Inspiro Developing Our Leaders (IDOL) program which is the initiative we will use to build internal capability and capacity.

Once again we offered four Tertiary Health Scholarships to local people choosing a course of study in health. Since 2000, Inspiro has awarded nearly \$200,000 in scholarships. We acknowledge the financial barriers faced by local, young people in particular, when deciding on tertiary study and this goes part way in easing that burden but also supports the healthcare workforce of the future.

*Priority 2: Partnerships & Relationships*

- We recognise that we operate as part of a broader community sector and health system and seek to bridge the gap of services for those in our community.
- We will continue to strengthen our relationships with existing partners to improve the access and service offering for the community of the Yarra Ranges.
- We will build new partnerships with others to create and nurture a more integrated and sustainable healthcare ecosystem.

Inspiro has a long history of working especially well in partnership with likeminded organisations, acknowledging we can do it better with others. This philosophy also contributes to improved integration of services, avoiding duplication and a better experience for consumers and community. This is particularly important with the current pressures and financial limitations placed on the health system.

Some examples of notable undertakings include work with the Yarra Ranges Council to develop a Vision for the Belgrave Hub, informed by extensive community consultation. In addition, a partnership with the Orange Door will see the service collocated in Belgrave with Inspiro and the Dandenong Ranges Emergency Relief Service. Staff from Eastern Health's Peter James Centre will collocate at our Lilydale site to offer rehabilitation and aged-care services to people following illness or surgery, or who have disabilities or chronic illness.

**Ranges Community Health t/a Inspiro  
Responsible Persons' report  
30 June 2023**

Managing stakeholder relationships effectively is just as important as strong and committed partnerships. We are proud to be involved with the Eastern Melbourne Health Alliance, Lilydale Youth Hub Consortium, Lilydale Revitalisation Board, Community Health First initiative and various Yarra Range Council committees.

*Priority 3: Structure & Systems*

- Our foundations are robust and position us for growth and new opportunities.
- Our organisation is supported by efficient and effective processes and systems whilst delivering on our Service Model and commitment to client centred care.
- Our systems enable sustainable, data driven and high quality service expansion.

We implemented an IT infrastructure upgrade during 2022 – 2023. It was a critical risk mitigation strategy identified during the 2020 strategic risk assessment. We have improved our understanding and processes for data breaches and are more confident and prepared to respond in the event of an incident.

A review and update of our Risk Management Framework and Business Continuity Plan has increased our knowledge on the relationship between our risks and the cascading impact they could have on our strategic objectives.

Our intention to grow our brand and increase our profile culminated in a brand refresh which involved work on the design of our logo and other collateral. It also resulted in the redesign of the Inspiro website. Both initiatives were well received by staff, consumers and community.

All healthcare organisations are required to be accredited. Inspiro successfully obtained accreditation in the National Disability Insurance Scheme (NDIS) standards, National Safety and Quality Health Service (NSQHS) standards and Human Service Standards. Demonstrating compliance with these takes effort, coordination and enthusiasm. We received a number of commendations from auditors which are only possible when you have committed staff.

We recently updated our phone system which we expect to improve the client and consumer experience. We plan to monitor and measure consumer satisfaction to ensure we optimise the system's capacity.

**Members guarantee**

Inspiro is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. Inspiro is registered with the Australian Securities and Investments Commission as well as the Australian Charities and Not for profits Commission.

In the event of, and for the purpose of winding up the company, the amount capable of being called up from each member and any person or associate who ceased to be a member in the year prior to the winding up, is limited to \$1 for each member. At 30 June 2023 the number of members was 59 (2022: 59).

**Events subsequent to the end of the reporting period**

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

**Environmental issues**

Inspiro is not subject to any significant environmental regulation.

**Directors' benefits**

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by Inspiro, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in Note 20 to the financial statements. No director's fees have been paid as the positions are held on a voluntary basis.

**Indemnification and insurance of directors and officers**

Inspiro has indemnified all directors and the Chief Executive Officer in respect of liabilities to other persons (other than Inspiro or related body corporate) that may arise from their position as directors or Chief Executive Officer of Inspiro except where the liability arises out of conduct involving a lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. Inspiro has not provided any insurance for an auditor of Inspiro or a related body corporate.

**Ranges Community Health t/a Inspiro  
Responsible Persons' report  
30 June 2023**

**Proceedings on behalf of Inspiro**

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

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

**Information on Responsible Persons**

Name: Stephen Potter  
Title: Chairperson  
Qualifications: Bachelor of Business, Accountant (CPA)  
Experience and expertise: Working with not-for-profit organisations in financial management roles since 1982. Extensive community involvement including sports administration.  
Special responsibilities: Chair Finance and Audit Committee.

Name: Graham Warren  
Title: Deputy Chairperson  
Qualifications: Graduate Australian Institute of Company Directors (G.A.I.C.D)  
Experience and expertise: Manufacturing Manager – CME, Bayswater. Former Councillor (7yrs) and Mayor (1yr), Yarra Ranges Council. Actively involved in local sporting and community groups. Former Board member of Agribusiness Yarra Valley and the Lilydale Museum Trust.  
Special responsibilities: Deputy Chairperson.

Name: Linda Steane (Hancock)  
Title: Director  
Experience and expertise: Victoria Police officer for 40 years and the past 25 primarily in the Yarra Ranges area in the Community Policing unit.  
Current Councillor at Maroondah City Council.  
Local Boards:  
- Eastern Regional Libraries  
- METEC driving and educational school - Kilsyth  
Maroondah Advisory committees:  
- Disability  
- Safety and Liveability

Name: Helen Ruddell  
Title: Director  
Qualifications: Diploma of Leadership and Management  
Experience and expertise: Has been at Yarra Ranges Council since 2017 and appointed Manager Economic Development and Investment in October 2019. With more than 15 years of experience in local government and more than 8 years of experience in retail banking. Extensive experience in building strong and engaged teams, collaborative partnerships and delivering positive community outcomes.

Name: Katie Nitti (Yeaman)  
Title: Director  
Qualifications: Bachelor Nursing (pre registration) and Grad Dip Renal Nursing, Graduate Australasian Institute of Clinical Governance, Graduate of the Australian Institute of Company Directors (G.A.I.C.D)  
Experience and expertise: Manager, Accreditation and Clinical Risk at Mercy Health and has a clinical background in Nursing specialising in Renal Nursing. With over 18 years in the health industry, holding various senior management roles in quality and safety across acute health.  
Special responsibilities: Chair Quality and Risk Governance Committee.

**Ranges Community Health t/a Inspiro  
Responsible Persons' report  
30 June 2023**

Name: Kim Griffiths  
Title: Director  
Qualifications: BA Occupational Therapy; Post Grad Dip Innovation & Design Thinking; Graduate Australian Institute of Company Directors (G.A.I.C.D)  
Experience and expertise: Currently working at Safer Care Victoria as Manager of Innovation, leading frontline healthcare improvement and innovation cross the state of Victoria. Clinical background in Occupational Therapy. 25+ years of healthcare experience, working across the continuum from Emergency Department to Community Care in clinical, operational and leadership positions. Actively engaged in supporting local community initiatives in the Yarra Ranges.  
Special responsibilities: Chair Scholarship Committee; Inspiro Board Representative on Primary Care & Population Health Advisory Committee chaired by Eastern Health

Name: Vicki Doherty  
Title: Director  
Qualifications: Master of Public Health, Postgraduate Diploma of Education, Bachelor of Science (Honours) and Graduate Australian Institute of Company Directors (G.A.I.C.D)  
Experience and expertise: Executive Director of the Australasian Menopause Society. Over 20 years experience in the public, not-for-profit and government sectors. Extensive experience in health policy development and implementation, and program management in the primary, acute and community health sectors.

Name: Gordon Botwright  
Title: Director  
Qualifications: Graduate Australian Institute of Company Directors (G.A.I.C.D), GCert Risk Management  
Experience and expertise: Currently the Chief Executive Officer of St John Ambulance Victoria, a not-for-profit organisation providing person-centred first aid and pre-hospital care, patient transport and other diversified health services. Over 30 years executive experience in the private and not-for-profit sectors, working across health, corrections and security. A non-executive director of On the Line Australia which provides mental health and suicide prevention counselling helplines for Australians.

Name: Timothy Griffiths  
Title: Director  
Qualifications: BBus (Acc), Prof Cert HealthSystems, Grad Cert Com Law, Grad Dip Logistic Mgt, Master Bus&Tech, GAICD, AFACHSM, MIPA, AIFA(UK)  
Experience and expertise: Currently a senior executive in the public health system and has over twenty-five years of senior executive & governance experience in the health sector (hospitals, community & aged care in both Victoria and NSW), bio-medical research sector, not-for-profit sectors and in the military. He has underlying qualifications in accounting, business, law, logistics and health, and with professional membership with accounting, health and governance bodies.

**Ranges Community Health t/a Inspiro  
Responsible Persons' report  
30 June 2023**

**Meetings of Responsible Persons**

During the financial year, 11 meetings of directors were held. Inspiro also has two subcommittees, including the Finance and Audit Committee, and the Quality and Risk Governance Committee. Attendances by each director were as follows:

	Board of Governance		Finance & Audit Committee		Quality & Risk Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
Stephen Potter, Chairperson	10	11	11	11	-	-
Graham Warren, Deputy Chairperson	10	11	10	11	-	-
Linda Steane (Hancock)	10	-	-	-	-	-
Helen Ruddell	1	3	-	-	1	1
Katie Nitti (Yeaman)	8	11	-	-	4	4
Kim Griffiths	11	11	-	-	-	-
Vicki Doherty	9	11	4	4	2	3
Gordon Botwright	10	11	-	-	3	3
Timothy Griffiths	7	11	7	8	-	-

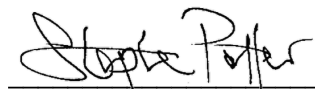
**Auditor's independence declaration**

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

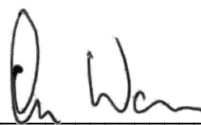
The Responsible Persons' report is signed in accordance with a resolution of the board of directors.

The report is made in accordance with a resolution of directors, pursuant to the subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the Responsible Persons



Stephen Potter  
Chairperson



Graham Warren  
Deputy Chairperson

6 October 2023



## Auditor-General's Independence Declaration

### To the Board of Directors, Ranges Community Health

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

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

### *Independence Declaration*

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

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

MELBOURNE  
10 October 2023



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

**Ranges Community Health t/a Inspiro**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Revenue and other income</b>	3	11,565,165	10,719,182
<b>Expenses</b>			
Employee benefits expense	4	(9,219,155)	(9,121,939)
Depreciation expense	4	(447,816)	(409,690)
Finance costs	4	(12,398)	(15,644)
Professional fees		(723,866)	(756,544)
Office expenses		(205,630)	(181,141)
Occupancy expenses		(452,923)	(306,953)
Motor vehicle expenses		(35,803)	(25,519)
Program/health education expenses		(1,440,580)	(596,184)
Marketing and promotion expenses		(27,215)	(114,958)
Loss on fair value of investments		-	(140,759)
Other expenses		(137,636)	(131,349)
<b>Deficit for the year attributable to the members of Ranges Community Health t/a Inspiro</b>		(1,137,857)	(1,081,498)
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year attributable to the members of Ranges Community Health t/a Inspiro</b>		<u>(1,137,857)</u>	<u>(1,081,498)</u>

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

**Ranges Community Health t/a Inspiro  
Statement of financial position  
As at 30 June 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	1,550,819	3,706,186
Trade and other receivables	6	911,847	623,917
Investments	7	3,927,903	2,733,545
Other assets	8	199,482	163,947
Total current assets		<u>6,590,051</u>	<u>7,227,595</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	1,740,233	1,925,556
Right-of-use assets	10	129,878	254,642
Total non-current assets		<u>1,870,111</u>	<u>2,180,198</u>
<b>Total assets</b>		<u>8,460,162</u>	<u>9,407,793</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	829,232	634,303
Contract liabilities	12	481,962	294,134
Lease liabilities	13	113,396	142,961
Employee benefits	14	1,435,961	1,546,374
Total current liabilities		<u>2,860,551</u>	<u>2,617,772</u>
<b>Non-current liabilities</b>			
Lease liabilities	13	30,905	131,029
Employee benefits	14	269,010	221,439
Total non-current liabilities		<u>299,915</u>	<u>352,468</u>
<b>Total liabilities</b>		<u>3,160,466</u>	<u>2,970,240</u>
<b>Net assets</b>		<u>5,299,696</u>	<u>6,437,553</u>
<b>Equity</b>			
Asset revaluation surplus	15	597,628	597,628
Retained surpluses		<u>4,702,068</u>	<u>5,839,925</u>
<b>Total equity</b>		<u>5,299,696</u>	<u>6,437,553</u>

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

**Ranges Community Health t/a Inspiro  
Statement of changes in equity  
For the year ended 30 June 2023**

	<b>Asset Revaluation Surplus \$</b>	<b>Accumulated Surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	597,628	6,921,423	7,519,051
Deficit for the year	-	(1,081,498)	(1,081,498)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(1,081,498)	(1,081,498)
Balance at 30 June 2022	<u>597,628</u>	<u>5,839,925</u>	<u>6,437,553</u>

	<b>Asset Revaluation Surplus \$</b>	<b>Accumulated Surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	597,628	5,839,925	6,437,553
Deficit for the year	-	(1,137,857)	(1,137,857)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(1,137,857)	(1,137,857)
Balance at 30 June 2023	<u>597,628</u>	<u>4,702,068</u>	<u>5,299,696</u>

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

**Ranges Community Health t/a Inspiro**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from clients and government grants		11,542,130	11,100,743
Payments to suppliers and employees		(13,114,048)	(11,961,930)
Interest received		103,503	15,812
Interest expense of lease liabilities		(12,398)	(15,644)
Low value lease payments		(5,976)	(5,976)
Other receipts		654,536	499,700
		<u>                    </u>	<u>                    </u>
Net cash used in operating activities	16	<u>(832,253)</u>	<u>(367,295)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	9	(137,729)	(263,055)
Payment for investments		(1,055,696)	(1,500,611)
Proceeds from investments		-	1,221,336
		<u>                    </u>	<u>                    </u>
Net cash used in investing activities		<u>(1,193,425)</u>	<u>(542,330)</u>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(129,689)	(110,273)
		<u>                    </u>	<u>                    </u>
Net cash used in financing activities		<u>(129,689)</u>	<u>(110,273)</u>
Net decrease in cash and cash equivalents		(2,155,367)	(1,019,898)
Cash and cash equivalents at the beginning of the financial year		<u>3,706,186</u>	<u>4,726,084</u>
		<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial year	5	<u><u>1,550,819</u></u>	<u><u>3,706,186</u></u>

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

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
**30 June 2023**

**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements were authorised for issue on 6 October 2023 by the directors of Inspiro.

Inspiro is a unlisted public company limited by guarantee. Its registered office and principal place of business is:

17 Clarke Street  
Lilydale VIC 3140

Inspiro is a health promoting organisation which provides primary care health services including allied health, dental, nursing, family services, family violence services and mental health to vulnerable and disadvantaged people in the Yarra Ranges Shire in Victoria. Our vision is to inspire as many as we can to identify and achieve their own health goals.

**Basis of preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures developed by the Australian Accounting Standard Board in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Inspiro is an individual entity and is a not-for-profit entity for financial reporting purposes.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

*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 company'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 2.

**Statement of compliance**

Inspiro does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

**Going concern**

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

**Impacts of COVID-19**

The Pandemic (Public Safety) Order 2022 (No. 5) which commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked. Whilst long-term outcomes from COVID-19 infections are currently unknown and while the pandemic response continues, the COVID-19 pandemic did not have a significant direct impact on Inspiro's business and operations during the year ended 30 June 2023. However, Inspiro has continued to provide services via Telehealth to its community, and has seen fluctuations in its medical supplies due to rising cost of living pressures.

**Note 1. Significant accounting policies (continued)**

**Foreign currency translation**

The financial statements are presented in Australian dollars, which is Inspiro's functional and presentation currency. The amounts have been rounded to the nearest dollar.

**Income tax**

As the company 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.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company'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 company'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.

**Impairment of assets**

At the end of each reporting period, Inspiro reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on Inspiro which changes the way in which an asset is used or expected to be used.

If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount.

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

Where it is not possible to estimate the recoverable amount of an individual asset, Inspiro estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Provisions**

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

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**Note 1. Significant accounting policies (continued)**

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

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

**Comparative figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Australian Accounting Standards or as a result of changes in accounting policy.

**Fair value of assets and liabilities**

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

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

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

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

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

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

**Australian Accounting Standards issued but not yet effective**

An assessment of Australian Accounting Standards and interpretations issued by the AASB that are not yet mandatorily applicable to Inspiro and their potential impact when adopted in future periods is outlined below:

- *AASB 17: Insurance Contracts* (applicable for reporting periods commencing on or after 1 January 2023). Adoption of this standard is not expected to have a material impact.

There are no other Australian Accounting Standards and interpretations issued by the AASB that are not yet mandatorily applicable to Inspiro in future periods.

**Note 2. Critical accounting judgements, estimates and assumptions**

The director's evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within Inspiro.

**Key estimates**

*Impairment of assets*

Inspiro assesses impairment at each reporting period by evaluating the conditions and events specific to Inspiro that may be indicative of impairment triggers. Recoverable amount of the relevant assets are reassessed using the value-in-use calculation which incorporates various key assumptions.



**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Useful lives of property, plant and equipment*

Inspiro reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

**Key judgements**

*Identifying performance obligations under AASB 15: Revenue from Contracts with Customers*

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

*Determination and timing of revenue recognition under AASB 15*

For each revenue stream, Inspiro applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation.

*Fair value of land*

Inspiro measures its land at fair value. Inspiro obtains independent valuations for such non-current assets at least every five years. At the end of each reporting period, the directors update their assessment of the fair value of each non-current asset to ensure the fair values recorded are materially correct.

The directors determine a non-current assets value using a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar assets. Where such information is not available the directors consider information from a variety of sources including current prices in an active market for assets of a different nature or recent prices of similar assets in less active markets.

The market approach is also used for land measured at fair value where there are restrictions associated with the asset and Inspiro is required to make adjustments to reflect the community service obligation (CSO) of the restrictions. The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. Note 9 provides further detail in relation to a restrictive covenant in place that limits the use of the land recognised and measured at fair value by Inspiro.

*Lease term and option to extend under AASB 16: Leases*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that Inspiro will make.

Inspiro determines the likelihood to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of Inspiro, in addition to the following:

- If there are significant penalties to terminate (or not to extend), Inspiro is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, Inspiro is typically reasonably certain to extend (or not terminate).
- Otherwise, Inspiro considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Options to extend are contained in all of Inspiro's property lease agreements. The extension options are only probable to be exercised for the peppercorn leases, and therefore have been excluded from the calculation of the right-of-use assets for other lease arrangements. Inspiro's printer lease agreements do not contain any options to extend for a further term.

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
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**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Borrowing rate under AASB 16*

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for Inspiro's leases, Inspiro's incremental borrowing rate is used, being the rate that Inspiro would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, Inspiro:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, eg term, country, currency and security.

*Employee benefits*

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

Inspiro assesses the long service leave liability in accordance with the requirements of AASB 119 and applies probability factors reducing the balance of the liability on employees' balances that have not reached their vesting period i.e. not entitled to be paid out as at 30 June 2023. The probability factors are increased as the respective employees' years of service increase and are provided for at 100% probability at vesting period (in accordance with employment conditions). The probability rates have been determined based on past retention data.

*Provision for expected credit losses*

Current trade receivables are generally on 30-day terms. In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss. The provision for expected credit losses is not considered material to the financial statements.

**Note 3. Revenue and other income**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Revenue from contracts with customers	<u>10,635,278</u>	<u>10,108,337</u>
<i>Other sources of Income</i>		
Interest income	103,503	15,812
Gain on fair value of investments	138,662	-
Other revenue	<u>687,722</u>	<u>595,033</u>
	<u>929,887</u>	<u>610,845</u>
Revenue and other income	<u><u>11,565,165</u></u>	<u><u>10,719,182</u></u>

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
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**Note 3. Revenue and other income (continued)**

*Disaggregation of revenue*

Inspiro has disaggregated revenue by the nature of revenue and timing of revenue recognition.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Categories of disaggregation</b>		
Operating grants	7,284,587	6,514,035
Fee for service	468,614	425,360
Contract income	<u>2,882,077</u>	<u>3,168,942</u>
Total disaggregated revenue from contracts with customers under AASB 15	<u><u>10,635,278</u></u>	<u><u>10,108,337</u></u>
<b>Timing of revenue recognition</b>		
At a point in time	3,350,691	3,594,302
Over time	<u>7,284,587</u>	<u>6,514,035</u>
	<u><u>10,635,278</u></u>	<u><u>10,108,337</u></u>

*Accounting policy for revenue recognition*

**Government grants**

When Inspiro receives revenue, it assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, Inspiro:

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

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

- recognises the asset received in accordance with the recognition requirements of other applicable Australian Accounting Standards (for example AASB 9: *Financial Instruments*, AASB 16: *Leases*, AASB 116: *Property, Plant and Equipment* and AASB 138: *Intangible Assets*)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, Inspiro recognises revenue in profit or loss when or as it satisfies its obligations under the contract, unless a contract modification is entered into between all parties.

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for Inspiro's goods or services. Inspiro's funding bodies often direct that goods or services are to be provided to third-party beneficiaries, including individuals or the community at large on behalf of the funding body. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

This policy applies to each of Inspiro's revenue streams, with information detailed below relating to Inspiro's most significant revenue streams. Inspiro's funding bodies include both Commonwealth and State Government funding bodies.

**Note 3. Revenue and other income (continued)**

<b>Customer</b>	<b>Significant program or activity</b>
Department of Health (State)	Community Health
Department of Health (State)	Home and Community Care Allied Health
Dental Health Services Victoria	State Dental Health and National Partnership Program
Department of Health (Commonwealth)	Commonwealth Home Support Programme

The nature and timing of revenue related to each of the above significant programs or activities are disclosed below.

*Community Health*

This program includes the provision of general counselling, allied health and nursing services. Inspiro's performance obligation is to provide a set number of hours of service delivery each financial year. Revenue is recognised over time as and when services are provided to the community on behalf of the customer. Inspiro uses the output method to measure its progress in satisfying its performance obligations.

*Home and Community Care Allied Health*

This program includes the provision of allied health services, including clinical assessments, treatment, therapy or professional advice. Inspiro's performance obligation is to provide a set number of hours of service delivery each financial year. Revenue is recognised over time as and when services are provided to the community on behalf of the customer. Inspiro uses the output method to measure its progress in satisfying its performance obligations.

*State Dental Health and National Partnership Program*

This program includes the provision of public dental health services to members of the community. Inspiro's performance obligation is to provide a set number of activity units each financial year. Revenue is recognised over time as and when services are provided to the community on behalf of the customer. Inspiro uses the output method to measure its progress in satisfying its performance obligations.

*Commonwealth Home Support Programme*

This program provides a range of services, including podiatry, occupational therapy, physiotherapy, social work, dietitians and speech pathology. Inspiro's performance obligation is to provide a set number of hours of service delivery each financial year. Revenue is recognised over time as and when services are provided to the community on behalf of the customer. Inspiro uses the output method to measure its progress in satisfying its performance obligations.

**Fee for service and contract income**

Fee for service and contract income are earned from provision of services when performance obligations are either satisfied over time or at a point in time. Generally, the supply of health services under a contract with a customer will represent the satisfaction of a performance obligation at a point in time, which is when health advice and treatment are provided to the customer.

**Capital grants**

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

**Volunteer services**

A not-for-profit entity may, as an accounting policy choice, elect to recognise volunteer services, if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Inspiro receives volunteer services from members of the community. Whilst the provision of such volunteer services are important to the achievement of Inspiro's objectives, as an accounting policy choice, Inspiro has elected not to recognise such volunteer contributions as revenue and expenditure within profit or loss. This election has no impact on Inspiro's surplus or net assets.

**Donations and bequests**

Donations and bequests are generally recognised upon receipt as they do not contain sufficiently specific and enforceable performance obligations.

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
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**Note 3. Revenue and other income (continued)**

**Interest income**

Interest income is recognised using the effective interest method.

**Contributed assets**

Inspiro may receive assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Australian Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, Inspiro recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer. Inspiro recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amounts.

**Non-cash contributions from the Department of Health**

The Department of Health purchases insurance on behalf of Inspiro which is paid directly to the Victorian Managed Insurance Authority. The premium paid for the year ended 30 June 2023 was \$30,839. To record this contribution, such payments are recognised as income with a matching expense in the net result.

**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.

**Note 4. Expenses**

	2023 \$	2022 \$
Deficit includes the following specific expenses:		
<i>Employee benefits expense</i>		
Salaries and wages	7,138,093	7,032,318
Superannuation	826,084	756,147
Leave payments	1,014,039	1,002,651
Workcover	68,608	60,958
Other employee benefits	172,331	269,865
	<u>9,219,155</u>	<u>9,121,939</u>
<i>Depreciation expenses</i>		
Leasehold improvements	129,256	83,571
Plant and equipment	36,597	30,342
Furniture and fittings	50,128	55,252
Motor vehicles	4,812	6,243
Computer equipment	102,259	108,661
Leased land and buildings	119,243	120,099
Leased printers	5,521	5,522
	<u>447,816</u>	<u>409,690</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>12,398</u>	<u>15,644</u>
<i>Leases</i>		
Low-value assets lease payments	<u>5,976</u>	<u>5,976</u>
<i>Accounting policy for expenses</i>		

Inspiro recognises expenditure as it is incurred, which is reported in the financial year to which the expense relates.

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
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**Note 4. Expenses (continued)**

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

**Employee benefits expense**

Employee benefits expense includes salaries and wages paid to employees (including fringe benefits tax, leave entitlements and termination payments) and on-costs (including superannuation guarantee contributions, leave loading and workers compensation premiums).

**Program/health education costs**

Program costs are comprised of program related expenses such as consumables, fees and fee for service commissions.

**Other operating expenses**

Other operating expenses represent the day to day running costs incurred in normal operations and include things such as:

- advertising and promotion
- occupancy and associated costs
- general administration expenses.

**Note 5. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current assets</i>		
Cash on hand	2,050	2,400
Cash at bank	<u>1,548,769</u>	<u>3,703,786</u>
	<u><u>1,550,819</u></u>	<u><u>3,706,186</u></u>

*Accounting policy for cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Note 6. Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current assets</i>		
Trade receivables	416,648	94,177
Other receivables	<u>495,199</u>	<u>529,740</u>
	<u><u>911,847</u></u>	<u><u>623,917</u></u>

*Accounting policy for trade and other receivables*

Trade and other receivables includes amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 for further discussion on the determination of impairment losses.

**Ranges Community Health t/a Inspiro  
Notes to the financial statements  
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**Note 7. Investments**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Managed funds at fair value through profit or loss	1,750,763	844,734
Capital notes at fair value through profit or loss	1,177,140	888,811
Annuities at fair value through profit or loss	1,000,000	1,000,000
	<u>3,927,903</u>	<u>2,733,545</u>

The directors recognise changes in fair value of managed funds, capital notes and annuities through profit or loss. Fair value is assigned to such investments based on quoted prices.

Refer to Note 23 for further information on financial risk management.

**Note 8. Other assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Prepayments	<u>199,482</u>	<u>163,947</u>

**Note 9. Property, plant and equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Land - at fair value	<u>900,000</u>	<u>900,000</u>
Leasehold improvements - at cost	795,996	780,320
Less: Accumulated depreciation	<u>(273,149)</u>	<u>(153,713)</u>
	<u>522,847</u>	<u>626,607</u>
Plant and equipment - at cost	363,016	340,934
Less: Accumulated depreciation	<u>(255,403)</u>	<u>(218,806)</u>
	<u>107,613</u>	<u>122,128</u>
Furniture and fittings - at cost	314,413	260,003
Less: Accumulated depreciation	<u>(184,934)</u>	<u>(124,986)</u>
	<u>129,479</u>	<u>135,017</u>
Motor vehicles - at cost	238,497	238,497
Less: Accumulated depreciation	<u>(230,044)</u>	<u>(225,232)</u>
	<u>8,453</u>	<u>13,265</u>
Computer equipment - at cost	463,810	422,902
Less: Accumulated depreciation	<u>(396,622)</u>	<u>(294,363)</u>
	<u>67,188</u>	<u>128,539</u>
Works in progress	<u>4,653</u>	<u>-</u>
	<u>1,740,233</u>	<u>1,925,556</u>

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
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**Note 9. Property, plant and equipment (continued)**

*Movements in carrying amounts*

Movements in carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year:

	Land \$	Improvements \$	Plant and equipment \$	Furniture and fittings \$	Motor vehicles \$	Computer equipment \$	Work in progress \$	Total \$
Balance at 1 July 2022	900,000	626,607	122,128	135,017	13,265	128,539	-	1,925,556
Additions	-	25,496	22,082	44,590	-	40,908	4,653	137,729
Depreciation expense	-	(129,256)	(36,597)	(50,128)	(4,812)	(102,259)	-	(323,052)
Balance at 30 June 2023	<u>900,000</u>	<u>522,847</u>	<u>107,613</u>	<u>129,479</u>	<u>8,453</u>	<u>67,188</u>	<u>4,653</u>	<u>1,740,233</u>

*Fair value measurement of freehold land*

Inspiro measures land at the Belgrave site at fair value on a recurring basis.

Inspiro's freehold land was independently valued at 30 June 2021 by Value It Property Valuers, independent valuers not related to Inspiro. Value It Property Valuers are members of the Australian Property Institute, and have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties, and the restrictive nature of the 173 Agreement, making an appropriate allowance for the effect this has on the land.

Inspiro's land at Belgrave is currently encumbered by a peppercorn lease between Inspiro and Yarra Ranges Shire Council for the Belgrave Hub for a term of 10 years, with four further 10-year options available, the arrangement of which commenced in February 2018.

Although Inspiro is able to retain its title to the land which is part of the development, the restrictive covenant in place limits the use of the land specified under section 5.1 of the agreement with the council. The long-term objectives of Inspiro and the joint arrangement with the council suggest that Inspiro is less likely to realise the value of the land on the open market.

Therefore, this covenant posts a significant restriction on the fair value of the land. Given this condition, the directors of Inspiro believe that the current use of the land is considered to be its highest and best use.

At the end of each reporting period, the directors update their assessment of the fair value of each non-current asset. This assessment suggested the fair values recorded in the financial statements are considered materially consistent with the fair value of such non-current assets had an independent valuation been undertaken at balance date.

*Accounting policy for property, plant and equipment*

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. Inspiro's property, plant and equipment are tangible items that are held for the use in the supply of services, for rental to others and for administrative purposes which Inspiro expects to use during more than one period.

**Property**

Freehold land is shown at fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers.



**Note 9. Property, plant and equipment (continued)**

Increases in the carrying amount arising on revaluation of land are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of asset are recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to profit or loss. Revaluation increases are recognised in profit or loss to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in profit or loss.

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

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

**Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 for details of impairment).

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

**Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis over the asset's useful life to Inspiro commencing from the time the asset is held ready for use.

The depreciation rates are consistent with the prior period. For each class of depreciable assets the depreciation rates are:

<b>Class of fixed asset</b>	<b>Depreciation rate</b>
Leasehold improvements	3-20%
Plant and equipment	10-20%
Motor vehicles	15%
Furniture and fittings	3-20%
Computer equipment	33%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**Note 10. Right-of-use assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Land and buildings - right-of-use	412,975	412,975
Less: Accumulated depreciation	<u>(286,779)</u>	<u>(167,536)</u>
	126,196	245,439
Leased printer - right-of-use	16,566	16,566
Less: Accumulated depreciation	<u>(12,884)</u>	<u>(7,363)</u>
	3,682	9,203
	<u>129,878</u>	<u>254,642</u>

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
**30 June 2023**

**Note 10. Right-of-use assets (continued)**

	2023 \$	2022 \$
<i>Amounts recognised in profit or loss</i>		
Depreciation charge related to right-of-use assets	(124,765)	(125,621)
Interest expense on lease liabilities	(12,398)	(15,644)
	<u>(137,163)</u>	<u>(141,265)</u>

*Movements in carrying amounts*

Movements in carrying amounts for each class of right-of-use asset between the beginning and end of the current financial year:

	Land and buildings \$	Leased printer \$	Total \$
Balance at 1 July 2022	245,439	9,203	254,642
Depreciation expense	(119,243)	(5,521)	(124,764)
Balance at 30 June 2023	<u>126,196</u>	<u>3,682</u>	<u>129,878</u>

*Options to extend or terminate*

Options to extend are contained in all of Inspiro's property lease agreements, including peppercorn leases. These clauses provide Inspiro with the opportunity to align its lease arrangements in order to meet its strategic objectives. The extension options are only exercisable by Inspiro. The extension options are only probable to be exercised for the peppercorn leases, and therefore have been excluded from the calculation of the right-of-use assets for other lease arrangements. Inspiro's printer lease agreements do not contain any options to extend for a further term.

*Concessionary/peppercorn lease*

Inspiro holds a 20-year concessionary lease (with two further term options of 10 years each), with the Department of Health, which represents the Victorian Government, for the use of land and buildings located at 17 Clarke Street, Lilydale, which are used to conduct day to day operations. The lease payments are \$12 per annum, payable yearly in advance. The lease will expire on 29 October 2041.

Inspiro holds a 10-year concessionary lease (with the option of four further terms of 10 years each), with the Yarra Ranges Shire Council, for the use of land and buildings located at 1616-1624 Burwood Highway, Belgrave, which are used to conduct day to day operations. The lease payments are \$282.50 per annum (incl-GST) per annum, payable yearly in advance. The lease will expire on 5 February 2068.

The leases are measured at cost in accordance with Inspiro's accounting policy as outlined below. The right-of-use assets and lease liabilities relating to this lease are estimated to be less than \$10,000 and are deemed trivial to the financial statements. As such, a right-of-use asset and lease liability has not been recognised on the statement of financial position. Inspiro is dependent on the leases to further its objectives. Without these concessionary leases, Inspiro's service delivery to the community would be impacted.

*Accounting policy for 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.

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
**30 June 2023**

**Note 10. Right-of-use assets (continued)**

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 company 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 company 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 11. Trade and other payables**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	283,436	167,696
Accrued expenses and other payables	545,796	466,607
	<u>829,232</u>	<u>634,303</u>
	2023 \$	2022 \$
<i>Financial liabilities classified as trade and other payables</i>		
Trade and other payables:		
- Total current	829,232	634,303
Less amounts payable to the Australian Taxation Office	<u>(296,504)</u>	<u>(230,325)</u>
	<u>532,728</u>	<u>403,978</u>

*Accounting policy for trade and other payables*

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

**Note 12. Contract liabilities**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Department of Health (Commonwealth)	<u>481,962</u>	<u>294,134</u>

*Accounting policy for contract liabilities*

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

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
**30 June 2023**

**Note 13. Lease liabilities**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Lease liability	113,396	142,961
<i>Non-current liabilities</i>		
Lease liability	30,905	131,029
	<u>144,301</u>	<u>273,990</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	113,396	142,961
One to five years	30,905	131,029
	<u>144,301</u>	<u>273,990</u>

*Accounting policy for lease liabilities*

**Inspiro as lessee**

Inspiro's lease portfolio includes leases of land and buildings and printers. The lease terms for each type of lease arrangement are:

<b>Class of lease</b>	<b>Lease term</b>
Land and buildings	2 - 50 years
Printers	3 years

At inception of a contract, Inspiro assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by Inspiro where Inspiro is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets (i.e. fair value less than \$10,000) are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at lease commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, Inspiro uses the incremental borrowing rate. Lease payments included in the measurement of the lease liability, where applicable, are as follows:

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

Inspiro is not exposed to any potential future increases in variable lease payments.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that Inspiro anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
**30 June 2023**

**Note 13. Lease liabilities (continued)**

For leases that have significantly below-market terms and conditions principally to enable Inspiro to further its objectives (commonly known as peppercorn/concessionary leases), Inspiro has adopted the temporary relief under AASB 2018-8 *Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities* and measures the right-of-use assets at cost on initial recognition.

Inspiro leases a premises at 17 Clarke Street, Lilydale, from the Department of Health which represents the Victorian Government, which meets the definition of a peppercorn/concessionary lease. The lease commenced in October 2001 for a term of 20 years, with the option of two further terms of 10 years each. Under the terms of the lease agreement, Inspiro is required to pay \$12 per annum. The right-of-use asset and lease liability relating to this lease is estimated to be less than \$10,000 and is deemed trivial to the financial statements. As such, a right-of-use asset and lease liability has not been recognised on the statement of financial position.

Inspiro leases a premises at 1616-1624 Burwood Highway, Belgrave, from the Yarra Ranges Shire Council, which meets the definition of a peppercorn/concessionary lease. The lease commenced in February 2018 for a term of 10 years, with the option of four further terms of 10 years each. Under the terms of the lease agreement, Inspiro is required to pay \$282.50 per annum (incl. GST). The right-of-use asset and lease liability relating to this lease is estimated to be less than \$10,000 and is deemed trivial to the financial statements. As such, a right-of-use asset and lease liability has not been recognised on the statement of financial position.

**Inspiro as lessor**

Inspiro has no lease arrangements under a sub-lease arrangement where it is a lessor.

**Note 14. Employee benefits**

	2023 \$	2022 \$			
<i>Current liabilities</i>					
Annual leave entitlements	558,444	626,220			
Long service leave entitlements	877,517	920,154			
	<u>1,435,961</u>	<u>1,546,374</u>			
<i>Non-current liabilities</i>					
Long service leave entitlements	269,010	221,439			
	<u>1,704,971</u>	<u>1,767,813</u>			
	<b>Annual leave</b>	<b>Long service leave</b>	<b>Total</b>		
	<b>\$</b>	<b>\$</b>	<b>\$</b>		
<i>Movements in carrying amounts</i>					
Carrying amount as at 1 July 2022	626,220	1,141,593	1,767,813		
Leave entitlements accrued	720,648	177,278	897,926		
Leave taken	(631,154)	(135,299)	(766,453)		
Leave paid out upon termination	(157,270)	(37,045)	(194,315)		
Carrying amount as at 30 June 2023	<u>558,444</u>	<u>1,146,527</u>	<u>1,704,971</u>		

*Accounting policy for employee benefits*

**Short-term employee benefits**

Provision is made for Inspiro's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including salaries, wages, ADOs, annual leave and sick leave.

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
**30 June 2023**

**Note 14. Employee benefits (continued)**

Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. Inspiro's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the statement of financial position.

**Long-term employee benefits**

Inspiro classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

Provision is made for Inspiro's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Inspiro's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where Inspiro does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities. Refer to Note 2 for details of key judgements applied.

**Note 15. Asset revaluation surplus**

The asset revaluation surplus records revaluations of freehold land. A reconciliation of movements to/(from) the asset revaluation reserve via other comprehensive income is disclosed as follows.

*Movements in reserves*

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

	<b>Land</b> <b>\$</b>	<b>Total</b> <b>\$</b>
Balance at 1 July 2021	597,628	597,628
Revaluation increments	-	-
Balance at 30 June 2022	597,628	597,628
Balance at 30 June 2023	<u>597,628</u>	<u>597,628</u>

**Ranges Community Health t/a Inspiro  
Notes to the financial statements  
30 June 2023**

**Note 16. Cash flow information**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Deficit for the year	(1,137,857)	(1,081,498)
Adjustments for:		
Depreciation and amortisation	447,816	409,690
Unrealised capital (gains)/losses	(138,662)	140,759
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(287,930)	(1,597)
(Increase)/decrease in other assets	(35,535)	(88,264)
Increase/(decrease) in trade and other payables	194,929	110,572
Increase/(decrease) in contract liabilities	187,828	(151,176)
Increase/(decrease) in employee benefits	(62,842)	294,219
Net cash used in operating activities	<u>(832,253)</u>	<u>(367,295)</u>

**Note 17. Contingent assets**

Inspiro's directors are not aware of any contingent assets as at the date of signing this financial report (2022: nil).

**Note 18. Contingent liabilities**

Inspiro's directors are not aware of any contingent liabilities as at the date of signing this financial report (2022: nil).

**Note 19. Capital commitments**

There are no capital expenditure commitments contracted for but not capitalised in the financial statements (2022: nil).

**Note 20. Director and related party transactions**

Key Management Personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Inspiro, directly or indirectly.

The KMP of Inspiro are deemed to be the:

- Board of Directors
- Chief Executive Officer
- The Executive Management team

Outside of normal citizen type transactions with Inspiro, there were no related party transactions that involved KMP, their close family members and their personal business interests. No director's fees have been paid as the positions are held on a voluntary basis. There were no related party transactions required to be disclosed for the year ended 30 June 2023 (2022: nil).

The totals of remuneration paid to the KMP of Inspiro during the year are as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	938,506	1,470,201
Long-term employee benefits	33,658	60,822
Post-employment benefits	91,464	140,943
Total	<u>1,063,628</u>	<u>1,671,966</u>

**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
**30 June 2023**

**Note 20. Director and related party transactions (continued)**

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
The number of key management personnel whose total remuneration from Inspiro fall within the following bands:		
\$10,000 - \$19,999	-	1
\$70,000 - \$79,999	2	-
\$90,000 - \$99,999	1	1
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	-	3
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	-	1
\$140,000 - \$149,999	2	2
\$150,000 - \$159,999	-	1
\$180,000 - \$189,999	1	1
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	-	1
	<hr/>	<hr/>
	<b>8</b>	<b>13</b>
	<hr/> <hr/>	<hr/> <hr/>

*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.

**Note 21. Economic dependency**

Inspiro is dependent upon the Commonwealth and State Government, via the Department of Health and Dental Health Services Victoria, among other funding bodies, for the receipt of funding used to operate a significant portion of Inspiro's services. At the date of this report the directors have no reason to believe Inspiro's funding bodies will not continue to support Inspiro.

**Note 22. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Note 23. Financial risk management**

Inspiro's financial instruments consist mainly of deposits with banks, accounts receivable, managed funds, capital notes, annuities, accounts payable and lease liabilities. Inspiro does not have any derivatives.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed below, are as follows:

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets</b>			
Cash and cash equivalents at amortised cost	5	1,550,819	3,706,186
Trade and other receivables at amortised cost	6	911,847	623,917
Investments at fair value through profit or loss	7	3,927,903	2,733,545
		<hr/>	<hr/>
Total financial assets		<b>6,390,569</b>	<b>7,063,648</b>
		<hr/> <hr/>	<hr/> <hr/>



**Ranges Community Health t/a Inspiro**  
**Notes to the financial statements**  
**30 June 2023**

**Note 23. Financial risk management (continued)**

	Note	2023 \$	2022 \$
<b>Financial liabilities</b>			
Trade and other payables at amortised cost	11	532,728	403,978
Lease liabilities at amortised cost	13	<u>144,301</u>	<u>273,990</u>
Total financial liabilities		<u><u>677,029</u></u>	<u><u>677,968</u></u>

*Accounting policy for financial instruments*

*Initial recognition and measurement*

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

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

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

*Classification and subsequent measurement*

*(i) Financial liabilities*

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

*(ii) Financial assets*

Financial assets are subsequently measured at:

- amortised cost
- fair value through profit and loss

on the basis of the two primary criteria:

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

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

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

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

**Note 23. Financial risk management (continued)**

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised. The company has elected to subsequently measure its investments at fair value through profit or loss to simplify the accounting for such financial assets.

The company does not measure any financial assets at fair value through other comprehensive income.

*Derecognition*

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

*(i) Derecognition of financial liabilities*

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

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

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

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

*Impairment*

Inspiro recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Inspiro uses the simplified approach, as applicable under AASB 9. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. The approach is applicable to trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

*Recognition of expected credit losses in financial statements*

At each reporting date, Inspiro recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

The provision for expected credit losses is not considered material to the financial statements.

**Note 24. Auditor remuneration**

The following fees were paid or payable for services provided by Crowe, the auditor of the company:

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Audit and assurance services</i>		
Audit of the financial report	23,500	22,900

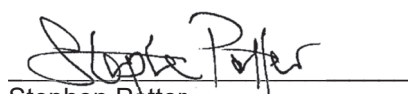
**Ranges Community Health t/a Inspiro  
Responsible Persons' declaration  
30 June 2023**

The responsible persons of Ranges Community Health, trading as Inspiro, declare that:

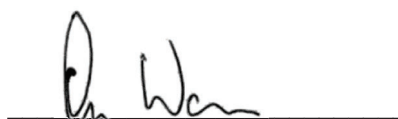
1. The attached financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with *Australian Accounting Standards – Simplified Disclosures* and
  - b. give a true and fair view of Inspiro's financial position as at 30 June 2023 and of its performance and cash flows for the year ended on that date.
2. In the responsible persons' opinion there are reasonable grounds to believe Inspiro will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

On behalf of the Responsible Persons



Stephen Potter  
Chairperson



Graham Warren  
Deputy Chairperson

6 October 2023

# Independent Auditor's Report

## To the Directors of Ranges Community Health

<b>Opinion</b>	<p>I have audited the financial report of Ranges Community Health (the company) which comprises the:</p>
	<ul style="list-style-type: none"> <li>• statement of financial position as at 30 June 2023</li> <li>• statement of profit or loss and other comprehensive income for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• directors' declaration.</li> </ul>
	<p>In my opinion the financial report is in accordance with Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p>
	<ul style="list-style-type: none"> <li>• giving a true and fair view of the financial position of the company as at 30 June 2023 and of its financial performance and its cash flows for the year then ended</li> <li>• complying with Australian Accounting Standards – Simplified Disclosures Requirements and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2022</i>.</li> </ul>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p>
	<p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p>
	<p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Directors' responsibilities for the financial report</b>	<p>The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p>
	<p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.


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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

MELBOURNE  
10 October 2023



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*