DPV Health®

Your Healthcare
Your Way

2022-23 Annual Financial Report

Financial Report from the Board Chair and CEO

In 2022-23 year, DPV Health (DPVH) achieved $66,336,814 in total revenue, this represented a reduction of nearly $8,000,000 on the previous year due to the cessation of COVID-19 income streams including testing, vaccination and COVID Positive Pathways supports to acute hospitals. To partially offset the above and respond to community need, DPVH secured new income streams across aged care, children's autism programs, dental, family violence, mental health, refugees' programs and victims of crime support.

For the first time in four years, DPVH operated in a deficit for the year, being a loss of $3,257,509. The reduction in COVID revenue streams, underperformance against activity targets, reticence in clients attending on-site services, short-term vacancies, staffing adjustments to post-covid work patterns and increased software depreciation charges all contributed to the deficit result.

Through improved activity management, ramp up of home care, disability and dental programs, heightened employee engagement and the implementation of $2,800,000 in cost reduction strategies, the financial outlook for 2023/24 is much improved and DPVH has now returned to a stable surplus position, achieving consistent monthly surplus results since May 2023.

During the year, DPVH made invested over $3,664,159 in client facilities and ICT infrastructure. DPVH refurbished the Broadmeadows Super Clinic and Meadow Heights sites. The organisation also opened a new site in Mickleham to support Melbourne's Northern Growth Corridor.

DPVH invested heavily in cyber security, including a new clinical grade network to strengthen security and business continuity across all sites. Our organisation also launched a Client Relationship Management system to enhance our clients' experience and support improved client data registration.

With new revenue streams, cash reserves exceeding $22,700,000 and total equity of $43,441,000, DPVH is well positioned for growth and stability in the 2023-24 financial year.

We would like to extend our great to our clients, community advisors, employees, volunteers, industry partners and Board for their enormous contribution as together we strive towards our vision of a healthier and connected community with excellent care for all.

Emmanuel Tsakis
Board Chair

Don Tidbury
Chief Executive Officer

DPV Health Ltd

ABN 68 047 988 477

Financial Report - 30 June 2023

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DPV Health Ltd
Directors' Report
30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

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

Emmanuel Tsakis	Board chair
Margaret Douglas	Director
Julie Busch	Director
Vincent Cain	Director
Robert Burnham	Director
Gloria Sleaby	Director
Gary Henry	Director
Mark Sullivan	Director
Tanya Farell (appointed 28 February 2023)	Director

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

Short and long term objectives
Long term objectives
The long-term objective is to be an industry leader in the planning and delivery of innovative, person-centred health care across the diverse communities of Melbourne's North, recognised for achieving a significant positive impact on community health and wellbeing.

Short term objectives
Short term objectives are set across the following four pillars:

Clients, Families & Community:	to provide excellent health and community care responding to community needs, and prioritising those in highest need.
People, Capability & Culture:	to grow a highly engaged and thriving workplace culture, shared by a capable and effective workforce.
Excellence, Systems & Infrastructure:	to provide a seamless healthcare environment through innovation and investment in operational design, capability, and performance.
Growth, Sustainability & Partnerships:	to ensure organisational sustainability through a focus on collaborative partnerships and considered growth.

Strategy to achieve objectives
The 35 strategies to achieve objectives across the 4 Pillars are documented in the DPV Health Strategic Plan 2022-27. Annual Plans break down the strategies into achievable actions to be completed in the annual plan year.

Principal activities
The company's principal continuing activity during the year was the provision of community health, public dental services and enhanced primary care services.

There was no significant change in the nature of the activity of the company during the year.

How activities achieve objectives

Clients, Families & Community activities	Underpinned by the DPV Health Strategic Plan 2022 - 2027, Clinical & Community Service Plan 2022-2037, *Together Framework; Community Engagement &* Participation, and the Master Plan 2022 - 2037, ensure client participation in service design, planning, delivery, evaluation and governance and services deliver Excellent Care always.
People, Capability & Culture activities	Underpinned by the People & Culture Strategic Plan 2022 - 2027, ensure workforce capability: registrations, qualifications, and experience necessary to strengthen Excellent Care standards and a thriving workplace culture.
Excellence, Systems & Infrastructure activities	Underpinned by the Performance & Accountability Framework, Master Plan, IT Cyber Security & Data plans ensure excellent organisational performance quality and accountability, enhancing client and employee experience with fit-for-purpose infrastructure, data integrity, analysis and reporting capability.
Growth, Sustainability & Partnerships activities	Underpinned by Clinical & Community Service Plan, Master Plan ensure organisational sustainability through a focus on collaborative partnerships and considered growth.

Measuring performance
All Annual Plan activities have clear KPIs and are reported on quarterly. Clinical indicators monitor performance against targets, and client experience and feedback evaluation are regular features of the overall performance framework. Detailed Business Intelligence reports are used to aid management oversight of performance. Financial and capital investment performance is measured against targets.

Review of operations
The surplus for the year was:

	2023 $	2022 $
The surplus/(deficit) for the year was:	(3,257,509)	3,368,123

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

Member's guarantee
DPV Health is incorporated under the *Corporations Act 2001*, and is a company limited by guarantee. In the event of, and for the purpose of winding up of 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, subject to the provisions of DPV Health's constitution.

At 30 June 2023 the collective liability of members was $52 (2022: $53).

After balance date events
No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of DPV Health, the results of those operations or the state of affairs of DPV Health in future financial years.

Environmental issues
The company 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 the company, 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 25 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company.

Indemnification and insurance of directors and officers
The company has indemnified all directors and the Chief Executive Officer in respect of liabilities to other persons (other than the company) that may arise from their position as directors or Chief Executive Officer of the company 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. The company has not provided any insurance for an auditor of the company or a related body corporate.

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

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

Information on directors

Name:	Robert Burnham
Title:	Director
Qualifications:	MHA (Masters of Health Administration), Grad Dip (Health Administration), GAICD, BASc (Bachelor of Applied Science) - Health Administration
Experience, expertise, special responsibilities:	Over 40 years' acute health sector experience, including capital projects, strategic planning and service development. Commencing as a clinical nurse, Robert progressed through senior administrative, executive management and CEO roles. Previously health sector representative on various Department of Health and Human Services (DHHS) advisory committees. Key strengths include clinical governance, health governance and continuous improvement.
Special responsibilities:	Chair Clinical Governance Committee since 2018.

Name:	Gary Henry
Title:	Director
Qualifications:	BHA (Bachelor of Health Administration), Health Executives Development Program (Cornell), GAICD FACHSM
Experience and expertise:	Experienced health service CEO. Experience in strategy and planning, management consulting, health service governance, policy development and organisational change management. Former director at Council on the Ageing, and director of Australasian College of Health Service Management, New Zealand Institute of Health Management, and Victorian Healthcare Association. Key strengths include strategy, governance, policy development and change management.
Special responsibilities:	Chair of Governance Committee, since November 2022.

Name:	Julie Busch
Title:	Director
Qualifications:	BA (Psychology & Journalism), Graduate Certificate Shopping Centre Management, Post Graduate Certificate Business Management, GAICD, Women on Boards and Australian Institute of Company Directors
Experience and expertise:	Previously Chair of Governance Committee. Senior executive leadership experience in corporate retail property, government and not-for-profit sectors. Extensive experience as Chair, Non-Executive Director and Trustee of local and state enterprises and not-for-profit organisations.
Special responsibilities:	Member of Clinical Governance and Community Engagement Committees.

Name:	Vincent Cain
Title:	Director
Qualifications:	BCom (Bachelor of Commerce), FCA
Experience and expertise:	Extensive commercial experience in finance and management acquired through executive experience including in the University and Primary Healthcare sectors. Previously Chair and a member of various audit, risk and compliance committees. Key strengths include leadership, financial analysis, financial modelling and strategic planning.
Special responsibilities:	Chair of Finance, Risk & Audit Committee, since 2018.

Name:	Margaret Douglas
Title:	Director
Qualifications:	MBA (Masters of Business Administration), GAICD, Diploma Journalism BSc
Experience and expertise:	Extensive management experience including 16 years as CEO. Experience across sectors including government, for profit and not-for-profit. Service industries include law, management, media, travel and mining. Key strengths include strategic and business planning, commercialisation, driving and implementing organisational change, and customer driven operations. Previously Board Chair from 2018 to 2022.
Special responsibilities:	Member of Finance, Risk and Audit Committee.

Name:	Gloria Sleaby
Title:	Director
Qualifications:	B Ec (Bachelor of Economics), FCPA, MAICD, AGIA
Experience and expertise:	Experienced Director and Advisory Committee member, with comprehensive business, financial and management skills in the primary and community healthcare areas. Member of Advisory Council for the Mental Health Complaints Commissioner, Chair of Victorian Third Age Network CPA Australia. Key strengths include strategy and business planning, financial management and consumer engagement in the primary and community healthcare services.
Special responsibilities:	Member of Finance, Audit & Risk Committee.

Name:	Mark Sullivan
Title:	Director
Qualifications:	MHA, GradDip (Health Administration), Cert. Purchasing & Planning, AFACHSE
Experience and expertise:	Considerable experience in the health sector at executive level in regional and specialist hospitals. Currently Acting CEO at Dental Health Services Victoria. Key strengths include health governance, project management, financial management, continuous improvement and customer service.
Special responsibilities:	Member of Governance Committee.

Name:	Emmanuel Tsakis
Title:	Board chair
Qualifications:	MBA, CPA, BBus (Bachelor of Business - Accounting), GAICD
Experience and expertise:	Over 25 years' financial and senior management experience in local and international not-for-profit sector. Executive roles include Chief Financial Officer, business development and divisional management. Currently Finance and Operations Director at Amnesty International Australia and currently an independent committee member for a domestic violence charity. Key strengths include financial analysis, financial modelling, strategic and business planning.
Special responsibilities:	Current Board Chair since 2022 and member of the Governance Committee.

Name:	Tanya Farrell (appointed 28 February 2023)
Title:	Director
Qualifications:	Adjunct Professor Masters of Nursing (Midwifery) Diploma Allied Science (Nursing) Grad Dip (Graduate Diploma) Post Graduate Diploma in Child Health Faculty Nursing Midwifery Certificate, Australian College Midwives, Australian College of Nursing
Experience and expertise:	Experienced director with extensive experience in the public health sector with comprehensive policy development, senior management, and strategy and planning skills. Member of the Australian College of Midwives and Australian College of Nursing. Key strengths include strategic planning, operational management, change management, human resources, budget management, education and research.
Special responsibilities:	Member of Clinical Governance Committee.

Company secretary
Mrs. Carolyn Searle and Mr. Anthony Palmieri held company secretary responsibilities at the end of the financial year.

Name:	Carolyn Searle
Title:	Company Secretary
Qualifications:	BA (Legal Studies & Sociology), Advanced Dip Business Management, FAICD, Corporate Governance Officer
Experience and expertise:	Experienced CEO and executive in the not-for-profit sector, with a focus on general practice and primary health. Key strengths include governance, mergers & integration, legal compliance, consumer engagement, service models, privacy and project management.

Name:	Anthony Palmieri
Title:	Company Secretary
Qualifications:	B.Com, CPA, Chief Financial Officer
Experience and expertise:	Health and aged care executive with experience across not-for-profit and private sectors. Extensive involvement across community health, retirement villages and residential aged care. Key strengths include financial management and compliance, stakeholder engagement, development projects and mergers & acquisitions.

Meetings of directors
There were 14 board meetings of directors in addition to the meetings of various board committees. Attendance for each director was as follows:

	Board		Governance		Clinical Governance	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Margaret Douglas	14	14	3	3	2	2
Julie Busch	10	10	1	1	3	3
Vincent Cain	13	13	-	-	-	-
Robert Burnham	14	13	-	-	6	6
Gloria Sleaby	11	10	3	3	-	-
Gary Henry	14	14	5	5	3	2
Mark Sullivan	14	14	2	2	-	-
Emmanuel Tsakis	14	14	3	3	2	2
Tanya Farrell	3	3	-	-	2	1

	Community Engagement & Population Health		Finance, Risk & Audit		ICT	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Margaret Douglas	3	3	5	4	-	-
Julie Busch	1	1	-	-	-	-
Vincent Cain	-	-	7	6	-	-
Robert Burnham	-	-	-	-	1	1
Gloria Sleaby	2	2	3	3	-	-
Gary Henry	1	1	-	-	-	-
Mark Sullivan	2	1	4	3	-	-
Emmanuel Tsakis	-	-	3	3	1	1
Tanya Farrell	-	-	-	-	-	-

Auditor's independence declaration
The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2023, has been received and can be found on page 8 of the financial report.

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

On behalf of the directors

Emmanuel Tsakis
Board Chair

Vincent Cain
Chair, Finance, Risk & Audit Committee

31 October 2023

Auditor-General’s Independence Declaration

To the Board of Directors, DPV Health Ltd

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 DPV Health Ltd 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
8 November 2023

Sanchu Chummar
as delegate for the Auditor-General of Victoria

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DPV Health Ltd
Statement Of Profit Or Loss And Other Comprehensive Income
For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue	3	64,137,200	73,723,021
Other income	4	2,199,614	595,431
Expenses			
Employee benefits expense	5	(52,313,615)	(55,311,568)
Other staff costs		(614,559)	(576,072)
Depreciation and amortisation expense	5	(3,281,531)	(2,892,763)
Contracted services		(2,323,918)	(2,097,434)
Client expense		(2,263,799)	(1,846,790)
Consultancy expense		(801,986)	(967,152)
Rental expense		(32,098)	(138,858)
Medical supplies		(1,638,408)	(1,166,932)
Computer and office expenses		(2,944,216)	(2,898,805)
Advertising and marketing expenses		(647,942)	(691,878)
Professional fees		(306,311)	(268,823)
Other expenses		(2,299,451)	(1,965,529)
Finance costs	5	(126,489)	(127,725)
Surplus/(deficit) for the year		(3,257,509)	3,368,123
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		(3,257,509)	3,368,123

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

DPV Health Ltd
Statement Of Financial Position
As at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	6	4,599,291	9,626,626
Trade and other receivables	7	2,759,046	4,796,963
Other assets	8	804,811	366,874
Inventories	9	-	41,046
Financial assets	10	18,139,799	15,139,576
Total current assets		26,302,947	29,971,085
Non-current assets			
Property, plant and equipment	11	37,064,258	35,972,906
Right-of-use assets	12	1,552,882	1,847,221
Intangible assets	13	396,161	310,838
Total non-current assets		39,013,301	38,130,965
Total assets		65,316,248	68,102,050
Liabilities			
Current liabilities			
Trade and other payables	14	933,033	789,166
Contract liabilities	15	6,688,645	7,521,943
Lease liabilities	16	864,445	658,378
Other liabilities	17	3,567,844	2,919,916
Employee benefits	18	7,597,102	7,028,418
Total current liabilities		19,651,069	18,917,821
Non-current liabilities			
Lease liabilities	16	877,657	1,357,997
Employee benefits	18	1,346,109	1,127,310
Total non-current liabilities		2,223,766	2,485,307
Total liabilities		21,874,835	21,403,128
Net assets		43,441,413	46,698,922
Equity			
Asset revaluation reserve	19	10,285,703	10,285,703
Retained surplus		33,155,710	36,413,219
Total equity		43,441,413	46,698,922

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

DPV Health Ltd
Statement Of Changes In Equity
For the year ended 30 June 2023

	Asset revaluation reserve $	Retained Surplus $	Total equity $
Balance at 1 July 2021	10,285,703	33,045,096	43,330,799
Surplus for the year	-	3,368,123	3,368,123
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,368,123	3,368,123
Balance at 30 June 2022	10,285,703	36,413,219	46,698,922

	Asset revaluation reserve $	Retained Surplus $	Total equity $
Balance at 1 July 2022	10,285,703	36,413,219	46,698,922
Deficit for the year	-	(3,257,509)	(3,257,509)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(3,257,509)	(3,257,509)
Balance at 30 June 2023	10,285,703	33,155,710	43,441,413

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

DPV Health Ltd
Statement Of Cash Flows
For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from clients and government grants		70,059,796	82,927,133
Payments to suppliers and employees		(68,270,012)	(72,406,648)
Interest received		755,694	76,211
Finance costs		(96,671)	(102,075)
Net cash from operating activities	20	2,448,807	10,494,621
Cash flows from investing activities			
Payments for property, plant and equipment		(3,664,158)	(3,208,914)
Net cash used in investing activities		(3,664,158)	(3,208,914)
Cash flows from financing activities			
Purchase of financial assets		(3,000,222)	(11,000,000)
Repayment of lease liabilities		(811,762)	(556,449)
Net cash used in financing activities		(3,811,984)	(11,556,449)
Net decrease in cash and cash equivalents		(5,027,335)	(4,270,742)
Cash and cash equivalents at the beginning of the financial year		9,626,626	13,897,368
Cash and cash equivalents at the end of the financial year	6	4,599,291	9,626,626

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

Note 1. Significant accounting policies

The financial statements cover DPV Health Ltd (herein referred to as DPV Health) as an individual entity, incorporated and domiciled in Australia. DPV Health is a not-for-profit company limited by guarantee and is primarily involved in community health and enhanced primary care services.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012.*

The company 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.

These 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, these financial statements comply with Australian Accounting Standards – Simplified Disclosures.

These financial statements were authorised for issue by the Board of Directors on 31 October 2023.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment.

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.

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.

Functional and presentation currency and rounding

These financial statements are presented in Australian dollars, which is the company's functional 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.

Impairment of assets

At the end of each reporting period, the company 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 the company 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.

Note 1. Significant accounting policies (continued)

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, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in trade and other receivables or trade and other payables in the Statement of Financial Position.

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

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

Economic dependence
DPV Health is dependent upon the State of Victoria, via the Department of Health, for the funding of a significant proportion of its operations. At the date of this report the Board of Directors believe the Department will continue to support DPV Health.

Fair value of assets and liabilities
The company 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 Accounting Standards.

"Fair value" is the price the company 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 information.

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 company 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 may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

Accounting standards issued but not yet effective
There are no accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to DPV Health in future periods.

Note 1. Significant accounting policies (continued)

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.

Note 2. Critical accounting judgements, estimates and assumptions

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the company's accounting policies. These judgements have the most significant effect on the amounts recognised in the financial statements.

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

Fair value of land and buildings
The valuation of land and buildings involves various assumptions which are used by valuation experts which include useful lives and current market prices.

Identifying performance obligations under AASB 15
To identify a performance obligation under AASB 15: *Revenue from Contracts with Customers*, 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, the company 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.

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

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include:

- the importance of the asset to the company's operations
- comparison of terms and conditions to prevailing market rates
- incurrence of significant penalties
- existence of significant leasehold improvements, and
- the costs and disruption to replace the asset.

The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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

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

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

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Contract liabilities
Depending on the nature of the agreement, some grant payments will be required to be recognised as contract liabilities until grant conditions are satisfied. There is some element of judgement in determining partial completion of some grant conditions.

Note 3. Revenue

	2023 $	2022 $
Revenue from contracts with customers	64,137,200	73,723,021

Note 3. Revenue (continued)

Disaggregated revenue
The company has disaggregated revenue by the nature of revenue and timing of revenue recognition.

	2023 $	2022 $
Categories of disaggregation		
Government grant funding	42,284,885	57,458,643
Non-government funding	6,767,554	3,535,619
Medicare revenue	3,546,816	3,141,379
NDIS revenue	9,949,347	8,450,837
Client fees	1,588,598	1,136,543
Total disaggregated revenue from contracts with customers under AASB 15	64,137,200	73,723,021
Timing of revenue recognition		
Services transferred to customers at a point in time	25,375,933	39,259,764
Services transferred to customers over time	38,761,267	34,463,257
	64,137,200	73,723,021

Accounting policy for revenue
Government and non-government grants
When the company 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, the company:

- 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, at the time of which services are rendered.

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

- recognises the asset received in accordance with the recognition requirements of other applicable 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 liabilities, financial instruments, provisions, revenue or contract liabilities 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 in accordance with AASB 1058: *Income of Not-for-profit Entities*.

Performance obligations
The types of government grants recognised under AASB 15 includes:

Customer	Significant program or activity
Victorian Department of Health	Perpetrators Responses Family Violence
Victorian Department of Health	Integrated Chronic Disease Management
Victorian Department of Health	Community Health
Victorian Department of Health	HACC Allied Health
Commonwealth Department of Health	Community and Home Support
Dental Health Services Victoria	State Dental Health and National Partnership Program

Note 3. Revenue (continued)

Perpetrators Responses Family Violence	This program includes a range of services which aim to reduce violence and enhance the safety of victim survivors experiencing or recovering from family violence. The company'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 the services are provided to the community on behalf of the customer. The company uses the output method to measure its progress in satisfying its performance obligation.
Integrated Chronic Disease Management	This program supports chronic disease management services. The company'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 the services are provided to the community on behalf of the customer. The company uses the output method to measure its progress in satisfying its performance obligation.
Community Health	This program includes the provision of general counselling, allied health and nursing services. The company'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. The company uses the output method to measure its progress in satisfying its performance obligations.
HACC Allied Health	This program includes the provision of allied health services, including clinical assessments, treatment, therapy or professional advice. The company'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. The company uses the output method to measure its progress in satisfying its performance obligations.
Community and Home Support	This program includes the provision of a range of services, including podiatry, occupational therapy, physiotherapy, social work, dietetics and speech pathology. The company'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. The company uses the output method to measure its progress in satisfying its performance obligations.
State Dental Health and National Partnership Program	DPV Health provides low cost or free dental care to concession card holders, children of low-income earners, Aboriginal and Torres Strait Islander people, pregnant women, registered clients of mental health and disability services, refugees and asylum seekers and homeless people. Funding is claimed in arrears after the service is provided. Revenue is recognised based on the number of DWAU (Dental Weighted Average Units) claimed based on a fee structure items.

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. The company receives volunteer services from members of the community. Whilst the provision of such volunteer services are important to the achievement of the companies objectives, as an accounting policy choice, the company has elected not to recognise such volunteer contributions as revenue and expenditure within profit or loss. This election has no impact on the company's surplus or net assets.

Medicare and client fees
Patient fees are charges that can be levied on patients for some services they receive. Patient fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied.

National Disability Insurance Scheme (NDIS) revenue
This activity includes the provision of individualised support and services to people with a disability. The company's performance obligation is to deliver services in accordance with each participant's approved plan, which is developed based on the participant's needs and requirements. Revenue is recognised over time as the individual simultaneously receives and consumes the benefits provided by the company. The company uses the output method to measure its progress in satisfying its performance obligations.

Note 3. Revenue (continued)

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

Note 4. Other income

	2023 $	2022 $
Rental income	729,138	309,210
Other income	714,782	200,919
Interest received	755,694	76,211
Gain on sale of property, plant and equipment	-	9,091
Other income	2,199,614	595,431

Accounting policy for other income
Rental income
Income is recognised on a straight-line basis over the lease term.

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

Interest income
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 5. Expenses

The company has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the company's financial performance.

Depreciation and amortisation expense

	2023 $	2022 $
Property, plant and equipment:		
Buildings	513,684	511,495
Leasehold improvements	53,186	53,183
Office furniture and equipment	791,425	670,736
Motor vehicles	170,039	162,409
Other property, plant and equipment	631,977	507,980
	2,160,311	1,905,803
Right-of-use assets:		
Buildings	785,820	549,434
Motor vehicles	46,007	66,714
	831,827	616,148
Intangible assets:		
Software	289,393	370,812
Total depreciation and amortisation expense	3,281,531	2,892,763

Note 5. Expenses (continued)

Finance costs

	2023 $	2022 $
Interest expense	96,671	102,075
Bank charges	29,818	25,650
Total finance costs	126,489	127,725

Employee benefits expense

	2023 $	2022 $
Salaries and wages	44,973,737	45,006,581
On-costs	4,465,672	4,234,404
Agency expenses	2,385,341	5,798,355
Work cover premium	488,865	272,228
Total employee benefits expense	52,313,615	55,311,568

Accounting policy for expenses recognition
Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Note 6. Cash and cash equivalents

	2023 $	2022 $
Current assets		
Cash on hand	7,363	3,147
Cash at bank	3,591,928	3,623,479
Short term bank deposits	1,000,000	6,000,000
Total cash and cash equivalents	4,599,291	9,626,626

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.

Note 7. Trade and other receivables

	2023 $	2022 $
Current assets		
Trade receivables	1,379,169	2,531,587
Less: Allowance for expected credit losses	(79,610)	(211,102)
Other receivables	1,459,487	2,476,478
	2,759,046	4,796,963

Accounting policy for trade and other receivables
Trade receivables are initially recognised at the transaction price and subsequently measured at amortised cost, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 8. Other assets

	2023 $	2022 $
Current assets		
Prepayments	804,811	366,874

Note 9. Inventories

	2023 $	2022 $
Current assets		
Inventory - at cost	-	41,046

Accounting policy for inventories
Inventory held by DPV Health comprises personal protective equipment and consumables.

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

Note 10. Financial assets

	2023 $	2022 $
Current assets		
Short term bank deposits	18,139,799	15,139,576

Accounting policy for financial assets
Financial assets comprise term deposits which have a maturity date of greater than three months and less than twelve months and are recognised at amortised cost. Refer to Note 21 for further information about DPV Health's accounting policies for financial assets.

Note 11. Property, plant and equipment

	2023 $	2022 $
Non-current assets		
Freehold land - at valuation	11,230,000	11,230,000
Buildings - at valuation	21,263,047	21,263,047
Less accumulated depreciation	(6,137,827)	(5,624,143)
	15,125,220	15,638,904
Leasehold improvements - at cost	1,357,831	1,357,831
Less accumulated depreciation	(713,137)	(659,951)
	644,694	697,880
Office furniture and equipment - at cost	13,824,354	12,869,454
Less accumulated depreciation	(8,180,624)	(7,389,203)
	5,643,730	5,480,251
Motor vehicles - at cost	2,091,967	1,979,407
Less accumulated depreciation	(1,648,405)	(1,497,984)
	443,562	481,423
Other property, plant and equipment - at cost	4,011,089	3,349,771
Less accumulated depreciation	(2,791,055)	(2,159,078)
	1,220,034	1,190,693
Assets under construction	2,757,018	1,253,755
Total property, plant and equipment	37,064,258	35,972,906

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

	Land $	Buildings $	Leasehold Improvements $	Office furniture and equipment $	Motor vehicles $	Other property, plant and equipment $	Capital works in progress $	Total $
Balance at 1 July 2022	11,230,000	15,638,904	697,880	5,480,251	481,423	1,190,693	1,253,755	35,972,906
Additions	-	-	-	417,877	169,958	-	3,076,324	3,664,159
Disposals	-	-	-	-	(37,780)	-	-	(37,780)
Transfers in/(out)	-	-	-	537,027	-	661,318	(1,573,061)	(374,716)
Depreciation expense	-	(513,684)	(53,186)	(791,425)	(170,039)	(631,977)	-	(2,160,311)
Balance at 30 June 2023	11,230,000	15,125,220	644,694	5,643,730	443,562	1,220,034	2,757,018	37,064,258

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. The company'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 the company expects to use during more than one period.

Note 11. Property, plant and equipment (continued)

Property
Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, which are conducted at least every three years, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of 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.

In recognition of the impact of COVID-19 on the Australian and Victorian State economies, and to guide their judgement on the value of properties, the directors commissioned independent valuations from Knight Frank on all 8 properties in the portfolio as at 30 June 2020. The fair value attributed to land was $11,230,000 and the fair value attributed to buildings was $16,520,000. Knight Frank have disclosed a level of uncertainty in their reports due to the impact of COVID-19, which is in line with guidance from The Royal Institution of Chartered Surveyors.

As at 30 June 2023 the directors reviewed the key assumptions made by the valuers in June 2020. They have concluded that the assumptions remain materially unchanged, and are satisfied that carrying value does not exceed the recoverable amount of land and buildings at 30 June 2023.

Plant and Equipment
Plant and equipment is 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 in profit or loss.

Depreciation
The depreciable amount of all fixed assets, including right-of-use assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets, which are consistent with the previous reporting period, are as follows:

Class of Fixed Asset	**Depreciation Rate**
Buildings	4%
Leasehold improvements	5-20%
Office furniture and equipment	10-100%
Motor vehicles	25-100%
Other property, plant and equipment	33-50%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Note 12. Right-of-use assets

	2023 $	2022 $
Non-current assets		
Buildings - right-of-use	3,213,875	2,704,861
Less: Accumulated depreciation	(1,706,709)	(949,363)
	1,507,166	1,755,498
Motor vehicles - right-of-use	242,693	242,693
Less: Accumulated depreciation	(196,977)	(150,970)
	45,716	91,723
	1,552,882	1,847,221

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

	Leased buildings $	Leased motor vehicles $	Total $
Balance at 1 July 2022	1,755,498	91,723	1,847,221
Additions	537,488	-	537,488
Depreciation expense	(785,820)	(46,007)	(831,827)
Balance at 30 June 2023	1,507,166	45,716	1,552,882

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.

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 (new assets where the underlying asset value is $10,000 or less). Lease payments on these assets are expensed to profit or loss as incurred.

Note 13. Intangible assets

	2023 $	2022 $
Non-current assets		
Software - at cost	2,664,047	2,289,331
Accumulated amortisation	(2,267,886)	(1,978,493)
	396,161	310,838
Customer contracts - at cost	140,000	140,000
Accumulated amortisation	(140,000)	(140,000)
	-	-
Total intangibles	396,161	310,838

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

	Software $	Customer contracts $	Total $
Balance at 1 July 2022	310,838	-	310,838
Transfers	374,716	-	374,716
Amortisation expense	(289,393)	-	(289,393)
Balance at 30 June 2023	396,161	-	396,161

Note 14. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade payables	933,033	789,166

Accounting policy for trade and other payables
Trade and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30-60 days of recognition.

Note 15. Contract liabilities

	2023 $	2022 $
Current liabilities		
Contract liabilities - government grants	6,688,645	7,521,943

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

Note 16. Lease liabilities

	2023 $	2022 $
Current liabilities		
Lease liabilities	864,445	658,378
Non-current liabilities		
Lease liabilities	877,657	1,357,997
	1,742,102	2,016,375
Maturity analysis		
Payable		
Within one year	677,764	588,282
One to five years	939,508	1,155,475
More than five years	196,984	443,294
Unexpired interest	(94,607)	(170,676)
Present value of lease liabilities	1,719,649	2,016,375

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

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index or a rate used
- residual guarantee
- lease term
- certainty of a purchase option and termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Concessionary/peppercorn leases
The company holds two concessionary leases:

Mill Park	The company holds a 10 year concessionary lease with the City of Whittlesea (CoW) for the use of the property located at 31 Morang Drive Mill Park, from which DPV Health conduct services in accordance with the company's Service Agreement with the CoW. The lease expired on 21 January 2019 and is currently in holdover. The company may not use this space for any other purpose during the lease term without prior consent of the CoW. The lease payments are $104 (ex GST) per annum, payable yearly in advance.
Epping – Northern Health	The company holds a 3 year concessionary lease with Northern Health (NH) for the use of the property located at 185 Cooper Street, Epping, from which DPV Health conduct dental services in accordance with the company's Service Agreement with the Dental Health Services Victoria (DHSV). The lease expires on 30th September 2023. The company may not use this space for any other purpose during the lease term without prior consent of either NH or DHSV. The lease payments are $1 (ex GST) per annum, payable yearly in advance.

Note 17. Other liabilities

	2023 $	2022 $
Current liabilities		
Accrued expenses	2,793,820	2,129,872
Other liabilities	774,024	790,044
	3,567,844	2,919,916

Note 18. Employee benefits

	2023 $	2022 $
Current liabilities		
Provision for annual leave	3,869,408	3,386,467
Provision for long service leave	3,325,011	3,276,857
Provision for ADO/TIL	402,683	365,094
	7,597,102	7,028,418
Non-current liabilities		
Provision for long service leave	1,346,109	1,127,310
Total employee benefits	8,943,211	8,155,728

Accounting policy for employee benefits

Short term employee benefits

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

Long-term employee benefits

The company classifies employees' long service leave entitlements as long term employee benefits where employees have not completed the required years of service and 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 the company’s obligation for 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 long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Defined benefits

At 30 June 2023 four, (2022: four) of DPV Health Ltd’s employees will receive defined benefit post-employment benefits from First State Super (3 employees) and ESS (1 employee). First State Super and Emergency Services and State Super (ESS) are a defined benefit multi-employer plan. Sufficient information is not available to account for First State Super and ESS as a defined benefit plan as each employer is exposed to actuarial risks associated with current and former employees of other entities. As a result there is no consistent and reliable basis for allocating the obligation, assets and cost to individual entities. Therefore, DPV Health has adopted defined contribution accounting for these employees.

Note 19. Asset revaluation reserve

The asset revaluation reserve records revaluations of property, plant and equipment:

	2023 $	2022 $
Revaluation surplus reserve	10,285,703	10,285,703

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

	Total $	Total $
Balance at 1 July 2022	10,285,703	10,285,703
Balance at 30 June 2023	10,285,703	10,285,703

Note 20. Cash flow information

	2023 $	2022 $
Surplus/(deficit) for the year	(3,257,509)	3,368,123
Adjustments for:		
Depreciation and amortisation	3,281,531	2,892,763
Loss/(gain) on disposal of property, plant and equipment	37,780	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	2,037,914	559,124
Decrease in inventories	41,046	-
Increase in prepayments	(437,934)	(59,351)
Increase/(decrease) in trade and other payables	143,867	(168,865)
Increase/(decrease) in contract liabilities	(833,298)	3,476,223
Increase in employee benefits	787,483	436,321
Increase/(decrease) in other liabilities	647,927	(9,717)
Net cash from operating activities	2,448,807	10,494,621

Note 21. Financial risk management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable, accounts payable and lease liabilities.

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

	Note	2023 $	2022 $
Financial assets			
Cash and cash equivalents	6	4,599,291	9,626,626
Trade and other receivables	7	2,759,046	4,796,963
Term deposits	10	18,139,799	15,139,576
Total financial assets at amortised cost		25,498,136	29,563,165
Financial liabilities			
Trade and other payables	14	933,033	789,166
Lease liabilities	16	1,742,102	2,016,375
Total financial liabilities at amortised cost		2,675,135	2,805,541

Accounting policy for financial instruments
Initial recognition and measurement
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company 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.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.

Classification and subsequent measurement

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

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

A financial liability cannot be reclassified.

DPV Health classify trade and other payables and lease liabilities in this category.

Financial assets
Financial assets are measured at amortised costs if both of the following criteria are met:

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

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

DPV Health recognises cash and cash equivalents, trade and other receivables and financial assets in this category.

Note 21. Financial risk management (continued)

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the Statement of Financial Position.

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

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

Derecognition of financial assets
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
- the company 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.

Recognition of expected credit losses in financial statements
The company 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.

The company 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.).

At each reporting date, the company 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.

Note 22. Capital commitments

The company had no capital commitments as at 30 June 2023 (2022: $215,000).

Note 23. Contingent liabilities and contingent assets

There are no known contingent assets or contingent liabilities for DPV Health as at 30 June 2023 (2022: nil).

Note 24. 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 25. Key management personnel disclosures

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

The KMP of DPV Health are deemed to be the:

- Board of Directors
- Chief Executive Officer
- Chief Financial Officer & Head of Property
- Chief Information Officer
- Chief Operations Officer
- GM - People & Culture
- GM - Clinical Governance
- GM - Childrens, Youth, Disability & Social Support
- GM - Mental Health, Family Violence & Community
- GM - Primary Care
- Director Dental Services
- Executive Manager Client Experience & Community Engagement

Compensation

The totals of remuneration paid to the key management personnel (including Board Directors) of DPV Health during the year are as follows:

	2023 $	2022 $
Total remuneration of KMP	2,359,272	2,423,898

Outside of ordinary business operation transactions with DPV Health, there were no related parties transactions that involved key management personnel, their close family members and their personal business interest. No provision has been required, nor any expense recognised, for impairment of receivables from related parties (2022: none noted).

Note 26. Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by Victorian Auditor General's Office, the auditor of the company:

	2023 $	2022 $
Remuneration of the Auditors, Victorian Auditor General's Office for:		
- auditing the financial report	50,400	49,000

Note 27. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in Note 25.

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

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

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

Note 28. Registered office/principal place of business

The registered office is:
L1, 2 Graystone Court
Epping VICTORIA 3076

The principal places of business are:
42-48 Coleraine Street
Broadmeadows VICTORIA 3047

DPV Health Ltd
Directors' Declaration
30 June 2023

In accordance with a resolution of the directors of DPV Health, the directors of the company declare that:

The attached financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

- comply with Australian Accounting Standards – Simplified Disclosures, and
- give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that the company 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.*

Emmanuel Tsakis
Board Chair

Vincent Cain
Chair, Finance, Risk & Audit Committee

31 October 2023

Independent Auditor's Report

VAGO
Victorian Auditor-General's Office

To the Directors of DPV Health Ltd

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

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
8 November 2023

Sanchu Chummar
as delegate for the Auditor-General of Victoria

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
8 November 2023

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MELBOURNE
8 November 2023

Sanchu Chummar
as delegate for the Auditor-General of Victoria

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