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# CVGT Australia Limited and its controlled entity

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ABN: 46 006 178 641

General Purpose Financial Statements -  
Simplified Disclosure Standard

For the Year Ended 30 June 2022

# CVGT Australia Limited and its controlled entity

30 June 2022

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# CVGT Australia Limited and its controlled entity Directors' Report

The Directors present their report on CVGT Australia Ltd and its Controlled Entity for the financial year ended 30 June 2022. In order to comply with the provisions of the Australian Charities and Not-for-Profits Commission Act 2012, the Directors report as follows:

## Directors

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

Ms. Elizabeth Corbett  
Mr. Lee Bombardieri  
Ms. Judith Holt  
Ms. Jan Boynton  
Mr. Paul Macartney  
Mr. David Richardson  
Ms. Fleur Jackson  
Ms. Helen Symes

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

## Principal Activities

The principal activities of the company during the financial year were to connect people to meaningful work through the provision of employment solutions. No significant changes in the nature of the company's activity occurred during the financial year.

## Review of Operations

The surplus of the company for the financial year ended 30 June 2022 after provision for income tax was:

Year ended	Year ended
30 June 2022	30 June 2021
\$	\$
4,174,575	12,459,745

For the year ended 30 June 2022, the company's results are commendable in light of significant macroeconomic headwinds and changes in State and Federal Government policy impacting client servicing, referrals and the awarding of business under new and/or rolled-over employment assistance programs. The positive year end result is again due to strong placement and conversion rates and responsible fiscal management practices; which offset \$1.5m in unrealised losses to date on the company's significant financial investment of \$20 million under the management of JBWere. The surplus recorded is a testament to the hard work, dedication and flexibility involved within the company during this period of ongoing, tumultuous operating conditions and evolving government policy change.

# CVGT Australia Limited and its controlled entity Directors' Report

## Short-term and Long-Term Objectives

The company's short-term objectives are to:

- Further consolidate our financial position following the conclusion of the corporate restructure program and in light of the economic impacts of the COVID-19 pandemic;
- Continually investigate and invest in people & culture improvements, expand the Company's risk awareness, responsiveness and preparedness, while still remaining focused on our key purpose to transform lives;
- Pursue new opportunities for growth and diversification in service offerings (especially those arising from the New Employment Services Model (NESM), Disability Employment Services (DES) and National Disability Insurance Scheme (NDIS) developments), engagement methodologies, partnerships and financial/non-financial investments;
- Leverage technology to better understand and connect with clients, markets and key stakeholders (including State & Federal Governments); while continuously improving business practices and governance methods; and
- Transform staff, clients and other stakeholders into brand advocates to enhance the company's presence.

The company's long-term objectives are to:

- Become a digitally enabled, risk-mature and agile organisation that flexibly responds and adapts to changing economic conditions, innovation opportunities and employment markets;
- Grow our geographic, brand and advocacy footprint, becoming a trusted partner, services provider and source of employment services expertise, delivering on our purpose to connect people with meaningful work and thereby transform lives; and
- Foster a culture of service and performance excellence, with structured learning, development, advancement and recognition/reward opportunities for staff.

## Strategies

To achieve its stated objectives, the company has adopted various strategies, which are to:

- Invest in customer/organisation engagement and content creation resources to better reach target markets as part of a "digital-first" environment;
- Implement dynamic business intelligence and risk management systems to capture, store, interpret and leverage data to better understand business performance and seize upon opportunities for innovation and improvement;
- Develop new performance and reward systems to better attract, retain and re-invest in staff, bolstering long-term organisational capacity; and
- Continually investigate and develop service offerings to reflect changing employment services markets/macro-environmental trends, while delivering opportunities for growth and development in the communities in which we operate.

# CVGT Australia Limited and its controlled entity Directors' Report

## Information on Directors

<b>Ms. Elizabeth Corbett</b>	-	<b>Director, Chairperson</b>
<i>BSW, GDM, MHA, FAICD</i>	-	
Occupation	-	Management Consultant
Experience and Expertise	-	Member of the Board since 2016. Ms Corbett is an experienced non-executive director, small business owner, tertiary educator and management consultant having worked with organisations across Australia and internationally. She is a Fellow of the Australian Institute of Company Directors and has 26 years' governance experience on a range of boards within government, health, community services, disability and professional associations. Ms Corbett has held numerous office bearing positions, including as the chair of Yooralla Society Victoria, treasurer of General Practice Support Services Ltd. and president of the Victorian State Government's Disability Services Board. In addition to the position with CVGT Australia, Ms Corbett is the Deputy Chairperson of the Board of Daylesford Macedon Tourism Ltd.
Special Responsibilities	-	Chairperson, People & Culture Sub Committee
<b>Mr. Lee Bombardieri</b>	-	<b>Director, Deputy Chairperson</b>
<i>BBus (Acc), GAICD</i>	-	
Occupation	-	Project Manager
Experience and Expertise	-	Member of the Board since September 2017. Mr Bombardieri is a former General Manager of a large manufacturing and construction materials supply company based throughout regional Victoria and Southern New South Wales, and is presently employed as a Project Manager on a significant Victorian infrastructure development. He has also served as Shareholder, Director and Dealer Principal of a multi franchise regionally based automotive dealership for a number of years. Mr Bombardieri has 26 years of extensive commercial experience in leadership and manufacturing with a particular strength in business acquisition and integration. Mr Bombardieri is currently a member of the Finance Committee, St Therese's Parish, Kennington and has previously served as Chairperson of a number of education sector governance Boards and Committees.
Special Responsibilities	-	Member, Investments Sub Committee; Member, Audit & Risk Sub Committee

# CVGT Australia Limited and its controlled entity Directors' Report

## Information on Directors (continued)

<b>Ms. Judith Holt</b> <i>Bbus (Acc), FGIA, FCG, GAICD</i>	-	<b>Director</b>
Occupation	-	Local Government Executive
Experience and Expertise	-	Ms. Holt was appointed as an independent member of the CVGT Board Audit & Risk Sub Committee in January 2019 and was appointed to the Board in September 2019. Ms Holt has held senior management roles in local and state government for 25 years and recently held the positions of Executive Manager Organisational Capability at the Mount Alexander Shire Council, and Acting Chief Executive Officer of Loddon Shire Council. She also serves as a Director of GWM Water, and is independent Chairperson of the Dhelkunya Dja Land Management Board Audit and Risk Committee and Fosterville Gold Mine Environment Review Committee.
Special Responsibilities	-	Chairperson, Audit & Risk Sub Committee; Member, Finance Sub Committee
<b>Ms. Jan Boynton</b> <i>BTRP, FAICD</i>	-	<b>Director</b>
Occupation	-	Management Consultant
Experience and Expertise	-	Member of the Board since September 2016. Ms Boynton has more than 27 years' experience in executive positions including: Former Regional Director with Regional Development Victoria, CEO of Radius Disability Services and Director, City Strategy with the City of Greater Bendigo. Ms Boynton is a current Non-Executive Director of Haven; Home, Safe; North Central Catchment Management Authority; the Bendigo Jockey Club (serving as Deputy Chairperson); and is Chairperson of Lifeline Central Victoria and Mallee and the Bendigo Art Gallery respectively.
Special Responsibilities	-	Member, Finance Sub Committee and People & Culture Sub Committee
<b>Mr. Paul Macartney</b> <i>GAICD</i>	-	<b>Director</b>
Occupation	-	Executive Management
Experience and Expertise	-	Member of the Board since September 2017. Mr Macartney is the CEO of Fixus Technologies, a software development business that specialises in creating software solutions for the health industry. He has held executive level roles with a digital flavour for more than 25 years. Mr Macartney has previously served Regional Chair for the Victorian Chamber of Commerce and Industry (2016–2020), as a Non-Executive Director of the Central Victorian Business Network (2007 – 2008), the Bendigo Business Council (2008 – 2009) and Community Foundation Central Vic (2013 – 2015) boards. In addition to his Director position at CVGT Australia, Mr Macartney also sits on the Board of bHive Bendigo.
Special Responsibilities	-	Member, Audit & Risk Sub Committee and People & Culture Sub Committee

# CVGT Australia Limited and its controlled entity Directors' Report

## Information on Directors (continued)

<b>Mr. David Richardson</b>	-	<b>Director</b>
<i>BA, MBA, FAICD</i>		
Occupation	-	Education Executive
Experience and Expertise	-	Member of the Board since September 2016. Mr Richardson has extensive experience in strengthening engagement with industry, government and the community and has held a wide number of executive management roles. He currently serves as the Head of Campus for Bendigo-Kangan TAFE, and prior to that was the Partnerships Manager for Deakin University, and was the Chief Executive Officer of Strategem Financial Group (2007 - 2016). Mr Richardson is Chair of the Victorian Government's Regional Partnership for Loddon Campaspe (2018 – present) and is a member of the Regional Development Advisory Committee (RDAC) to Minister Harriet Shing. He was previously an Independent Director of Coliban Water Authority (2014 - 2019) and the Victorian Chamber of Commerce & Industry (2016 - 2019). Mr Richardson holds a Bachelor of Arts, a Masters of Business Administration and is a Fellow of the Australian Institute of Company Directors.
Special Responsibilities	-	Chairperson, Investments Sub Committee; Member, Finance Sub Committee
<b>Ms. Fleur Jackson</b>	-	<b>Director</b>
<i>BA/LLB, GAICD</i>		
Occupation	-	Lawyer
Experience and Expertise	-	Member of the Board since September 2017. Ms Jackson is an accredited specialist in personal injury law, employed as Senior Legal Counsel, Work and Road Claims Victoria at Slater & Gordon Lawyers. Admitted to legal practice in 2003, Ms Jackson has established herself as an expert in WorkCover and common law injury claims, with additional experience in public liability and motor accident litigation. Ms Jackson also serves as a Director and the Deputy Chairperson of Girton Grammar School, while being a member of the Law Institute of Victoria, The Australian Lawyers Alliance, and the Bendigo Law Association. She previously served as the Honorary Secretary of Lifeline Central Victoria and Mallee (2017 – 2020). She is also a Member of the Law Institute of Victoria Workers Compensation Committee.
Special Responsibilities	-	Member, Audit & Risk Sub Committee and People & Culture Sub Committee
<b>Ms Helen Symes</b>	-	<b>Director</b>
<i>BBus (Acc), Dip. Fin. Planning, CertIV Agriculture, CPA, GAICD</i>		
Occupation	-	Management Consultant & Finance Manager
Experience and Expertise	-	Member of the Board since January 2019. Ms Symes is a Certified Practising Accountant and has over 28 years of diverse finance experience across a wide range of industries from healthcare, emergency services, corporate agriculture, media and public practice. She has held senior finance roles in both private and government organisations, including Ambulance Service Victoria, Warakirri Pty Ltd and Wimmera Health Care Group. She is also a partner in a dryland farming enterprise. Helen is also a Non-Executive Director of Coliban Water, chairing the Audit, Risk and Finance Committee.
Special Responsibilities	-	Chairperson, Finance Sub Committee; Member, Investments Sub Committee

# CVGT Australia Limited and its controlled entity Directors' Report

## Company Secretary

The Company Secretary is Will Rosewarne (appointed 25 July 2017). Mr Rosewarne is not a member of the company and does not serve in any other capacity. He attended all Board meetings in 2021-2022, and submitted an apology for one meeting of the Finance Sub Committee in December 2021.

## Meetings of Directors

The number of Directors meetings attended by each of the Directors of the company during the year were:

	Director's Meetings	
	Number eligible to attend	Number attended
Ms. Elizabeth Corbett	9	9
Mr. Lee Bombardieri	9	9
Ms. Judith Holt	9	9
Ms. Jan Boynton	9	9
Mr. Paul Macartney	9	9
Mr. David Richardson	9	9
Ms. Fleur Jackson	9	9
Ms. Helen Symes	9	8

The company is limited by guarantee established under the *Corporations Act 2001 (Cth)*. If the company is wound up, the Constitution provides that each member is required to contribute a maximum of \$50 each towards any outstanding obligations of the company.

## Significant Changes in the State of Affairs

There were no significant changes in the company's state of affairs during the 2021-2022 financial year.

## Events Subsequent to the End of the Reporting Period

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future years.

## Environmental Regulations

The operations of the company are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

## Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 7 of the financial report.

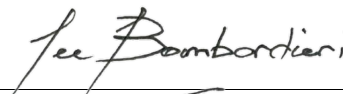
Signed in accordance with a resolution of the Board of Directors:

Chairperson



Ms. Elizabeth Corbett

Deputy Chair



Mr. Lee Bombardieri

Dated this 28th day of September 2022.



# Auditor Independence Declaration Under S60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Directors of CVGT Australia Limited and Controlled Entity

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- 1) The auditor independence requirements as set out in Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- 2) Any applicable code of professional conduct in relation to the audit.

## **CROWE AUDIT AUSTRALIA**



**MARTIN THOMPSON**  
Senior Partner

**28 September 2022**  
**Geelong Victoria**

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

# CVGT Australia Limited and its controlled entity Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Income	2	53,476,521	51,243,287
Other income	2	368,498	4,247,843
Advertising and associated costs		(571,719)	(277,425)
Audit and consultancy costs		(1,198,263)	(688,233)
Depreciation expense	3	(3,320,309)	(3,574,111)
Employee benefit expense		(37,175,968)	(33,661,653)
Occupancy and associated costs		(1,297,010)	(1,178,273)
Program costs		(874,708)	(837,278)
Repairs and maintenance costs		(496,466)	(453,782)
Subscriptions and membership costs		(619,016)	(527,427)
Telecommunication costs		(872,955)	(319,760)
Travel and motor vehicles costs		(583,774)	(353,401)
Other expenses		(2,660,256)	(1,160,041)
<b>Current year surplus before income tax expense</b>		<b>4,174,575</b>	<b>12,459,745</b>
Income tax expense		-	-
<b>Net current year surplus</b>		<b>4,174,575</b>	<b>12,459,745</b>
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to members of the entity</b>		<b>4,174,575</b>	<b>12,459,745</b>

# CVGT Australia Limited and its controlled entity

## Consolidated Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	4	11,391,833	27,691,460
Trade and other receivables	5	914,834	1,859,767
Financial assets	6	18,203,279	159,016
Other current assets	7	848,754	755,031
<b>Total current assets</b>		<b>31,358,700</b>	<b>30,465,274</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	11,601,222	12,040,055
Right of use assets	9	4,766,080	6,957,875
<b>Total non-current assets</b>		<b>16,367,302</b>	<b>18,997,930</b>
<b>Total assets</b>		<b>47,726,002</b>	<b>49,463,204</b>
<b>Current liabilities</b>			
Trade and other payables	10	2,077,822	2,227,128
Other financial liabilities	11	2,759,092	6,199,682
Provisions	12	2,583,653	2,690,797
Lease liabilities	13	1,969,456	2,814,350
<b>Total current liabilities</b>		<b>9,390,023</b>	<b>13,931,957</b>
<b>Non-current liabilities</b>			
Provisions	12	277,682	313,279
Lease liabilities	13	3,227,444	4,561,690
<b>Total non-current liabilities</b>		<b>3,505,126</b>	<b>4,874,969</b>
<b>Total liabilities</b>		<b>12,895,149</b>	<b>18,806,926</b>
<b>Net assets</b>		<b>34,830,853</b>	<b>30,656,278</b>
<b>Equity</b>			
Retained surplus		34,830,853	30,656,278
<b>Total equity</b>		<b>34,830,853</b>	<b>30,656,278</b>

# CVGT Australia Limited and its controlled entity

## Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

	Note	General Reserves \$	Retained Surplus \$	Total Equity \$
<b>Balance at 30 June 2020</b>		<b>70,261</b>	<b>18,126,272</b>	<b>18,196,533</b>
Surplus for the year		-	12,459,745	12,459,745
Other comprehensive income for the year		-	-	-
Transfer to reserve		(70,261)	70,261	-
<b>Total comprehensive income for the year attributable to members of the entity</b>		<b>(70,261)</b>	<b>12,530,006</b>	<b>12,459,745</b>
<b>Balance at 30 June 2021</b>		<b>-</b>	<b>30,656,278</b>	<b>30,656,278</b>
Surplus for the year		-	4,174,575	4,174,575
Other comprehensive income for the year		-	-	-
<b>Total comprehensive income for the year attributable to members of the entity</b>		<b>-</b>	<b>4,174,575</b>	<b>4,174,575</b>
<b>Balance at 30 June 2022</b>		<b>-</b>	<b>34,830,853</b>	<b>34,830,853</b>

# CVGT Australia Limited and its controlled entity

## Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		50,980,862	62,661,562
Payments to suppliers and employees		(45,159,205)	(45,094,296)
Interest received		368,498	118,624
<b>Net cash provided by operating activities</b>	15	<b>6,190,155</b>	<b>17,685,890</b>
<b>Cash flows from investing activities</b>			
Purchase of investments		(19,548,591)	-
Purchase of property, plant and equipment		(1,068,692)	(809,097)
Proceeds from sale of property, plant and equipment		-	203,172
<b>Net cash used in investing activities</b>		<b>(20,617,283)</b>	<b>(605,925)</b>
<b>Cash flows from financing activities</b>			
Repayments of leases		(2,031,515)	-
<b>Net cash provided by / (used in) financing activities</b>		<b>(2,031,515)</b>	<b>-</b>
<b>Net increase / (decrease) in cash held</b>		<b>(16,458,643)</b>	<b>17,079,965</b>
Cash and cash equivalents at the beginning of the financial year		27,850,476	10,770,511
<b>Cash and cash equivalents at the end of the financial year</b>	4(a)	<b>11,391,833</b>	<b>27,850,476</b>

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

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### Note 1. Summary of Significant Accounting Policies

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The consolidated financial statements and notes represent those of CVGT Australia Ltd and Controlled Entity (the Group).

The consolidated financial statements were authorised for issue on the 28 September 2022 by the directors of the Group.

#### Basis of preparation

The general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-Profits Commission Act 2012*. The Group is a not-for-profit entity for the purposes of preparing the financial statements.

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 the consolidated financial statements are presented below and have been consistently applied unless otherwise stated.

The consolidated 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. The amounts presented in the consolidated financial statements have been rounded to the nearest dollar.

#### Basis of consolidation

The consolidated financial statements comprise the financial statements of merged entities CVGT Australia Limited (Parent) and Eworks Employment Solutions Incorporated (Eworks). Eworks was dissolved on 16 June 2021 and there were no transactions by this entity.

All transactions between the Group are eliminated on consolidation. Amounts reported in the consolidated financial statements of the Parent have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The merger of the parent and Eworks has been treated as a common control transaction. Business combination involving entities under common control are outside of the scope of *AASB 3 Business Combinations*. Accordingly, the Group has adopted a pooling of interests method to account for the merger, whereby:

- the assets and liabilities were transferred to the parent entity as at the merger date at their book value;
- no goodwill or other intangibles are recorded; and
- any expenses of the merger are expenses.

#### New and revised accounting standards

All new, revised, amending standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the Group's financial statements.

No accounting standards have been adopted earlier than the application date as stated in the standard.

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### Accounting Policies

##### (a) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- *Government income:* Government revenue is derived from services and programs performed on behalf of state, commonwealth and local governments. These are recognised in the period in which the services are provided, having regard to the stage of completion of activities and targets within each program as specified in the funding and service contracts. Any funding received for services which have not been performed is recorded as a liability in the statement of financial position.
- *Government grants:* When Government grants are received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor.
- *Interest:* Interest is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.
- *Other:* Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

##### (b) Income tax

The Group is exempt from paying income tax under section 50-45 of the *Income Tax Assessment Act 1997* and subsequently has not been charged any income tax expense.

##### (c) Goods and services tax (GST)

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 is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and 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.

##### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

##### (e) Trade and other receivables

Trade and other receivables include amounts from trade debtors, donors, and any outstanding grant receipts 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.

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

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**Note 1. Summary of Significant Accounting Policies (continued)**

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**(f) 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.

**Property, 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 or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (h) for details of impairment).

Plant and equipment 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.

**Right of Use (ROU) Assets**

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

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

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

**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 the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of fixed asset</b>	<b>Depreciation rate</b>
Land and buildings	0% - 2.5%
Plant and equipment	10% - 33%
Motor vehicles	15% - 20%

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

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 recognised in profit or loss in the period in which they arise.



# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (g) Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

##### Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

##### (i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

##### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### (iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

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**Note 1. Summary of Significant Accounting Policies (continued)**

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**(g) Financial instruments (continued)****Impairment**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors (or a group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(h) Impairment of assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. 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 in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(i) Trade and other payables**

Trade and other payables represent the liabilities for goods and services received by the Group during the reporting period 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.

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

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**Note 1. Summary of Significant Accounting Policies (continued)**

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**(j) Provisions**

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

**(k) Employee benefits****Short-term employee benefits**

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

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

The Group 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 the Group'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 government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurements of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

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

**(l) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (l) Leases (continued)

##### (i) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### (ii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

#### (m) Comparative figures

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

#### (n) Critical accounting estimates and judgements

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

#### Key estimates

##### (i) Impairment

The Group assesses impairment at each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing the recoverable amounts incorporate a number of key estimates.

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

#### (n) Critical accounting estimates and judgements (continued)

##### Key judgments

##### (i) Provision for expected credit losses

Current trade receivables are generally on 30 to 60 day terms. These receivables are assessed for recoverability and a provision for expected credit losses is recognised when there is objective evidence that an individual trade receivable is impaired. As at 30 June 2022 a provision for expected credit losses of \$9,853 (2021: \$10,417) was recognised based on an individual assessment.

##### (ii) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Group expects all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the Group believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled.

<b>Note 2. Revenue</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Operating activities:		
- Group Training and Labour Hire income	7,546,873	7,285,688
- Jobactive income	18,638,440	18,666,172
- DES income	17,942,113	18,235,714
- TTW income	1,470,017	1,972,680
- ParentsNext income	4,801,681	3,661,697
- Other program income	2,456,640	699,954
- Other income	620,757	721,382
Total revenue from operation activities	<b>53,476,521</b>	<b>51,243,287</b>
Non-operating activities:		
- Sundry income	22,996	3,954,365
- Interest received	345,502	118,624
- Gains on disposal of assets	-	174,854
Total revenue from non-operating activities	<b>368,498</b>	<b>4,247,843</b>
Total revenue	<b>53,845,019</b>	<b>55,491,130</b>

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
<b>Note 3. Expenses</b>		
<i>Surplus before income tax includes the following specific expenses</i>		
Depreciation and amortisation		
- Land and buildings	318,487	310,311
- Plant and equipment	711,926	786,961
- Motor vehicles	245,725	219,842
- Right of use assets vehicles	524,900	312,027
- Right of use assets properties	1,519,271	1,944,970
	<u>3,320,309</u>	<u>3,574,111</u>
Auditors' Remuneration		
- Audit or review of the financial report of the Group	22,000	22,000
- Other non-audit services rendered during period	2,500	2,200
	<u>24,500</u>	<u>24,200</u>
<b>Note 4. Cash and Cash Equivalents</b>		
<i>CURRENT</i>		
Cash on hand	6,310	12,322
Cash at bank	10,735,523	4,966,923
Short-term investments - term deposits	650,000	22,712,215
	<u>11,391,833</u>	<u>27,691,460</u>
<b>(a) Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	11,391,833	27,691,460
Term deposits	-	159,016
	<u>11,391,833</u>	<u>27,850,476</u>
<b>Note 5. Trade and Other Receivables</b>		
<i>CURRENT</i>		
Trade receivables	280,805	582,717
Provision for bad debts	(9,853)	(10,417)
	<u>270,952</u>	<u>572,300</u>
Other receivables - Accrued income	643,882	1,287,467
	<u>914,834</u>	<u>1,859,767</u>
<b>Note 6. Financial Assets</b>		
<i>CURRENT</i>		
Investments	18,053,279	-
Term deposits	150,000	159,016
	<u>18,203,279</u>	<u>159,016</u>

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
<b>Note 7. Other Assets</b>		
<i>CURRENT</i>		
Prepayments	493,085	351,294
Security deposits	355,669	365,714
Accrued interest	-	38,023
	<u>848,754</u>	<u>755,031</u>
<b>Note 8. Property, Plant and Equipment</b>		
<i>NON-CURRENT</i>		
Land and buildings		
At cost	14,593,777	14,321,609
Accumulated depreciation	(4,676,860)	(4,358,373)
	<u>9,916,917</u>	<u>9,963,236</u>
Plant and equipment		
At cost	5,404,132	5,179,232
Accumulated depreciation	(4,366,814)	(3,952,384)
	<u>1,037,318</u>	<u>1,226,848</u>
Motor vehicles		
At cost	1,849,960	1,707,777
Accumulated depreciation	(1,223,449)	(1,000,343)
	<u>626,511</u>	<u>707,434</u>
Work in progress	20,476	142,537
Total property, plant and equipment	<u>11,601,222</u>	<u>12,040,055</u>

### Movements in Carrying Amounts

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

	Land and buildings \$	Plant and equipment \$	Motor vehicles \$	Work in progress \$	Total \$
Balance at 30 June 2020	10,276,749	1,719,160	627,991	2,195	12,626,095
Additions	6,351	336,680	325,695	140,342	809,068
Disposals	(9,553)	(42,031)	(26,410)	-	(77,994)
Reallocation	-	-	-	-	-
Depreciation expense	(310,311)	(786,961)	(219,842)	-	(1,317,114)
Balance at 30 June 2021	<u>9,963,236</u>	<u>1,226,848</u>	<u>707,434</u>	<u>142,537</u>	<u>12,040,055</u>
Additions	272,169	620,803	141,076	(122,061)	911,986
Disposals	-	(74,681)	-	-	(74,681)
Reallocation	-	(23,726)	23,726	-	-
Depreciation expense	(318,487)	(711,926)	(245,725)	-	(1,276,138)
Carrying amount at year end	<u>9,916,917</u>	<u>1,037,318</u>	<u>626,511</u>	<u>20,476</u>	<u>11,601,222</u>

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

	2022	2021	
<b>Note 9. Right of use assets</b>	<b>\$</b>	<b>\$</b>	
<i>NON-CURRENT</i>			
Vehicles	555,157	300,598	
Properties	4,210,923	6,657,277	
Total right of use assets	<u>4,766,080</u>	<u>6,957,875</u>	
<i>Movements in Carrying Amounts</i>			
Movements in carrying amounts for each class of right of use asset between the beginning and the end of the current financial year.			
	<b>Vehicles</b>	<b>Properties</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 30 June 2021	300,598	6,657,277	6,957,875
Additions/disposals	779,458	(927,084)	(147,626)
Depreciation expense	(524,900)	(1,519,271)	(2,044,170)
Carrying amount at year end	<u>555,157</u>	<u>4,210,922</u>	<u>4,766,080</u>
	<b>2022</b>	<b>2021</b>	
<b>Note 10. Trade and Other Payables</b>	<b>\$</b>	<b>\$</b>	
<i>CURRENT</i>			
Trade payables	348,483	463,590	
Sundry payables	256,476	630,978	
Accrued expenses	1,250,704	508,175	
Other payables (net amount of GST payable)	222,159	624,385	
	<u>2,077,822</u>	<u>2,227,128</u>	
<b>Note 11. Other Liabilities</b>			
<i>CURRENT</i>			
Income in advance	<u>2,759,092</u>	<u>6,199,682</u>	
<b>Note 12. Provisions</b>			
<i>CURRENT</i>			
Employee benefits - annual leave	1,921,723	1,989,671	
Employee benefits - long service leave	641,741	683,560	
Employee benefits - RDO/TIL	20,189	17,566	
	<u>2,583,653</u>	<u>2,690,797</u>	
<i>NON-CURRENT</i>			
Employee benefits - long service leave	277,682	313,279	
	<u>277,682</u>	<u>313,279</u>	
Total provisions	<u>2,861,335</u>	<u>3,004,076</u>	



# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

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### Note 12. Provisions (continued)

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#### *Provision for Employee Benefits - annual leave and long service leave*

Provision for employee benefits includes amounts accrued for annual leave and long service leave.

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

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1 (n).

	2022	2021
	\$	\$
<b>Note 13. Lease liabilities</b>		
<i>CURRENT</i>		
Vehicles	518,294	289,579
Properties	1,451,162	2,524,771
	<u>1,969,456</u>	<u>2,814,350</u>
<i>NON-CURRENT</i>		
Vehicles	23,576	14,345
Properties	3,203,868	4,547,345
	<u>3,227,444</u>	<u>4,561,690</u>
Total lease liabilities	<u>5,196,900</u>	<u>7,376,040</u>

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### Note 14. Members' Guarantee

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The Group is limited by guarantee. If the Group is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards any outstanding obligations of the Group. At 30 June 2022 the number of members was 14 (2021: 16).

# CVGT Australia Limited and its controlled entity

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

	2022	2021
<b>Note 15. Cash Flow Information</b>	<b>\$</b>	<b>\$</b>
Reconciliation of cash flow from operations with profit after income tax		
Surplus after income tax expense	4,174,575	12,459,745
Non-cash flows in profit:		
- Depreciation	3,320,309	3,574,111
- Unrealised loss on investments	1,504,328	-
- Loss/(Gain) on disposal of property, plant and equipment	72,373	(125,147)
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	944,932	1,823,928
- (Increase)/decrease in other assets	(93,724)	(94,224)
- (Increase)/decrease in right of use assets - initial recognition	-	(9,214,873)
- Increase/(decrease) in trade and other payables	(149,307)	(619,421)
- Increase/(decrease) in other liabilities	(3,440,590)	2,517,561
- Increase/(decrease) in provisions	(142,741)	(11,832)
- Increase/(decrease) in lease liabilities - initial recognition	-	7,376,041
Cash flows from operations	<u>6,190,155</u>	<u>17,685,890</u>

### Note 16. Contingent Liabilities and Assets

There were no contingent assets or liabilities as at 30 June 2022.

### Note 17. Events after the Reporting Period

There have been no events subsequent to date that have an impact that would require disclosure in the consolidated financial statements or notes there of.


# CVGT Australia Limited and its controlled entity Directors' Declaration

In accordance with a resolution of the directors of CVGT Australia Limited and its controlled entity, the directors declare

1. The financial statements and notes, as set out on pages 1 to 24, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:
  - a. comply with the Australian Accounting Standards; and
  - b. give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date.
2. 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 subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Chairperson   
 \_\_\_\_\_  
**Ms. Elizabeth Corbett**

Deputy Chair   
 \_\_\_\_\_  
**Mr. Lee Bombardieri**

Dated this 28th day of September 2022

# Independent Auditor's Report To the Members of CVGT Australia Limited and Controlled Entity

## Opinion

We have audited the financial report of CVGT Australia Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to and forming part of the financial statements, including a summary of significant accounting policies, and the declaration by the directors.

In our opinion, the accompanying financial report of the Group is in accordance with the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

## Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Group's Annual Report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

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

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

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

## Responsibilities of Management and the Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group'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 management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.

We 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 we identify during the audit.

**CROWE AUDIT AUSTRALIA**



**MARTIN THOMPSON**  
Senior Partner

**28 September 2022**

**Geelong Victoria**