Gateways Support Services Inc

ABN 98 140 810 929

Financial Statements

For the Year Ended 30 June 2023

Gateways Support Services Inc

ABN 98 140 810 929

Contents

For the Year Ended 30 June 2023

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SUBDIVISION 60-40 OF *THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012*
TO THE DIRECTORS OF GATEWAYS SUPPORT SERVICES INC

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

RYAN LEEMON
Partner
Audit and Assurance

Melbourne, Victoria

October 2023

Gateways Support Services Inc

ABN 98 140 810 929

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 $	2022 $
Revenue	4	**49,297,248**	44,563,135
Employee benefits expense	5	**(43,733,066)**	(40,924,322)
Depreciation and amortisation expense	5	**(2,244,851)**	(2,312,194)
Other expenses	5	**(4,064,580)**	(3,702,961)
Finance expenses	10	**(673,365)**	(756,350)
Deficit from operations		**(1,418,614)**	(3,132,692)
Other comprehensive income for the year		**-**	-
Total comprehensive deficit for the year		**(1,418,614)**	(3,132,692)

Gateways Support Services Inc

ABN 98 140 810 929

Statement of Financial Position

As At 30 June 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**5,713,007**	10,964,005
Trade and other receivables	7	**1,907,563**	2,221,424
Financial assets	8	**5,123,918**	-
Other assets	9	**675,483**	395,834
TOTAL CURRENT ASSETS		**13,419,971**	13,581,263
NON-CURRENT ASSETS			
Trade and other receivables	7	**304,076**	-
Property, plant and equipment	11	**7,325,015**	7,378,992
Right-of-use assets	10	**9,811,815**	11,384,111
Other assets	9	**566,811**	571,125
TOTAL NON-CURRENT ASSETS		**18,007,717**	19,334,228
TOTAL ASSETS		**31,427,688**	32,915,491
LIABILITIES			
CURRENT LIABILITIES			
Employee benefits	14	**3,729,422**	3,246,112
Trade and other payables	12	**2,941,043**	2,689,624
Lease liabilities	10	**1,600,486**	1,481,787
Other financial liabilities	13	**2,059,099**	1,625,151
TOTAL CURRENT LIABILITIES		**10,330,050**	9,042,674
NON-CURRENT LIABILITIES			
Lease liabilities	10	**10,898,972**	12,396,040
Employee benefits	14	**919,652**	779,149
TOTAL NON-CURRENT LIABILITIES		**11,818,624**	13,175,189
TOTAL LIABILITIES		**22,148,674**	22,217,863
NET ASSETS		**9,279,014**	10,697,628
EQUITY			
Reserves		**1,012,000**	1,012,000
Retained surplus		**8,267,014**	9,685,628
TOTAL EQUITY		**9,279,014**	10,697,628

The accompanying notes form part of these financial statements.

Gateways Support Services Inc

ABN 98 140 810 929

Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Retained Surplus	Reserves	Total
	$	$	$
Balance at 1 July 2022	**9,685,628**	**1,012,000**	**10,697,628**
Deficit for the year attributable to the Association	**(1,418,614)**	**-**	**(1,418,614)**
Balance at 30 June 2023	**8,267,014**	**1,012,000**	**9,279,014**

2022

	Retained Surplus	Reserves	Total
	$	$	$
Balance at 1 July 2021	12,818,320	1,012,000	13,830,320
Deficit for the year attributable to the Association	(3,132,692)	-	(3,132,692)
Balance at 30 June 2022	9,685,628	1,012,000	10,697,628

The accompanying notes form part of these financial statements.

Gateways Support Services Inc

ABN 98 140 810 929

Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from governments and clients		**51,196,326**	49,908,360
Payments to suppliers and employees		**(48,820,664)**	(49,992,480)
Interest received		**132,801**	33,209
Interest paid on leases		**(673,365)**	(756,350)
Net cash provided by/(used in) operating activities	18	**1,835,098**	(807,261)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant & equipment		**(529,962)**	(1,148,881)
Proceeds from property, plant & equipment		**31,055**	129,348
Investment to term deposits	8	**(5,123,918)**	-
Refund of security deposit		**3,714**	-
Net cash used in investing activities		**(5,619,111)**	(1,019,533)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		**(1,466,985)**	(844,037)
Net cash used in financing activities		**(1,466,985)**	(844,037)
Net decrease in cash and cash equivalents held		**(5,250,998)**	(2,670,831)
Cash and cash equivalents at beginning of year		**10,964,005**	13,634,836
Cash and cash equivalents at end of financial year	6	**5,713,007**	10,964,005

The accompanying notes form part of these financial statements.

The financial report covers Gateways Support Services Inc as an individual entity. Gateways Support Services Inc is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Gateways Support Services Inc is Australian dollars.

The financial reports were authorised for issue on 30 Oct 2023 by the Members of the Board.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012.* The prior year financial report was prepared on a Special Purpose basis in accordance with the recognition and measurement requirements of the Australian Accounting Standards. The transition from previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not impacted the Association's reported financial position, financial performance and cashflows or material disclosures.

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a fivestep model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Grants

Non-reciprocal (those without specific, enforceable performance oligations) grant revenue is recognised in the statement if profit or loss and other comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If specific enforeceable performance conditions are attached to the grant which must be satisfied before it is eligible to be received, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, grant revenue is recognised in the statement of financial position as a liability until the specific performance obligations have been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations

Donations and bequests are recognised as revenue when received. If the donation is for a specific purpose and there are sufficiently specific, enforceable performance obligations attached, recognition as revenue will be deferred until the obligations have been fulfilled and those conditions satisfied.

Interest revenue

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Service Revenue

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent, relative to the total expected labour hours. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision becomes known by management.

Revenue considered to be variable in nature is only recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Once the uncertainty related to the variable consideration is resolved, this amount is adjusted.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when it is probable that the economic benefit will flow to the Association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(b) Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST. 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.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land and building

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model 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 anount, 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 (referto Note 2 (f) 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.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity 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.

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Capital Works in Progress	Nil
Buildings	2.5% or term of lease
Equipment, furniture and fittings	20%
Motor Vehicles	25%
Leasehold improvements	2.5% or term of lease

Items of property, plant and equipment are recorded as capital work in progress until such a time that the asset is ready for use. Once the asset is deemed ready for use, the capital work in progress will be transferred to property, plant and equipment and depreciation will commence at that time.

(e) 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 the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

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

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

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables   have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable   and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(f) Impairment of assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

2 Summary of Significant Accounting Policies

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Leases

At inception of a contract, the Association assesses whether a lease exists.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Short-term employee benefits

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

2 Summary of Significant Accounting Policies

(i) Employee benefits

Other long-term employee benefits

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

Defined contribution superannuation expense

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

Portable long service leave

From 1 January 2020 the Association has registered for the Victorian Portable Long Service Benefit Scheme (the Scheme). The scheme enables eligible workers to accumulate paid long service leave entitlements for long service within a sector (including community services), irrespective of their employer. For eligible employees the Association will submit a quarterly return and pay the required levy. On the effective date of the Scheme's commencement, the accumulated entitlements owing to all eligible employees have continued to accrue as they would prior to joining the Scheme as legal obligations to employees are not delegated. The benefits will remain an obligation of the Association until the employee reaches eligibility, then reduce as the entitlement is consumed or employee departs. From the date of commencement into the Scheme, a corresponding receivable for reimbursement from the Scheme will be accrued by the Association for eligible employees, as the future entitlements will now be funded through the Scheme.

(j) Going concern

Notwithstanding the Association's recurring trading deficits of $1,418,614 in 2023 and $3,3132,692 in 2022, the financial report has been prepared on the going concern basis. This has been adopted as the Association continues to implement strategic changes to ensure returns to surplus and future sustainability. Directors note the $10,841,952 held in cash and financial assets along with cash generated from operating cashflows of $1,840,124 provide the organization the ability to implement strategic initiatives which include securing additional revenue streams through better utilisation of leased premises and diligent cost control.

(k) Economic dependence

The Association derives the majority of its revenue used to operate the business from funding provided through the National Disability Insurance Scheme (NDIS) which is dependent on participants in the NDIS exercising choice and control and continuing to direct their funds to the Association. The Association must continue to be registered as a provider with the National Disability Insurance Agency (NDIA) and meet the obligations including business rules and quality standards as set by the NDIA and the NDIS Quality and Safeguards Commission. At the date of this report, the Directors have no reason to believe the customers/funding will not continue to support the Association and believe the Association will continue to meet its obligations; however, the Board recognises the demand driven nature of NDIS funding and the associated risks and opportunities.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

At 30 June 2023, the Directors reviewed the valuation of land and buildings. They are satisfied that carrying value does not materially differ from the recoverable amount of land and buildings at 30 June 2023.

Key estimates - provisions

As describe in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained, see note 14 for further details.

Key estimates - employee benefits provision

As described in the accounting policies, 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 considered, see note 14 for further details.

Similarly, funds receivable from the Victorian Portable Long Service Leave Scheme are based on estimated recoupment and obligations forgone in relation to employees eligible for the Scheme as future entitlement are expected to be directly funded by the Scheme, not the Association.

Key estimates - leases

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Association.

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and Other Income

Revenue from continuing operations

	2023	2022
	$	$
Operating Activities		
- Client fees	**634,790**	590,498
- Operating grants	**32,931,034**	38,736,704
- Donations	**162,568**	61,817
- Contracted services	**13,891,814**	3,800,176
- Sundry income	**1,474,428**	1,133,008
	49,094,634	44,322,203
Non-operating Activities		
- Interest received	**132,801**	33,209
- Capital funding	**38,758**	78,375
- Profit on disposal of assets	**31,055**	129,348
	202,614	240,932
Total Revenue	**49,297,248**	44,563,135

Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Result for the Year

The result for the year includes the following specific expenses:

	Note	2023 $	2022 $
Employee benefit expenses		**39,802,984**	37,332,247
Superannuation contribution		**3,930,082**	3,592,075
		43,733,066	40,924,322
Depreciation expense	11	**583,939**	589,144
Amortisation expense	10	**1,660,912**	1,723,050
		2,244,851	2,312,194
Other expenses			
Contracts/consultants		**104,581**	181,119
Utilities		**398,548**	366,741
External services		**469,150**	555,897
Repairs and maintenance		**501,703**	267,910
Insurance		**84,321**	16,401
Subscriptions		**209,971**	26,316
IT expenses		**486,201**	362,133
Consumables and other program costs		**841,481**	678,557
Bad debts and provision for expected credit losses		**54,240**	88,534
Others		**914,384**	1,159,353
		4,064,580	3,702,961

6 Cash and Cash Equivalents

	2023 $	2022 $
Cash on hand	**17,684**	12,748
Bank balances	**5,695,323**	10,951,257
Total cash and cash equivalents	**5,713,007**	10,964,005

Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Trade and Other Receivables

	Note	2023 $	2022 $
CURRENT			
Trade receivables		**574,067**	647,325
Provision for expected credit losses		**(189,887)**	(155,125)
		384,180	492,200
Accrued revenue		**1,305,741**	1,729,224
Portable long service leave receivables	(a)	**217,642**	-
Total trade and other receivables		**1,907,563**	2,221,424
NON-CURRENT			
Portable long service leave receivables	(a)	**304,076**	-
Total non-current trade and other receivables		**304,076**	-

(a) Long Service leave liability entitlements for employees eligible for the Long Service Leave Portable Scheme are carried at 100% with an offsetting asset carried to reflect the entitlement recoverable from the Scheme and as such not the responsibility of the Association in 2023. 2022 comparatives are disclosed on a net basis, comparatives have not been restated. Refer to note 2(i) and 14 for additional information.

8 Financial Assets

	Note	2023 $	2022 $
CURRENT			
Term deposits	(a)	**5,123,918**	-
Total Financial Assets		**5,123,918**	-

During the 2023 financial year term deposits with an initial maturity greater than 90 days are classified as financial assets (previously disclosed as cash at bank).

9 Other Assets

	2023 $	2022 $
CURRENT		
Prepayments	**675,483**	395,834
Total current other assets	**675,483**	395,834
NON-CURRENT		
Security deposits	**566,811**	571,125
Total non-current other assets	**566,811**	571,125

Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Leases

Association as a lessee

The Association has leases in place for buildings, motor vehicles and equipment.

Right-of-use assets

	Buildings	Equipment	Motor Vehicles	Total
	$	$	$	$
Year ended 30 June 2023				
Balance at beginning of year	**11,141,993**	**124,756**	**117,362**	**11,384,111**
Additions/Adjustments to right-of-use assets	**88,614**	**-**	**-**	**88,614**
Amortisation charge	**(1,550,819)**	**(51,622)**	**(58,471)**	**(1,660,912)**
Balance at end of year	**9,679,788**	**73,134**	**58,891**	**9,811,813**

	Buildings	Equipment	Motor Vehicles	Total
	$	$	$	$
Year ended 30 June 2022				
Balance at beginning of year	12,593,105	-	-	12,593,105
Additions/Adjustments to right-of-use assets	80,528	258,115	175,413	514,056
Amortisation charge	(1,531,640)	(133,359)	(58,051)	(1,723,050)
Balance at end of year	11,141,993	124,756	117,362	11,384,111

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	$	$	$	$	$
2023					
Lease liabilities	**2,193,803**	**8,594,364**	**4,018,545**	**14,806,712**	**12,499,458**
2022					
Lease liabilities	2,144,423	8,354,330	6,172,939	16,671,692	13,877,827

10 Leases

Extension options

A number of the building leases contain extension options which allow the Association to extend the lease term by up to twice the original non-cancellable period of the lease.

The Association includes options in the leases to provide flexibility and certainty to the Association operations and reduce costs of moving premises and the extension options are at the Association's discretion.

At commencement date and each subsequent reporting date, the Association assesses where it is reasonably certain that the extension options will be exercised.

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Association is a lessee are shown below:

	2023	2022
	$	$
Interest expense on lease liabilities	**673,365**	756,350
Amortisation of right-of-use assets	**1,660,912**	1,723,050
	2,334,277	2,479,400

11 Property, Plant and Equipment

	2023	2022
	$	$
Land		
At cost	**1,556,535**	1,556,535
Buildings		
At cost	**4,753,638**	4,721,465
Accumulated depreciation	**(1,233,778)**	(1,095,286)
Total buildings	**3,519,860**	3,626,179
Capital works in progress		
At cost	**744,384**	588,639
Furniture, fixtures and fittings		
At cost	**948,399**	905,784
Accumulated depreciation	**(834,597)**	(772,714)
Total furniture, fixtures and fittings	**113,802**	133,070
Motor vehicles		
At cost	**1,279,185**	1,303,734
Accumulated depreciation	**(1,175,164)**	(1,099,645)
Total motor vehicles	**104,021**	204,089

Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Property, Plant and Equipment

	2023 $	2022 $
Office equipment		
At cost	**134,044**	121,017
Accumulated depreciation	**(72,943)**	(53,048)
Total office equipment	**61,101**	67,969
Computer equipment		
At cost	**896,853**	715,212
Accumulated depreciation	**(509,313)**	(387,849)
Total computer equipment	**387,540**	327,363
Computer software		
At cost	**339,967**	321,217
Accumulated depreciation	**(281,828)**	(256,011)
Total computer software	**58,139**	65,206
Leasehold Improvements		
At cost	**1,205,863**	1,155,753
Accumulated amortisation	**(426,230)**	(345,811)
Total leasehold improvements	**779,633**	809,942
Total property, plant and equipment	**7,325,015**	7,378,992

Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Property, Plant and Equipment

(a) Movements in carrying amounts

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

	Capital Works in Progress	Land	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment
	$	$	$	$	$	$
Year ended 30 June 2023						
Balance at the beginning of year	588,639	1,556,535	3,626,179	133,070	204,089	67,969
Additions	155,745	-	32,173	42,615	36,273	13,027
Depreciation expense	-	-	(138,492)	(61,883)	(136,341)	(19,895)
Balance at the end of the year	744,384	1,556,535	3,519,860	113,802	104,021	61,101

	Computer Equipment	Computer Software	Leasehold Improvements	Total
	$	$	$	$
Year ended 30 June 2023				
Balance at the beginning of year	327,363	65,206	809,942	7,378,992
Additions	181,270	18,750	50,109	529,962
Depreciation expense	(121,093)	(25,817)	(80,418)	(583,939)
Balance at the end of the year	387,540	58,139	779,633	7,325,015

12 Trade and Other Payables

	2023	2022
	$	$
Trade and other payables	**2,941,043**	2,689,624
Total trade and other payables	**2,941,043**	2,689,624

13 Other Financial Liabilities

	2023	2022
	$	$
Revenue in advance	**2,059,099**	1,625,151
Total other financial liabilities	**2,059,099**	1,625,151

Notes to the Financial Statements

For the Year Ended 30 June 2023

14 Employee Benefits

	Note	2023 $	2022 $
Current liabilities			
Annual leave		**2,127,313**	2,128,125
Long service leave	(a)	**1,590,011**	1,096,077
Other employee benefits		**12,098**	21,910
Total current employee benefits		**3,729,422**	3,246,112
Non-current liabilities			
Long service leave	(a)	**919,652**	779,149
Total non-current employee benefits		**919,652**	779,149

(a) During the financial period, legal advice was sought in relation to Portable Long Service Leave eligibility and staff participation in the Scheme. This resulted in increased registration for the Scheme and relevant payment. As part of this process the accounting treatment for LSL and PLSL was reviewed, which has resulted in an overall increase of the long service leave provision and PLSL receivable of $521,718 (refer to note 7). Further, an additional provision of $328,698 was recgonised as a result of the change in the Scheme eligibility requirement.

(a) Movement in provisions:

	Annual leave	Long service leave	Others	Total
2023	**$**	**$**	**$**	**$**
Opening balance	**2,128,125**	**1,875,226**	**21,910**	**4,025,261**
Additional provisions	**2,120,579**	**854,480**	**-**	**2,975,059**
Provision used	**(2,121,391)**	**(220,043)**	**(9,812)**	**(2,351,246)**
Closing balance	**2,127,313**	**2,509,663**	**12,098**	**4,649,074**

15 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Association is $ 1,195,963 (2022: $ 1,184,908).

16 Contingencies

In the opinion of the Board of Management, the Association did not have any contingencies at 30 June 2023 (2022: None).

17 Related Parties

(a) The Association's main related parties are as follows:

Key management personnel - refer to Note 15.

Directors of the Board:
Dr Bernie Jenner
Dr Robert Ward
Cassandra Gravenall
James Arnott
Karl Morris
Jessica Eagles
Keith Baillie
Greg Hughes
Jacquie Malloch

No director's fees have been paid as the positions are held on a voluntary basis.

Other related parties include close family members of Directors, key management personnel and entities that are controlled or significantly influenced by those Directors, key management personnel or their close family members.

(b) Transactions with related parties

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

The following transactions occurred with related parties:

	Related Party	Relationship	Details of Transaction	2023 $	2022 $
Karl Morris	Goop Digital	Managing Director	Website hosting, digital marketing and IT services	21,109	17,421
Jessica Eagles	Coulter Roache	Employee ceased Sep-22	Legal and conveyancing	5,222	38,075
Rohan Braddy	National Disability Services	Board member	Membership fee	23,841	-

18 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2023 $	2022 $
Deficit for the year	**(1,418,614)**	(3,132,692)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation	**2,244,851**	2,308,415
- profit on sale of property, plant and equipment	**(31,055)**	(129,348)
- lease adjustments	**-**	7,620
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**9,784**	1,383,706
- (increase)/decrease in other assets	**(279,048)**	(252,808)
- increase/(decrease) in other financial liabilities	**433,948**	(413,048)
- increase/(decrease) in trade and other payables	**251,419**	(981,777)
- increase/(decrease) in employee benefits	**623,813**	402,671
Cashflows from operations	**1,835,098**	(807,261)

19 Auditors' Remuneration

	2023 $	2022 $
Remuneration of the auditor		
- auditing the financial statements	**33,500**	16,500
Total	**33,500**	16,500

20 Events Occuring After the Reporting Date

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

21 Statutory Information

Registered office

The registered office of the association is:

Gateways - Head Office
12-14 Thompson Road
North Geelong VIC 3215

21 Statutory Information

Principal place of business

The principal places of business is:

Gateways - Head Office
12-14 Thompson Road
North Geelong VIC 3215

Gateways - Melbourne
77 Droop Street
Footscray VIC 3011

Gateways - Warrnambool
171 Lava Street
Warrnambool VIC 3280

Gateways - Werribee
3 Princes Highway
Werribee VIC 3030

Gateways Support Services Inc

ABN 98 140 810 929

Statement by Members of the Board

The Members of the Board declare that in the Members opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.

Board member .... Board member Jacqueline Malloch ....

Dated 30 October 2023

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GATEWAYS SUPPORT SERVICES INC

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Gateways Support Services Inc (the Association), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

In our opinion the financial report of Gateways Support Services Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (The ACNC Act), including:

a) giving a true and fair view of the Association's financial position as at 30 June 2023 and of their performance for the year then ended on that date; and

b) complying with Australian Accounting Standards – Simplified Disclosure and the Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Association in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have 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 included in the Association's annual report for the year ended 30 June 2023, 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.
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.

MOORE

Responsibilities of Directors for the Financial Report

The Directors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the 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 ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so. The Directors are responsible for overseeing the Association'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.

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

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

RYAN LEEMON
Partner
Audit and Assurance

Melbourne, Victoria
October 2023