launchvic

ABN: 17 611 281 737

Consolidated Financial Report For The Year Ended 30 June 2022

LaunchVic Limited and Controlled Entity

ABN: 17 611 281 737

Financial Report For The Year Ended 30 June 2022

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LAUNCHVIC LIMITED AND CONTROLLED ENTITY
ABN: 17 611 281 737
DIRECTORS' REPORT

The directors present their report together with the financial report of the consolidated entity (or Group), being LaunchVic Limited (the Company) and its subsidiary for the financial year ended 30 June 2022.

The Group is preparing consolidated financial statements for the first time as its subsidiary, Alice Anderson Fund Pty Ltd, was incorporated on 3 November 2021. As such the comparative financial information relates to the company as a stand alone entity.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Leigh Jasper

Aneetha de Silva

Catriona Larritt

Ilona Charles

Constantine Frantzeskos

Teresa Engelhard

The above named directors have been in office during the whole of the financial year, unless otherwise stated.

Shane Morris was Company Secretary during the whole of the financial year and remains in this role as at the date of this report.

Purpose and Objectives

LaunchVic is the lead government agency responsible for the development and growth of the Victorian startup ecosystem. The agency is responsible for:

- Unlocking investment capital
- Creating more successful startups
- Creating high value jobs

Financial Performance

The Group generated a surplus of $5,481,235 for the year ended 30 June 2022 (2021: Loss of $948,196). The Group received revenue and income of $17,529,140 in the reporting period (including various grants of $17,358,883) and has expensed $12,047,905 comprising Program Activity Costs of $10,875,077 and operational costs of $1,172,828.

The Alice Anderson Program was approved by Victorian Government to co-invest in women-led startups. The program was launched on 1 July 2021 and Alice Anderson Fund Pty Ltd was incorporated on the 3rd November 2021 to enable investments to be made. On the 11th November 2021, the Alice Anderson Fund Trust was established and Alice Anderson Fund Pty Ltd was appointed Trustee of the Alice Anderson Fund Trust. LaunchVic Limited is the sole shareholder in Alice Anderson Fund Pty Ltd and unit holder in the Fund. As a controlled entity of LaunchVic Limited, the financial results of Alice Anderson Fund Pty Ltd are included in the results of the consolidated entity for the financial period ended 30 June 2022.

Operational Highlights

During the reporting period, the Group has supported 133 scaling startups through accelerator and equivalent programs, and 1,535 entrepreneurs and aspiring entrepreneurs through short-form programs such as online educational webinars, online workshops, online masterclasses, and mentoring. LaunchVic has supported 298 investors through angel networks and investor education programs; and enabled 167 Victorians to access a career in a startup.

LaunchVic has supported the establishment of the Victorian Startup Capital Fund (VSCF) and launched the Alice Anderson Fund. The funds are designed to grow Victoria's early stage sector startup and inject more capital into the early stage venture capital landscape. For the VSCF, a Fund Manager was appointed, and capital raising is currently underway to match the Victorian Government's $60m cornerstone investment. During the reporting period the Alice Anderson Fund has received 17 applications with close to $2.5m invested into 11 women-led Victorian startups, unlocking $10.6 million private sector capital. In addition to these two significant funds, LaunchVic invested into Startmate's Accelerator fund, that will support investment into Victorian participants of their Accelerator programs.

Supporting the growth of startups has continued to be a key focus of LaunchVic, with the development and launch of the new CivVic Labs 2.0 program in partnership with VicHealth, and the 30x30 program designed to support Victoria's leading scaleups to reach unicorn status by 2030. LaunchVic has also launched office hours to help founders better navigate the Victorian startup ecosystem and connect with support as required.

Operational Highlights (continued)

Through grant funding, LaunchVic has refunded two high performing accelerators including Startupbootcamp's EnergyNext Program and the MedTech Actuator, and also refunded Wade Institute's VC Catalyst program that aims to build Angel and VC investor capabilities through an Investor Education program. LaunchVic also funded its first sector-specific angel network, Australian Medical Angels, to help catalyse early-stage investment into healthtech startups.

In the first half of the year, LaunchVic ran a Grant round for AgTech pre-accelerators and appointed Rocket Seeder, Farmers2Founders and SproutX to deliver programs that will support 130 founders to establish new startups over two years. More recently, LaunchVic announced and delivered a Grant round for 3 new angel networks, with the appointment of Climate Angel Network, Playbook Ventures and Cut Through Ventures. These new angel networks are expected to unlock close to $9m in early stage capital and increased numbers of early stage investors. LaunchVic also announced and delivered a Grant Round to add more world class accelerator programs to support Victorian founders, with successful applicants to be announced in October 2022. Also recently closed is an Expression of Interest and subsequent Request for Proposals for regional startup programs aimed at providing support in the regions to help grow local startup ecosystem across Victoria.

During the reporting period, LaunchVic has continued to drive awareness and advocacy for startups through the collection of data on the Victorian startup ecosystem through FindingStartups.launchvic.org – which now has over 2,650 startups registered. LaunchVic also launched the Dealroom jobs report that identified a 10.75% rise in startup jobs year on year between 2018-2020; and featured in the Global Startup Genome Report that showed Melbourne's early-stage ecosystem value has more than doubled in a year – up 126% from $10.5B (AUD) to be worth $23.6B (AUD).

To help promote Victoria's startup ecosystem, LaunchVic successfully managed and delivered the inaugural Governor's Startup Awards and the winners were celebrated at the Victorian Startup Gala event on 11 August 2022, which brought together 700 startup ecosystem leaders. In addition, LaunchVic, has held sixteen virtual events online engaging 1,145 attendees, and fourteen in person events engaging 449 attendees.

Likely Developments and Expected Results of Operations

The Group will continue to pursue its strategic objectives to drive the long-term success of Victoria's startup ecosystem by recognising the valuable contribution successful startups have on the economy through the creation of high value jobs and gross revenue for the state.

Environmental Regulation

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

Indemnification and insurance of officers and auditors

The Group has not, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of LaunchVic Limited against a liability incurred.

Proceedings on Behalf of the Entity

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

Events After the Reporting Period

The directors are not aware of any significant events between the end of the financial year and the date of this report.

LAUNCHVIC LIMITED AND CONTROLLED ENTITY
ABN: 17 611 281 737
DIRECTORS' REPORT

Information on Directors

Leigh Jasper (Chair)	—	Director
Qualifications	—	University of Melbourne: Bachelor of Engineering (BE) (Honours), Mechanical and Manufacturing Engineering. Bachelor of Science (BSc). Mathematics.
Experience	—	Mr Jasper is currently the Chief Executive Officer of Saniel Ventures, and a non-executive director of SEEK Ltd, Salta Properties, Buildxact and the Burnet Institute. He was the co-founder and CEO of Aconex between May 2000 and August 2019. Aconex is the world's largest provider of online collaboration solutions to the construction and engineering industries. As Aconex CEO, Mr Jasper led global growth for Aconex, expanding the business into Asia, North America, South America, the Middle East and Europe. In September 2008, Aconex secured a A$109.5 million funding deal and one of the largest private capital raisings by an Australian technology company. In 2014 the company listed on the ASX. In 2018 Oracle acquired Aconex for $1.6 billion in Australia's largest technology M&A transaction.
Special Responsibilities	—	Chair of the Board, Member of the Audit, Finance & Risk Sub-Committee and People Sub-Committee
Aneetha de Silva	—	Director
Qualifications	—	University of Melbourne: Bachelor of Laws and Masters of Law. Executive education at the Kennedy School of Government & Harvard University. Member of the Australian Institute of Company Directors.
Experience	—	Ms Aneetha de Silva is a senior infrastructure executive with over 25 years' experience across the government and private sectors in Australia, South Africa and the Asia Pacific. She has particular expertise as an advisor, developer and manager of large infrastructure assets and services, especially in transport, telecommunications and property. Aneetha is currently Managing Director Government ANZ for Aurecon Group and a member of Aurecon's global board. She is also Vice President and board member of Roads Australia. Aneetha has extensive experience in complex commercial and stakeholder environments and is skilled at aligning government and private sector interests to drive industry, customer and community outcomes. An active angel investor, she is passionate about innovation, particularly the potential for new technologies to meet emerging customer needs and transform access to community services.
Special Responsibilities	—	Chair of the Audit, Finance & Risk Sub-Committee, Member of the Grants and Funding Sub-Committee, and Member of the Alice Anderson Investment Committee.

Information on Directors (continued)

Catriona Larritt	—	Director
Qualifications	—	MBA - Harvard Business School Bachelor of Arts (Honours) - University of Melbourne
Experience	—	Catriona is currently the Qantas Freight Executive Manager and previously was Jetstar's Chief Customer Officer, the champion for customers, digitisation and change in airlines across Asia Pacific. Before joining the Qantas Group in 2015, Catriona was a management consultant with The Boston Consulting Group for 13 years, specialising in consumer goods, retail and aviation, and has also been a senior executive with Spotless and Australia Post where she focused on digital disruption and growth.
Special Responsibilities	—	Chair of the Grants and Funding Sub-Committee

Ilona Charles	—	Director
Qualifications	—	Swinburne University: MBA Australian Institute of Company Directors: graduate Australian Human Resources Institute: certified member
Experience	—	Ms Ilona Charles is an experienced executive with an extensive career in human resources, transformation and change across a range of industries. She has worked in global and complex organisations ranging from entrepreneurial startups, scaleups and multi-national corporations. Industries include digital and technology, financial services, health, telecommunications and government. Ilona has held executive roles with the CSIRO, Aconex, Telstra, Medibank and NAB. She commenced her career as an Occupational Therapist and has a Master of Business Administration. Ilona is the CEO and co-founder of ShiloPeople (shilo.), providing world class on-demand HR talent and consulting solutions across Australia. She also founded pivotnow, providing strategic people advice to Founders, CEO's and Boards of organisations going through significant transition or scaling up. Ilona is a Director & Board member of Goulburn Valley Health (GVH), Chair of the GVH Workforce Committee; Non-Executive Director, intelliHR, Chair of the People Committee (intelliHR) and a Member of the People & Culture Committee, Burnet Institute.
Special Responsibilities	—	Chair of the People Sub-Committee

Information on Directors (continued)

Constantine Frantzeskos	—	Director
Qualifications	—	Bachelor of Economics - Monash University Graduate Diploma in Applied Finance and Investment (Finsia)
Experience	—	Mr Frantzeskos is the founder of PENSO, a visionary digital strategy consultancy. The firm has offices in Australia, South-East Asia and the Middle East, and transforms clients' product, marketing and user experience for the digital era. He also advises and invests in early-stage SaaS startups servicing entertainment, hospitality and small-medium businesses. Mr Frantzeskos sits on the advisory board of the Swinburne University of Technology Innovation Precinct and is the Australian presenting Partner of The Future Laboratory, one of the world's most renowned futures and foresight consultancies.
Special Responsibilities	—	Member of the Audit, Finance & Risk Sub-Committee

Teresa Engelhard	—	Director
Qualifications	—	Stanford University: MBA Caltech: Bachelor of Science Honours in Engineering and Applied Science
Experience	—	A passion for technology and collaboration aligned with moral purpose has underpinned Ms Engelhard’s career-long focus on innovation and entrepreneurship. She is currently the founder and CEO of edtech startup Stickytek and serves on the board of ASX-listed tech unicorn Wisetech Global. Her former ASX-listed NED roles include Origin Energy and RedBubble where she supported the company’s growth from 25-people through to its ASX-listing. Her work at LaunchVic builds on over a decade of service to Australian public and not-for-profit entities. Currently she serves on SCATS advisory panel (Government of NSW). She previously was a member of Innovation Australia’s Entrepreneurs’ Programme Committee and was a Director at StartupAUS (now Tech Council of Australia) and Redkite Cancer Charity. Arriving in Australia in 2006 from Silicon Valley, Teresa joined Jolimont Capital to eventually become a Managing Partner. Her investments there included NextWindow which achieved an AVCAL Chairman’s award for IRR performance, and Daintree Networks which achieved Australia’s highest value technology trade sale in 2016. At Daintree Networks, she was the longest serving director providing hands-on leadership through multiple international venture financings and its trade sale to GE. Between 1996 and 2006 in California, Ms. Engelhard was a venture capitalist at Mohr, Davidow Ventures, VP of Software Solutions at $5 billion US-listed ONI Systems (now Ciena), and held multiple roles at startups backed by top-tier venture syndicates including as CEO leading Timeshift’s exit to J2 Global (US-listed) and as VP Marketing and Business Development at Xponent, acquired by Hoya Corporation (Japan).

Meetings of Directors

During the financial year, six meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Leigh Jasper (Chair)	6	6
Aneetha de Silva	6	5
Catriona Larritt	6	6
Ilona Charles	6	6
Constantine Frantzeskos	6	6
Teresa Engelhard	6	6

In addition to the above, during the reporting period the directors considered and unanimously agreed to five circular resolutions.

LaunchVic is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the entity. At 30 June 2022 the number of members was 1, (being the Treasurer, State Government, Victoria).

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 9 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director
DocuSigned by:
CA3504132A6C450...
Leigh Jasper

Dated this 24th day of October 2022

Director
DocuSigned by:
F4E3BCF9DEEF415...
Aneetha de Silva

Dated this 24th day of October 2022

VAGO
Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Directors, LaunchVic Limited

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

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

Independence Declaration

As auditor for LaunchVic Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
28 October 2022

Simone Bohan
as delegate for the Auditor-General of Victoria

LAUNCHVIC LIMITED AND CONTROLLED ENTITY
ABN: 17 611 281 737
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022 $	Company 2021 $
Grant revenue	3	17,358,883	9,293,383
Other revenue and income	3	170,257	70,131
Total revenue and income from transactions		17,529,140	9,363,514
Employee benefits expense	4	(532,228)	(1,183,428)
Depreciation and amortisation expense	4	(120,168)	(6,882)
Program costs	4	(10,582,537)	(8,314,331)
Fair value gain/(loss) on investments through profit or loss	8	(292,540)	-
Audit, accounting and legal fees		(109,714)	(107,816)
Finance costs on lease liability	4	(23,762)	-
Administration and operating expenses		(259,983)	(510,844)
Contractors		(126,973)	(188,409)
Total expenses from transactions		(12,047,905)	(10,311,710)
Net surplus/(deficit) from transactions		5,481,235	(948,196)
Other comprehensive income			
Other comprehensive income		-	-
Total Comprehensive income/(deficit)		5,481,235	(948,196)

The accompanying notes form part of these financial statements.

LAUNCHVIC LIMITED AND CONTROLLED ENTITY
ABN: 17 611 281 737
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Consolidated 2022 $	Company 2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	31,228,336	23,029,237
Accounts receivable and other debtors	6	276,060	492,855
Other current assets	7	76,608	151,538
Financial assets	8	10,153,497	-
TOTAL CURRENT ASSETS		41,734,501	23,673,630
NON-CURRENT ASSETS			
Financial assets - Loan receivable	8	244,572	202,500
Financial Assets - Investments	8	2,811,751	-
Property, plant and equipment		23,946	10,858
Right-of-use assets	9	974,182	-
TOTAL NON-CURRENT ASSETS		4,054,451	213,358
TOTAL ASSETS		45,788,952	23,886,988
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	1,755,027	1,872,081
Contract Liabilities	11	814,167	5,310,568
Funds held in trust	12	20,000,000	-
Lease liabilities	14	150,373	-
Employee related provisions	13	121,770	105,351
TOTAL CURRENT LIABILITIES		22,841,337	7,288,000
NON-CURRENT LIABILITIES			
Lease liabilities	14	820,034	-
Lease make good	14	25,000	-
Employee related provisions	13	82,571	60,213
TOTAL NON-CURRENT LIABILITIES		927,605	60,213
TOTAL LIABILITIES		23,768,942	7,348,213
NET ASSETS		22,020,010	16,538,775
EQUITY			
Retained surplus		22,020,010	16,538,775
TOTAL EQUITY		22,020,010	16,538,775

The accompanying notes form part of these financial statements.

LAUNCHVIC LIMITED AND CONTROLLED ENTITY
ABN: 17 611 281 737
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Surplus
	$
Balance at 1 July 2020 - Company	17,486,971
Net result for the year	(948,196)
Other comprehensive income/(deficit) for the year	-
Balance at 30 June 2021 - Company	16,538,775
Balance at 1 July 2021 - Company	16,538,775
Net result for the year	5,481,235
Other comprehensive income/(deficit) for the year	-
Balance at 30 June 2022 - Consolidated	22,020,010

The accompanying notes form part of these financial statements.

LAUNCHVIC LIMITED AND CONTROLLED ENTITY
ABN: 17 611 281 737
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022 $	Company 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
State government grants		15,194,771	14,792,617
State government VSCF funding		22,000,000	-
Receipts from other income		33,916	17,820
Interest received		52,931	72,014
Payments to suppliers and employees		(1,007,362)	(1,972,004)
Payments for program activities		(14,126,512)	(9,216,542)
Interest expense on lease liabilities		(23,762)	-
Net cash generated from operating activities	23	22,123,982	3,693,905
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(28,344)	(2,665)
Payment for investment		(3,104,291)	-
Net cash used in investing activities		(3,132,635)	(2,665)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in deposits held of behalf of third parties		(596,401)	(41,250)
Advance of loan		-	(300,000)
Repayment of principal portion of lease liabilities		(83,688)	-
Net cash used in financing activities		(680,089)	(341,250)
Net increase in cash held		18,311,258	3,349,990
Cash on hand at beginning of the financial year		23,029,237	19,679,247
Cash on hand at end of the financial year	5, 8	41,340,495	23,029,237

The accompanying notes form part of these financial statements.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards - Simplified Disclosures and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The consolidated financial statements, except for the cash flow information, have been prepared on an accrual 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 financial statements have been rounded to the nearest dollar.

(a) Income Tax

No provision for income tax has been raised as the Group is exempt from income tax under 24AM of the *Income Tax Assessment Act 1997*.

(b) Comparative Figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. In prior years, LaunchVic Limited prepared stand-alone general purpose financial statements as it had no subsidiaries. On 3 November 2021, Alice Anderson Fund Pty Ltd was incorporated which is a wholly owned subsidiary of the Company. As such the comparative financial information relates to the Company as a stand-alone entity.

(c) Foreign currency balances/transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. Non-monetary assets carried at fair value that are denominated in foreign currencies are translated to the functional currency at the rates prevailing at the date when the fair value was determined. Foreign currency translation differences are recognised in other economic flows in the consolidated comprehensive operating statement and accumulated in a separate component of equity, in the period in which they arise.

(d) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

(e) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2022 and the results of its subsidiary for the period then ended. LaunchVic Limited and its subsidiary together are referred to in these financial statements as 'the Group'.

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

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

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

Note 1 Summary of Significant Accounting Policies (continued)

(f) New and Amended Accounting Standards

Certain new and revised accounting standards have been issued but are not effective for the 2021-22 reporting period. These accounting standards have not been applied to these financial statements. The Group is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

AASB 2020-1 Amendments to Australian Accounting Standards - *Classification of Liabilities as Current or Non-Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020-1 Amendments to Australian Accounting Standards – *Classification of Liabilities as Current or Non-current – Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The Group is in the process of analysing the impacts of this Standard however, it is not anticipated to have a material impact.

Other

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Group's reporting.

Note 2 Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(a) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(b) Estimation of useful lives of assets

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

(c) Impairment of non-financial assets

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

(d) Employee related provision

As discussed in note 13, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2 Critical Accounting Judgements, Estimates and Assumptions (continued)

(e) Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. Changes to the estimated future make good costs are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

(f) Fair value measurement of investments in startups

Through the Alice Anderson Fund, direct equity investments are made into early stage companies. Startups are defined as tech-based companies, using innovation to access global markets. As an existing market for the product or services offered by early stage startups may yet be established, there is a significant degree of uncertainty with respect to the profitability and financial viability of these businesses. The Fund recognises investments in these business at fair value through the profit or loss ("FVTPL") however, given the uncertainties, management have deemed cost as fair value on initial recognition.

Subsequent to initial recognition, management makes an assessment as to whether the carrying amount of each investment approximates fair value. Where a gain or loss arises from a subsequent priced round, any change in value is considered sufficient to support an adjustment in fair value. Where there is no observable market or sufficient data, management will make an assessment on the performance of investee companies in line with the Group's Investment Policy. The assessment is based on evidence sourced from investee companies to support ongoing fair value of the investment with reference to impairment indicators such as cash runway, founder commitment and likelihood of future capital raise. Any adjustments to fair value from management's assessment will be recognised through the profit or loss.

(g) Fair value measurement of investments in managed funds

During the year, the Company subscribed to units in a third party managed fund. These investments are measured at fair value through the profit or loss ("FVTPL") as described in note 8. The fund typically values its investments based according to applicable Australian accounting standards and the International Private Equity and Venture Capital Valuation Guidelines, which are consistent with best practice industry methodology. Where management has assessed the valuation obtained from the fund as being inconsistent with the applicable standards and guidelines, the Group will apply its own Investment Policy as described in note 2(f), which adheres to applicable Australian accounting standards and the International Private Equity and Venture Capital Valuation Guidelines, and consistent with best practice industry methodology.

On initial investment in the fund, the cost of the investment is deemed to be fair value. At the end of the financial period, the underlying Fund provides a statement of net asset value per unit for the individual funds. Management has assessed the valuation methodology applied and made a judgement that the fair value of the unit investment should be measured in line with the Group's Investment Policy. It is management's judgement that alignment of the valuation methodology applied by the Fund to the Group's Investment Policy approximates fair value.

Note 3 Revenue and Other Income

	Consolidated 2022 $	Company 2021 $
Grant revenue		
Grants recognised as income		
— State Government grants - Program costs	7,785,050	7,839,083
— State Government grants - Operating costs	1,373,833	1,304,300
— Alice Anderson Funding	6,000,000	-
Grants recognised as revenue from contracts with customers		
— Other specific purpose grants	2,200,000	150,000
Total grant revenue	17,358,883	9,293,383
Other revenue and income		
— Interest income	136,341	70,131
— Ticket sales revenue	33,916	-
Total other revenue	170,257	70,131
Total revenue and other revenue	17,529,140	9,363,514

Grants recognised under AASB 1058

The Group has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Group has an unconditional right to receive cash which usually coincides with receipt of cash.

On initial recognition of the asset, the Group recognises any increases in liabilities, decreases in assets, and revenue (‘related amounts’) in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15
- a lease liability in accordance with AASB 16
- a financial instrument, in accordance with AASB 9
- a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Income received for specific purpose grants for on-passing is recognised simultaneously as the funds are immediately on-passed to the relevant recipient entities on behalf of the State Government.

Grants recognised under AASB 15

Income from Grants enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with State Government. Revenue is recognised when the Group recognises the required performance obligation has been met. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received shortly after the relevant obligation is satisfied.

Interest income

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

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

Note 4 Expenses for the Year

	Note	Consolidated 2022 $	Company 2021 $
a. Expenses			
Employee benefits expense:			
— Superannuation		217,741	165,008
— Salary and wages		2,382,722	1,863,872
— Payroll tax		139,186	76,722
— Workcover		13,027	10,901
— Reported and included as direct program costs		(2,220,448)	(933,075)
Total employee benefits expense		532,228	1,183,428
Audit fees:			
— audit services		44,400	19,900
Total audit remuneration		44,400	19,900
Finance cost:			
— Interest expense on lease liability	14	23,762	-
Total finance cost		23,762	-
Depreciation and amortisation:			
— Office equipment		7,525	3,692
— Computer		7,731	3,190
— Right-of-use asset		104,912	-
Total depreciation and amortisation	23	120,168	6,882

b. Program Costs

These expenses are related to payments made and / or accrued to funding recipients for grants and specific costs related to program activities delivered by the Group, including staff salaries directly attributable to deliver programs.

Costs are recognised in the profit and loss when the grant is paid and when it is probable that the grant will be paid. Costs are accrued at year end to represent work undertaken by the grant recipient up until the end of the financial year where there is sufficient certainty that the grant conditions will subsequently be fully met.

Note 5 Current assets - Cash and Cash Equivalents

	Note	Consolidated 2022 $	Company 2021 $
Cash at bank – unrestricted		16,006,669	22,389,919
Restricted cash - funds held in trust (CivVic program)		221,667	639,318
Restricted cash - funds held in trust (VSCF program)	12	15,000,000	-
	24	31,228,336	23,029,237

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.

Restricted cash

The Group has responsibility for transactions and balances relating to funds held in trust on behalf of third parties external to the company. Funds managed on behalf of third parties are not recognised in the Group's statement of profit and loss and other comprehensive income as they are managed on a fiduciary and custodial basis and therefore are not controlled by the Group. The funds held in trust relate to the 'CivVic accelerator program' where third parties provide deposits to the Group. In all cases the funds held in Trust are only paid out at the specific direction and instruction of the third party. A corresponding liability is included within 'Contract Liabilities' as recorded in note 11.

Note 6 Current assets - Accounts Receivable and Other Debtors

	Note	Consolidated 2022 $	Company 2021 $
Accounts receivable		-	492,855
GST receivable		276,060	-
	24	276,060	492,855

Accounts receivable and other debtors
Accounts receivable and other debtors include amounts receivable in respect of GST refunds. 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component. As described in Note 24, the Group recognises a loss allowance for expected credit losses on receivables that are measured at amortised cost or fair value through the profit and loss statement. Expected credit losses are probability weighted estimates based on the general approach, whereby an assessment of individual debtors is made at year end to determine the likelihood of loss having regard to all the circumstances. There was no doubtful debts provision at year end or any movement in the provision over the reporting period. The average credit period on accounts receivable is 30 days. GST receivable relates to refunds due by the Australian Taxation Office (ATO) in regards to GST for the Group. These amounts have been received after balance date.

Note 7 Current assets - Other Assets

	Consolidated 2022 $	Company 2021 $
Prepayments	76,608	151,538

Note 8 Financial Assets

	Note	Consolidated 2022 $	Company 2021 $
Categories of financial assets			
Restricted cash - current			
Cash at bank - funds held in term deposits		5,000,000	-
Restricted cash - funds held in trust (VSCF program)	12	5,000,000	
Restricted cash - funds held in trust (bank guarantee)		112,159	-
	24	10,112,159	-
Restricted cash - Accrued interest - current		41,338	-
Total Restricted cash		10,153,497	-

Note 8 Financial Assets (continued)

	Note	Consolidated 2022 $	Company 2021 $
Financial assets measured at fair value through the profit or loss (FVTPL) - Non Current			
Investments in managed funds - at cost		1,000,000	-
Movement in fair value through profit or loss		(202,688)	-
Balance at 30 June 2022	24	797,312	-
Investments in startups - at cost		2,104,291	-
Movement in fair value through profit or loss		(89,852)	-
Balance at 30 June 2022	24	2,014,439	-
Total financial assets measured at FVTPL		2,811,751	-
Financial assets measured at amortised cost - Non Current			
Loan	24	244,572	202,500
		13,209,820	202,500

	Consolidated 2022 $	Company 2021 $
Current	10,153,497	-
Non-Current	3,056,323	202,500
	13,209,820	202,500

Restricted cash

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities greater than three months.

Financial assets measured at fair value through the profit or loss (FVTPL)

Measurement

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

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

Refer note 2(f) and 2(g) for further details.

Note 8 Financial Assets (continued)

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Group to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

Note 9 Non-current asset - Right-of-use Asset

	Consolidated 2022 $	Company 2021 $
Commercial lease - at cost	1,079,094	-
Less: Accumulated depreciation	(104,912)	-
	974,182	-

Reconciliation

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

	Commercial Leases $	Total $
2021 - Company		
Balance at the beginning of the year	-	-
Additions at cost	-	-
Depreciation expense	-	-
Carrying amount at the end of the year	-	-
2022 - Consolidated		
Balance at the beginning of the year	-	-
Additions at cost	1,079,094	1,079,094
Depreciation expense	(104,912)	(104,912)
Carrying amount at the end of the year	974,182	974,182

In September 2021, the company signed a commercial lease for 300sqm of office space in Richmond commencing December 2021. The lease has a six-year term (with a three-year break clause).

Measurement

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less accumulated depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the 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.

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.

Note 9 Non-current asset - Right-of-use Asset (continued)

Right-of-use Asset

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

• any lease payments made at or before the commencement date less any lease incentive received
• any initial direct costs incurred
• an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Depreciation

Property, Plant and Equipment

Property, Plant and Equipment 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. All Property, Plant and Equipment is depreciated at a rate of 33% per annum. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Right-of-use Asset

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Where the Group obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset over its useful life. The right-of-use assets are also subject to revaluation.

Typical estimated useful lives for the different right-of-use assets for current and prior years are included in the table below:

Class of assets	Useful life (years)
Right-of-use Assets	6 years

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Impairment of Assets

At the end of each reporting period, the Group 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 of disposal 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 (e.g. 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.

Note 10 Current - Accounts Payable and Other Payables

	Note	Consolidated 2022 $	Company 2021 $
Accounts payable		1,226,893	579,354
Other payables		528,134	570,420
GST payable		-	722,307
	10(a)	1,755,027	1,872,081

	Note	Consolidated 2022 $	Company 2021 $
a. Financial liabilities at amortised cost			
Accounts payable and other payables:			
— Total current		1,755,027	1,872,081
— Total non-current		-	-
		1,755,027	1,872,081
Less other payables (net amount of GST payable)		(528,134)	(1,292,727)
Financial liabilities as accounts and other payables	24	1,226,893	579,354

Accounts Payable 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. Payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

The average credit period on accounts payable and other payables (excluding GST payable) is one month. No interest is payable on outstanding payables during this period. For payables outstanding longer than one month, 0% per annum is payable.

Other Payables - accruals at year end

The Group contracts with various parties to undertake activities on behalf of the Group. These arrangements are documented in formal contractual arrangements whereby recipients undertake services and in return the Group is obliged to make payments on the completion of various milestones. At year end, the Group has undertaken an analysis of contracts and determined an approximation of the amount of accrued costs for work undertaken from the previous contract milestone date until 30 June 2022 having regard to various factors including the actual contract, the relevant milestone, the likelihood that the milestone payment will be ultimately made.

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 Taxation 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 components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Note 11 Current - Contract Liabilities

	Note	Consolidated 2022 $	Company 2021 $
Contract liabilities	24	814,167	5,310,568

Note 12 Current - Funds held in trust

	Consolidated 2022 $	Company 2021 $
Funds held in trust	20,000,000	-

The Victorian State Government announced as part of the 2020/21 Victorian State Budget that it will provide a $60 million cornerstone investment into a new Fund of Funds – the Victorian Startup Capital Fund (VSCF). This cornerstone investment will be matched by $60 million private sector capital, to be raised by the VSCF Fund Manager, resulting in a total VSCF fund size of $120 million. The VSCF will be independent from Government, with all investing decisions being purely commercially driven by the independent Fund Manager.

Under the VSCF Funding Agreement, LaunchVic Limited is acting as agent for the Government. As LaunchVic does not have control over the VSCF, the contracted obligation is to deliver funding (cash) to another entity, being the Fund Manager. As such, the funding of $20 million received during the reporting period is recognised as a 'Funds held in trust'.

Note 13 Employee Benefits

	Consolidated 2022	Company 2021
Current provisions	$	$
Annual Leave	105,110	91,614
On-costs	16,660	13,737
Total current provisions for employee benefits	121,770	105,351
Non-current provisions		
Long Service Leave	71,182	60,213
On-costs	11,389	-
Total non-current provisions for employee benefits	82,571	60,213
Total provisions for employee benefits	204,341	165,564

Reconciliation of movement in on-cost provision

	2022 $
Opening balance	13,737
Additions	38,451
Amounts charged	(24,139)
Closing balance	28,049
Current	16,660
Non-current	11,389
	28,049

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

Note 13 Employee Related Provisions (continued)

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Group does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Group expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability, even where the Group does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at either:

- undiscounted value – if the Group expects to wholly settle within 12 months
- present value – if the Group does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an ‘other economic flow’ in the net result.

Note 14 Leases

		Note	Consolidated 2022 $	Company 2021 $
a.	**Lease liability and provision**			
	Current - Lease liability		150,373	-
			150,373	-
	Non current - Lease liability		820,034	-
	Non current - Lease make good		25,000	-
			845,034	-
		24	995,407	-
	Future lease payments			
	Future lease payments (undiscounted) are due as follows:			
	Within one year		187,424	-
	One to five years		896,608	-
	More than five years		-	-
			1,084,032	-

b. **Right-of-use Assets**

Right-of-use assets are presented in note 9.

Information about the lease for which the Group is a lessee is presented below.

LaunchVic leasing activity

In September 2021, LaunchVic Limited signed a commercial lease for 300sqm of office space in Richmond commencing December 2021. The lease has a six-year term (with a three-year break clause).

Lease make good

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

Leases at significantly below-market terms and conditions

Up to December 2021, the Victorian Government provided LaunchVic with use of its premises at 710 Collins Street, Melbourne at no cost. This facility included approximately 70 square metres of office accommodation, and additional shared space (meeting rooms, event and accelerator space) that were subject to significant usage restrictions. LaunchVic ended its use of the premises in December 2021.

The provision of accommodation where the accommodation is at significantly below-market terms and principally for LaunchVic to further its objectives is considered a ‘peppercorn’ lease. In prior year, LaunchVic has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions. LaunchVic was allowed a temporary exemption from this requirement under AASB 16 as the facilities are provided principally to enable LaunchVic to further its objectives.

Note 14 Leases (continued)

Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income

	Consolidated	Company
	2022	2021
	$	$
Interest expense on lease liabilities	23,762	-

Amounts recognised in the Statement of Cash Flows

	Consolidated	Company
	2022	2021
	$	$
Interest expense on lease liabilities	23,762	-

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group and for which the supplier does not have substantive substitution rights
- whether the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Group has the right to direct the use of the identified asset throughout the period of use
- whether the Group has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee

Lease Liability – initial measurement
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Group's incremental borrowing rate.
Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability – subsequent measurement
Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Note 15 Grant and Other Commitments

	Consolidated 2022 $	Company 2021 $
a. Grant and Other Commitments		
— not later than 12 months	7,416,775	5,513,532
— between 12 months and five years	2,800,135	3,485,920
— later than five years	-	-
Balance at 30 June 2022	10,216,910	8,999,452

b. Operating Commitments

The Group has not entered into any operating or lease commitments as at 30 June 2022 (2021: Nil).

Note 16 Contingent Liabilities and Contingent Assets

The Group has no contingent assets or liabilities at 30 June 2022 (2021: Nil).

Note 17 Events After the Reporting Period

The directors of the Group are not aware of any significant events since the end of the reporting period.

Note 18 Responsible Persons' Disclosures

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Responsible Minister	**Period**
The Honourable Jaala Pulford: Minister for Innovation, Medical Research and the Digital Economy	1 July 2021 to 30 June 2022
Governing Board	
Leigh Jasper (Chair)	1 July 2021 to 30 June 2022
Aneetha de Silva	1 July 2021 to 30 June 2022
Catriona Larritt	1 July 2021 to 30 June 2022
Ilona Charles	1 July 2021 to 30 June 2022
Constantine Frantzeskos	1 July 2021 to 30 June 2022
Teresa Engelhard	1 July 2021 to 30 June 2022
Chief Executive Officer	
Kate Cornick	1 July 2021 to 30 June 2022

Remuneration of Responsible Persons

The compensation for the responsible Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

No director was entitled to remuneration to perform their duties as a director of LaunchVic. Directors were reimbursed reasonable out of pocket expenses including taxis and other sundry costs.

Remuneration received or receivable by the Chief Executive Officer in connection with the management of the Group during the reporting period was in the range: $340,001 – $350,000 (2021: $310,001 – $320,000).

Note 19 Remuneration of Executives

Executive Officers' Remuneration

The following persons were Executive Officers of LaunchVic Limited during the year

Georgia McDonald	Chief Operating Officer	1 July 2021 to 30 June 2022
Amanda Collins	Chief Finance Officer	31 January 2022 to 30 June 2022
David Williamson	Chief Finance Officer (Interim)	7 November 2021 to 30 January 2022
Anthony Foudoulis	Chief Finance Officer	1 July 2021 to 6 November 2021

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the Group, or on behalf of the Group, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of Executive Officers	**Consolidated 2022 $**	**Company 2021 $**
Short-term employee benefits	416,878	239,955
Post-employment benefits	41,178	22,796
Termination benefits	17,482	-
	475,538	262,751
Total number of executives	4	2
Total annualised employee equivalents*	2.0	1.0

**Annualised employee equivalent is based on the time fraction worked over the reporting period.*

Note 20 Related Parties

LaunchVic Limited is wholly and beneficially owned by the State of Victoria. As such all Victorian Government Departments are considered to be related parties.

Significant transactions with government-related entities

During the reporting period, LaunchVic Limited received the following cash amounts (excluding GST) from the Department of Jobs, Precincts and Regions: $9,606,933 under its funding arrangements; $4,000,000 under the Alice Anderson funding agreement, and $20,000,000 under the VSCF funding agreement which has been recognised as 'Funds held in trust' as recorded in note 12.

From the Department of Health, LaunchVic Limited received cash of $300,000 (excluding GST) in the reporting period to partner with VicHealth to run a CivVic labs challenge program. This has been recognised as a current contract liability in the reporting period. It will be recognised as revenue on completion of the program in October 2022, being the date when the performance obligation of the contract has been met.

On behalf of third parties, the Group held funds in trust that are only paid out at the specific direction of and instruction of the third party. The third parties include Government departments and relate to the 'CivVic accelerator program', where parties provided deposits to the Group. At 30 June 2022, total $221,667 was held in trust by the Group on behalf of St Vincents ($52,500), Department of Treasury ($71,667), GlobalVic ($40,000), AboriginalVic ($50,000) and Department of Health ($7,500). Amounts recorded as 'restricted cash' in note 5 and as 'Contract liabilities' in note 11.

Key Management Personnel (KMP) are those people with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. They are those listed as responsible persons in note 18 and as executives in note 19.

Remuneration of Key Management Personnel	Consolidated 2022 $	Company 2021 $
Short-term employee benefits*	742,527	536,317
Post-employment benefits	63,991	44,796
Other long-term benefits	-	-
Termination benefits	17,482	-
	824,000	581,113

* *Note that KMPs are also reported in the disclosure of remuneration of responsible persons (Note 18) and remuneration of executive officers (Note 19).*

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with LaunchVic Board approved policies.

Outside of normal citizen type transactions with the Group, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Note 21 Parent Entity Information

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

	Parent 2022 $	Parent 2021 $
Comprehensive Operating Statement		
Net result from transactions	6,199,720	(948,196)
Total comprehensive income	6,199,720	(948,196)
Balance Sheet		
Current assets	38,424,756	23,673,630
Non-current assets	8,040,022	213,358
Total Assets	46,464,778	23,886,988
Current liabilities	22,798,678	7,288,000
Non-current liabilities	927,605	60,213
Total Liabilities	23,726,283	7,348,213
Retained surplus	22,738,495	16,538,775
Total Equity	22,738,495	16,538,775

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1.

Note 22 Interest in subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiary in accordance with the accounting policy described in note 1.

Name	Principal place of business	Ownership interest 2022 %	Ownership interest 2021 %
Alice Anderson Fund Pty Ltd	Australia	100%	-

The Alice Anderson Program was approved by Victorian Government to co-invest in women-led startups. The program was launched on 1 July 2021 and Alice Anderson Fund Pty Ltd was incorporated on the 3rd November 2021 to enable investments to be made. On the 11th November 2021, the Alice Anderson Fund Trust was established and Alice Anderson Fund Pty Ltd was appointed Trustee of the Alice Anderson Fund Trust. LaunchVic Limited is the sole shareholder in Alice Anderson Fund Pty Ltd and unit holder in the Fund.

Note 23 Cash Flow Information

	Note	Consolidated 2022 $	Company 2021 $
Reconciliation of Cash Flows from Operating Activities with Net result from Transactions			
Net result from transactions		5,481,235	(948,196)
Adjustment for:			
Depreciation and amortisation expense	4	120,168	6,882
(Writeback) / Discount on loan		(42,072)	97,500
Fair value loss on investments measured through profit or loss	8	292,540	-
Movement in working capital changes:			
(Increase)/decrease in accounts receivable and other debtors		216,795	(188,723)
(Increase)/decrease in other assets / financial assets		33,592	(95,606)
Increase/(decrease) in accounts payable and other payables		(4,017,054)	4,760,871
Increase/(decrease) in financial liabilities		20,000,000	-
Increase/(decrease) in employee provisions		38,778	61,177
		22,123,982	3,693,905

Note 24 Financial Risk Management

Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Group's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Group to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

Cash and deposits, receivables (excluding statutory receivables) and term deposits are recognised using this method.

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

The Group recognises payables (excluding statutory payables) in this category.

Note 24 Financial Risk Management (continued)

Financial instruments: Categorisation

	Note	Consolidated 2022 $	Company 2021 $
Financial assets			
— Cash and cash equivalents	5	31,228,336	23,029,237
— Accounts receivable and other debtors	6	276,060	492,855
— Restricted cash - Cash and cash equivalents	8	10,112,159	-
— Investments in managed funds	8	797,312	-
— Investments in startups	8	2,014,439	-
— Loan	8	244,572	202,500
Total financial assets		44,672,878	23,724,592
Financial liabilities			
— Accounts payable and other payables	10(a)	1,226,893	579,354
— Contract Liabilities	11	814,167	5,310,568
— Lease liabilities	14	995,407	-
Total financial liabilities		3,036,467	5,889,922

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

There have been no substantive changes in the types of risks the entity is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposures as its major source of revenue is the receipt of grants. Credit risk is further mitigated as grants are received from State Governments are in accordance with funding agreements which ensure regular and scheduled funding.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 6.

The Group has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Audit, Finance and Risk committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

Note 24 Financial Risk Management (continued)

	Note	Consolidated 2022 $	Company 2021 $
Cash and cash equivalents (including accrued interest)			
— AA rated	5, 8	41,381,833	23,029,237
		41,381,833	23,029,237

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

— preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;

— maintaining a reputable credit profile;

— managing credit risk related to financial assets;

— only investing surplus cash with major financial institutions; and

— comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(c) Market Risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

ii. *Sensitivity analysis*

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2022 - Consolidated	**Equity $**
+/- 1.0% in interest rates	441,522

Year ended 30 June 2021 - Company	**Equity $**
+/- 0.5% in interest rates	29,716

No sensitivity analysis has been performed on foreign exchange risk as the Group has no material exposures to currency risk.

In preparing the above sensitivity analysis, the interest rate of 0.5% applied in prior year has been increased to 1% in the current reporting year to reflect a change in market rates.

Note 25 Government Grant Acquittal

	30 June 2022			
	Revenue	**Program Activity Costs**	**Operational Costs**	**Surplus / (Deficit)**
	$	**$**	**$**	**$**
DJPR Funding	17,358,883	(10,578,573)	(1,172,828)	5,607,482
DPC Funding (CivVic)	-	(163,009)	-	(163,009)
DOH Funding (CivVic - Vic Health)	-	(133,495)	-	(133,495)
Interest and other income	170,257	-	-	170,257
	17,529,140	(10,875,077)	(1,172,828)	5,481,235

Note, Program Activity Costs from DJPR includes movement in fair value on investments.

	30 June 2021			
	Revenue	**Program Activity Costs**	**Operational Costs**	**Surplus / (Deficit)**
	$	**$**	**$**	**$**
DJPR Funding	9,293,383	(7,481,368)	(1,997,379)	(185,364)
DPC Funding (CivVic)	-	(832,963)	-	(832,963)
Interest and other income	70,131	-	-	70,131
	9,363,514	(8,314,331)	(1,997,379)	(948,196)

As set out in Note 15, prior to 30 June 2022 the Group has contracted and committed with various parties to undertake future activities. The amounts set up out above exclude future contracted commitments.

Note 26 Group Details

The registered office and principal place of business of the Group is:

LaunchVic Limited
Level 1, 45-47 Wangaratta Street
Richmond VIC 3121

Note 27 Members' Guarantee

LaunchVic is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the entity. At 30 June 2022 the number of members was 1 (being the Treasurer, State Government, Victoria).

Note 28 Ex-gratia Expenses

Ex-gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are not made either to acquire goods, services or other benefits for the Group or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the Group. No ex-gratia payments were made by the Group in the reporting period.

LAUNCHVIC LIMITED AND CONTROLLED ENTITY
ABN: 17 611 281 737
DIRECTORS' DECLARATION

In the directors' opinion:

(a) the attached consolidated financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) the attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295 (5) of the Corporations Act 2001.

DocuSigned by:

Director

CA3504132A6C450...

Leigh Jasper

Dated this 24th day of October 2022

DocuSigned by:

Director

F4E3BCF9DEEF415...

Aneetha de Silva

Dated this 24th day of October 2022

Independent Auditor's Report

To the Directors of LaunchVic Limited

Opinion	I have audited the consolidated financial report of LaunchVic Limited (the company) and its controlled entities (together the consolidated entity), which comprises the: • consolidated statement of financial position as at 30 June 2022 • consolidated statement of profit or loss and other comprehensive income for the year then ended • consolidated statement of changes in equity for the year then ended • consolidated statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • directors' declaration. In my opinion the financial report is in accordance with the *Corporations Act 2001* including: • giving a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2022 and of their financial performance and cash flows for the year then ended • complying with Australian Accounting Standards and the Corporations Regulations 2001.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company and the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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Other information	The Directors of the Company are responsible for the other information, which comprises the information in the directors' report for the year ended 30 June 2022, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion on the other information. However, in connection with my audit of the financial report, my responsibility is to read the other information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.
Directors' responsibilities for the financial report	The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Directors are responsible for assessing the company and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Auditor's responsibilities for the audit of the financial report	As required by the Audit Act 1994, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

Auditor's responsibilities for the audit of the financial report (continued)

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the company and the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the company and the consolidated entity. I remain solely responsible for my audit opinion.

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

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

MELBOURNE
28 October 2022

Simone Bohan
as delegate for the Auditor-General of Victoria