

**START
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VIC**

StartupVic Limited

Annual Report

For the year ended 30 June 2021

StartupVic Limited

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StartupVic Limited

Director's Report

The Directors of StartupVic Limited ('Startup Victoria' or 'the Company') present their Report together with the financial statements of the company for the year ended 30 June 2021.

1 DIRECTORS

The following persons were Directors of Startup Victoria during or since the end of the financial year.

Mr Morgan Ranieri

Independent Non-Executive Director
Co-Chair since 24 November 2020
Director since 23 November 2017

Morgan is the co-founder and CEO of YourGrocer and was previously a co-founder at Thankyou.

Mr Peter Cameron

Independent Non-Executive Director
Chairperson from 21 February 2018 until 24 November 2020
Director from 21 February 2018 until 28 January 2021

Peter has more than 30 years of experience as an entrepreneur in the tech industry. He is the CEO of Avalanche Technology Group and a Venture Partner at the Giant Leap Fund, Australia's first VC fund dedicated to investing in "impact businesses". He is an active angel investor and startup advisor with over 20 investments in early-stage businesses and venture funds. Peter previously founded, owned and was the CEO of AVG Australia, which he exited in 2012.

Mr Gus Balbontin

Independent Non-Executive Director
Director since 30 January 2019

Born and bred in Wild Patagonia, Gus never allowed his small town and humble beginnings to get in the way of his big dreams. By the age of 22, he had dropped out of uni, hitchhiked South America, set up his first business and landed his dream job at Lonely Planet.

Fast forward a few years and he was leading the company globally working with companies such as Google X, Nokia, and Amazon on the latest technology, creative cultures, and high performing teams. Seeking a change from corporate life, he hung up his boots as Executive Director and CTO of Lonely Planet and decided to move back to his entrepreneurial roots, becoming an investor, founder and mentor across the start-up ecosystem in Melbourne.

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Ms Kirstin McIntosh

Independent Non-Executive Director
Director since 26 November 2019

Kirstin McIntosh is the Head of Partnerships for CyRise, Asia-Pacific's leading cyber security venture accelerator. At CyRise, she works with some of the most technically adept and ambitious minds of the cyber security community. She also previously worked in a Melbourne healthy food startup, Purple Broccoli. Before this, Kirstin worked in Europe and Asia in business development in the private sector, and corporate partnership roles in the public sector for over 23 years. Kirstin holds an MBA from IMD in Switzerland, and a B.Comm from University of Melbourne. She is a mentor at BSides Melbourne and Spark Deakin and has held NFP roles in education, ethical fashion, construction and a children's environmental charity.

Mr Nic Hodges

Independent Non-Executive Director
Director since 30 January 2019

Nic works at the intersection of technology, creativity, and culture. He has led digital and innovation for some of Australia's leading creative and media agencies and media companies, and currently runs Blonde3 – a boutique consultancy advising startups and media companies on strategic growth. Nic previously founded Robot Deputy, a media technology startup.

Mr Daniel Ross

Independent Non-Executive Director
Treasurer
Director since 26 September 2019

Dan is the CFO and Head of Accounting at LUNA, a startup studio that exists to help founders launch and grow businesses through providing legal, accounting, education and investment services. Prior to joining LUNA, Dan spent 5+ years at PwC working with large domestic and international organisations across a variety of disciplines. Dan's passion for grassroots, early-stage businesses led him out of the corporate world so that he could leave his mark on Victoria's startup ecosystem. He loves disruptors, dreamers and people who see the world differently. Nothing excites him more than a growth story.

Ms Rachel Yang

Independent Non-Executive Director
Co-Chair since 24 Nov 2020
Director since 26 November 2019

Rachel is a Partner at Giant Leap, Australia's first 100% impact venture capital fund. Giant Leap invests in exceptional, rapidly scalable businesses that blend financial returns with deep social and environmental impact across three impact themes: health and wellbeing, sustainable living and empowering people. Rachel's background is in management consulting and corporate finance, and she previously co-founded a non-profit organisation to raise funds and awareness for Motor Neurone Disease.

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2 PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the company during the period focussed on establishing long term stability for the organisation, whilst continuing to deliver high quality member services, events and content for the Startup Vic community, at a time of unprecedented uncertainty due to the pandemic.

Startup Victoria's primary activities for the financial year ended 30 June 2021 included:

- Launched new membership products in February 2021. Individuals within the community can now become a Startup Vic member at <https://startupvictoria.com.au/sign-up> under the following categories:
 - Free - for the curious.
 - Community - for the startup superfans.
 - Future Founder - for the next-gen founder.
 - Founder - for the practicing founder.
 - Growth Club - for the scale-up founder. Thank you to LaunchVic for their support of this program.
- Members only event activities:
 - Delivered 16 peer-to-peer events for Growth Club, Founder and Future Founder members (combined). These sessions are designed for individuals to connect with others in their membership cohort to learn from each others' experiences, solve challenges together and make some new friends along the way. Due to Covid-19 restrictions, 43% of these events were delivered virtually.
 - Delivered 13 education events for Growth Club, Founder and Future Founder members (combined). These sessions are designed for participants to learn from the experience of successful entrepreneurs & tech executives alongside their member cohort. Due to Covid-19 restrictions and some guest speakers being located internationally, 62% of these events were delivered virtually. View 'Startup Vic Shorts' on our YouTube Channel at shorturl.at/ivMR0 to access bite-sized insights from some of our guest speakers.
- Delivered 126 Office Hours sessions for members across 36 Advisors. Office Hours sessions are 30-minute consulting calls with experienced startup advisors (both industry professionals and experienced entrepreneurs) at the top of their game. View the list of current Office Hours Advisors on Startup Vic's website here: <https://startupvictoria.com.au/officehours>.
- Member Benefits - for each individual Future Founder, Founder and Growth Club member, provided

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- Community events
 - Pitch Night - delivered 10 Pitch Night events, including dedicated Pitch Training for over 70 startups. As Pitch Night regularly attracts 200 - 600 registrations, 80% of these events took place virtually due to Covid-19 restrictions. The themes we focussed on this year were: Corporate Culture to Startup Scene, City of Melbourne Open Innovation Competition, HerStartup in partnership with OneRoof, AI Pitch Night in partnership with Boab AI, Regional Founders, GovTech, AgTech and Future Food, FinTech, SportsTech and Direct to Consumer. Across all pitch nights (excluding the City of Melbourne Open Innovation Competition), Startup Vic received 2,616 registrations to attend and at each event provided the opportunity to win over \$200,000 worth of free or discounted products and services from Startup Vic's Industry Partners and other supporting organisations. The total value of the prize package has increased 120% since the last period.
 - Founder Connect - delivered 23 structured speed networking events for the Startup Vic community. The August 2020 edition was delivered in partnership with the Victorian Government's Digital Innovation Festival. Due to Covid-19 restrictions, 65% of these events were delivered virtually.
 - Startup Success Series - delivered 35 editions, providing insight and education on the topics that matter most to the founder community right now. Across all editions for the period, Startup Vic received 2,730 registrations to attend. The most popular topics included: Getting Investor Ready, Government Grants & Incentives, as well as PR & Media Relations. All editions and supporting resources can be found on the Startup Vic website here: <https://startupvictoria.com.au/startup-success-series-2>. Thank you to LaunchVic for their support of this program.
 - Special events:
 - Delivered Global Launchpad: Techstars x Startup Vic in September 2020. This event was a 1-day virtual startup conference, hosting 6 startup education sessions with world-class speakers including Brad Feld, Nicole Glaros and Miguel Roque. Over 470 people registered to attend this event. View all the sessions from the event on Startup Vic's YouTube at shorturl.at/IKOSY.
 - Delivered Techstars Online Startup Weekend in November 2020. This 3-day weekend hackathon style event saw over 250 people register to participate, with 8 startups formed over the course of the event.
 - Delivered Investor Connect in March 2021. This event was designed to connect investors to founders who are actively looking for investment. Founders went through a competitive application process with Startup Vic. The investor/founder matches were curated based on the stage of growth and investment thesis, amongst other criteria. The event was well received with 16 startups and 10 investors participating (including Airtree, Blackbird and Rampersand to name a few), with an NPS of 100 and 75% of investors stating that their matches had potential to lead to a deal.

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- Startup Vic Community Management - alongside our events and member services, Startup Vic continued to aggregate and distribute relevant content across our channels, including:
 - Delivered 50 Community Newsletters - a weekly digest of everything that's happening across the community, including events, jobs, resources and more. Readership grew by 26% this period.
 - Maintained the Startup Vic website - a place for the community to stay up to date with all things Startup Vic and access digital membership services like Office Hours and members only offers.
 - Facilitated the Startup Vic community Slack workspace - where thousands of members find answers to questions, share job listings, opportunities and more. Participation has increased by 25% since the last period.
 - Special content:
 - Prepared for the release of Duct Tape Issue Two, a podcast mini-series, a collaboration between Startup Vic and Victoria University. Issue One took the form of a printed Magazine, available at <https://ducttaped.co>. For Issue Two we're leaning even deeper into the storytelling with a 10 part podcast mini-series exploring how founders tackle unexpected problems. Listen to the Duct Tape Podcast on your favourite podcast player or download at <https://ducttaped.co>.
 - All of the stage talks from the Above All Human 2018 conference are now available to watch for free on Startup Vic's YouTube channel at shorturl.at/afC37.
- Improved the Industry Partnership package to provide more meaningful engagements between Startup Vic's members and the organisations that are well positioned to support startups in Victoria. Industry Partners receive:
 - Recognition & promotion of relevant products, services and opportunities via Startup Vic's website, weekly community newsletter, events and social media.
 - Engagement opportunities to support members and socialise their brand via high visibility speaking opportunities, providing Office Hours advisors, targeted members only offers and pitch night prize package contributions.
 - Connections - Startup Vic acts as a 'startup concierge', doing our best to connect partners to the relevant people in the startup ecosystem, including founders, investors, other services providers, educators or Government.
- Launched a new partnership category; 'Startup Partners', whereby Startup Vic can provide the relevant Industry Partner benefits to Victorian startups who deliver a product or service that is of benefit to the Startup Vic community.
- People activities:
 - Pete Cameron stood down as Chair and Morgan Ranieri and Rachel Yang were appointed as Co-Chairs of the organisation, leading Startup Vic to its next chapter of significant growth. A huge thanks to Pete Cameron for giving so much to Startup Victoria and our community during his time as Chair. Pete generously shared, and continues to share, his wise counsel with so many on their startup journey to foster a growing community of thriving startups. We're truly grateful for Pete's stewardship of the organisation during his time on the board and thank him for giving us such solid foundations to build on.
 - Launched the Startup Vic Programs Steering Committee. Special thanks to members John Sherwood and Luke Henningsen for their contributions throughout the period.
 - Paz Pisarski joined the team with a start date of July 2021 in the role of Community Manager.

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3 OBJECTIVES (short and long term)

To ensure the Company achieves the mission of supporting founder success, our objectives include:

- Developing and launching new programs and products that help with the unmet needs of the Startup Vic community (e.g. improve and grow membership offerings).
- Continuing to execute and improve current programs and products to ensure they are meeting the needs of founders. Including; memberships, community events and community management activities.
- Delivering regular, inclusive startup community events to provide the opportunity for practicing and aspiring entrepreneurs to network and develop both personally and professionally.
- Collating and distributing resources from across the startup ecosystem, helping founders obtain the right information at the right time.
- Creating a financially sustainable organisation, where commercial activities can sufficiently fund the organisation without the need for external sponsorship or grants funding.
- Positioning Startup Vic for ongoing success as the essential startup network for Victorian founders to help their startups survive and thrive.

4 STRATEGY TO ACHIEVE OBJECTIVES

To achieve these objectives, the Company has adopted the following strategies:

- Engage with Startup Victoria members to inform the organisation on the biggest gaps for support & how Startup Vic can help. This will come in the form of qualitative research & experimental programs co-created with members, Industry Partners and other support organisations.
- Create products that scale, which strengthen the Startup Vic network, and add value to founders.
- Work closely with Startup Victoria's Industry Partner network & invite new partners to join the organisation in the delivery of programs and support for our founder members.
- Attract Board Directors to the organisation who can support the organisation's growth and help to execute short- and long-term objectives.
- Maintain a professional and well governed organisation.
- Develop strong relationships with startup ecosystem partners including Government, Universities, Accelerator Programs, Investors/VC Firms and experienced/successful founders.
- Rejuvenate the Startup Vic brand to further develop our position in the market.

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Directors' meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director, is as follows:

Director:	Board Meetings	
	A	B
Morgan Ranieri	9	8
Gus Balbontin	9	8
Nic Hodges	9	9
Daniel Ross	9	7
Rachel Yang	9	9
Kirstin McIntosh	9	8

Where:

- column **A** is the number of meetings the Director was entitled to attend
- column **B** is the number of meetings the Director attended

Members

The Company is limited by guarantee and without share capital. There were 1,618 voting and associate members as at 30 June 2021.

Contribution in Winding Up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute \$5 to the assets of the Company if it is wound up while he or she is a member, or within one year afterwards. At 30 June 2021, the total amount that members of the Company are liable to contribute if the Company is wound up is \$600.

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

DocuSigned by:

Morgan Ranieri

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Morgan Ranieri, Co-Chairperson

Dated: 24 November
2021

DocuSigned by:

Rachel Yang

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Rachel Yang, Co-Chairperson

Dated: 24 November
2021

DocuSigned by:

Daniel Ross

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Daniel Ross, Treasurer

Dated: 24 November
2021

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
To the Directors of StartupVic Limited**

As auditor I declare that, to the best of my knowledge and belief, during the period ended 30 June 2021 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to this audit; and
- no contraventions of any applicable code of professional conduct in relation to this audit.

Stannards Accountants & Advisors



James Dickson
Partner

Date: 24th November 2021

StartupVic Limited

Statement of Surplus or Deficit and other Comprehensive Income for the Year Ended 30 June 2021

		2021	2020
		\$	\$
Membership income		193,859	44,310
Event income		36,181	85,685
Sponsorship income		150,156	182,826
Grant income	2	340,358	196,031
Interest income		614	8
Other revenue		4,718	1,404
		725,886	510,264
Amortisation		(10,296)	(17,160)
Consulting		(10,883)	(8,300)
Depreciation		(1,369)	(1,369)
Employment expense		(373,755)	(263,608)
Event costs		(57,628)	(54,447)
Grant refund		(794)	(85,500)
Office expenses		(28,406)	(15,380)
Other expenses	3	(5,150)	(3,362)
		(488,281)	(449,126)
Surplus Before Income Tax Expense		237,605	61,138
Income tax expense		-	-
Surplus After Income Tax Expense		237,605	61,138
Other comprehensive income for the year (net of tax)		-	-
Total Comprehensive Income for the year		237,605	61,138

The accompanying notes form part of these financial statements.

StartupVic Limited

Statement of Financial Position as at 30 June 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash & cash equivalents	9	427,973	134,594
Trade receivables & other assets	4	57,015	119,680
Total Current Assets		484,988	254,274
Non-Current Assets			
Plant & equipment	5	1,601	1,900
Intangible assets	6	15,844	26,140
Total Non-Current Assets		17,445	28,040
Total Assets		502,433	282,314
Current Liabilities			
Trade & other payables	7	54,531	58,351
Income received in advance		4,136	29,168
Provisions	8	104,088	92,722
Total Current Liabilities		162,755	180,241
Total Liabilities		162,755	180,241
Net Assets		339,678	102,073
Equity			
Accumulated Surplus		339,678	102,073
Total Equity		339,678	102,073

The accompanying notes form part of these financial statements.

StartupVic Limited

Statement of Changes in Equity for the Year Ended 30 June 2021

	Accumulated Surplus	Total
	\$	\$
Balance at 1 July 2019	40,935	40,935
Surplus attributable to members	61,138	61,138
Balance at 30 June 2020	102,073	102,073
Surplus attributable to members	237,605	237,605
Balance at 30 June 2021	339,678	339,678

The accompanying notes form part of these financial statements.

StartupVic Limited

Statement of Cash Flows for the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from Operating Activities			
Receipts from customers		220,787	109,143
Receipts from grants		387,621	161,445
Receipts from other operating activities		154,874	223,084
Interest received		614	8
Cash payments to suppliers and employees		(469,447)	(408,387)
Net cash inflow from Operating Activities	9	294,449	85,293
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(1,070)	(1,907)
Net cash outflow from investing activities		(1,070)	(1,907)
Cash Flows from Financing Activities			
Loan repayments		-	(17,500)
Net cash inflow / (outflow) from financing activities		-	(17,500)
Net increase in cash held		293,379	65,886
Cash at beginning of financial year		134,594	68,708
Cash at end of financial year	9	427,973	134,594

The accompanying notes form part of these financial statements.

StartupVic Limited

Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements that are mandatory under the Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the Directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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 and bank overdrafts.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Plant and equipment is measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management. Costs include an estimate of any expenditure expected to be incurred at the end of the asset's useful life.

The carrying amount of plant and equipment is reviewed annually by the Directors for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognise.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight-line basis over their useful lives (commencing from the time the asset is ready for use).

The depreciable amount is the carrying value of the asset less estimated residual amounts. The residual amount is based on what a similar asset of the expected condition of the asset at the end of its useful life could be sold for.

The assets' residual values and useful lives are reviewed, and adjusted as appropriate, at each statement of financial position date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

Depreciation rates vary between 15% and 67%.

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- it is part of a portfolio where there is an actual pattern of short-term profit taking; or
- it is a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of a financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to accumulated surplus upon derecognition of the financial liability.

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses are taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria:

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

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

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

The entity initially designates a financial instrument as measured at fair value through profit and loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the entity was documented appropriately, so as the performance of the financial liability that was part of an entity's financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

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

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

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

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in an investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in an investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated surplus.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

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Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

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

The entity uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instrument at an amount equal to the lifetime expected credit losses; and
- there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15, that contain a significant financing component; and
- lease receivables.

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

Purchased or originated credit-impaired approach

For a financial asset that is considered to be credit impaired (not on acquisition or origination), the entity measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);

StartupVic Limited

Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

- where a lender has granted to the borrower a concession, due to borrower's financial difficulty, that the lender would not otherwise consider;
- where it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and accordingly can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

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

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

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

Impairment of Assets

At each reporting date, the Company 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 income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

StartupVic Limited

Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Assets (cont'd)

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

Employee entitlements

Provision is made in respect of the Company's liability for annual leave and long service leave at balance date. Long service leave is accrued in respect of all employees with more than 7 years service with the Company which it is believed approximates the provisions of all Australian Accounting Pronouncements.

Contributions are made to superannuation funds on behalf of employees and charged as expenses when incurred. The Company has no legal obligation to provide benefits to employees on retirement.

Leases

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present with a commitment of greater than 12 months, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee.

Initially, the lease liability is measured at the present value of the lease payments still to be paid the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

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

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

StartupVic Limited

Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue

Membership income and sponsorship income is recognised when received.

Non-reciprocal grant revenue is recognised in profit or loss 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 conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, 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, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognized as income on receipt.

Donations are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a events and other services is recognised upon the delivery of the service to the customer.

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

Income Tax

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

Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

Comparative Figures

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

StartupVic Limited

Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

	2021	2020
	\$	\$
2 GRANT INCOME		
A breakdown of Government Grants is presented below		
Grant income	285,000	136,768
JobKeeper Subsidy	27,000	12,000
Cashflow Boost	28,358	47,263
	340,358	196,031
3 OTHER EXPENSES		
Included in operating result are the following items of operating expenses:		
Remuneration of auditors (Stannards Accountants and Advisors)		
- Accounting services	1,000	-
- Review of financial report services	3,250	3,250
	4,250	3,250
4 TRADE RECEIVABLES & OTHER ASSETS		
Current		
Trade debtors	55,220	70,999
Less: provision for doubtful debts	-	-
	55,220	70,999
Prepayments	1,795	1,418
Other debtors	-	47,263
Total trade and other receivables	57,015	119,680
5 PLANT & EQUIPMENT		
Computer Equipment - at cost	8,617	7,547
Less: Accumulated depreciation	(7,016)	(5,647)
Total plant & equipment	1,601	1,900
6 INTANGIBLE ASSETS		
Intellectual property - at cost	400	400
Website – at cost	71,500	71,500
Less: Accumulated amortisation	(56,056)	(45,760)
	15,444	25,740
Total intangible assets	15,844	26,140
7 TRADE & OTHER PAYABLES		
Current		
Trade creditors	4,423	11,375
Sundry creditors & accruals	50,108	46,976
Total trade and other payables	54,531	58,351

StartupVic Limited

Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2021 (cont'd)

	2021	2020
	\$	\$
8 PROVISIONS		
Current		
Provision for Cancelled Grants	94,050	94,050
Annual leave liability	10,038	(1,328)
	104,088	92,722

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave.

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

9 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	427,973	134,594
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(b) Reconciliation of Net Cash provided by Operating Activities to Operating Surplus / (Deficit)

Operating Surplus	237,605	61,138
<i>Non Cash Flows in Operating Surplus / (Deficit):</i>		
Depreciation and amortisation expense	11,665	18,529
<i>Change in Operating Assets & Liabilities:</i>		
(Increase)/decrease in trade receivables and other debtors	63,042	(86,802)
(Increase)/decrease in prepayments	(377)	(1,418)
(Increase)/decrease in income in advance	(25,032)	118,218
(Decrease)/increase in trade creditors and accruals	(3,820)	(18,309)
(Decrease)/increase in employee entitlements	11,366	(6,063)
Net cash from / (used in) operating activities	294,449	85,293

StartupVic Limited

10 SUBSEQUENT EVENTS

It has been noted post year end that the DFAT grant repayment liability worth \$94,050 has been paid off.

11 MEMBERS' GUARANTEE

The entity 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 \$5 each towards meeting any outstanding obligations of the entity. At 30 June 2021, the Company had 1,618 members resulting in a total guarantee of \$600.

StartupVic Limited

Directors' Declaration

The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors declare that:

1

The financial statements and notes are in accordance with the Corporations Act 2001 and:

- a. Comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - b. Give a true and fair view of the financial position as at 30 June 2021 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
- 2 In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

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Morgan Ranieri, Co-Chairperson

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Rachel Yang, Co-Chairperson

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Daniel Ross, Treasurer

Dated: 24 November
2021

**Independent Audit Report
To the Members of StartupVic Limited**

Report on the Audit of the Financial Report

Opinion

We have reviewed the financial report of StartupVic Limited, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors.

The Committee's Responsibility for the Financial Report

The Committee of the Company are responsible for the preparation and fair presentation of the annual financial report in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Committee members determine is necessary to enable the preparation and fair presentation of the annual financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the June 2021 financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*. As the auditor of StartupVic Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an annual financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of Chartered Accountants Australia and New Zealand.

Conclusion

Based on our review, which is not an audit, we have not become aware of anything that makes us believe that the annual financial report of StartupVic Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and *Corporations Regulations 2001*.



Stannards Accountants and Advisors

A handwritten signature in black ink, appearing to read "James Dickson". The signature is written in a cursive style with a long horizontal stroke extending to the right.

James Dickson
Partner

Date: 24th November 2021