Palliative Care Victoria Inc.

Reg No: A0022429M

Financial Statements

For the Year Ended 30 June 2020

Palliative Care Victoria Inc.

Reg No: A0022429M

Contents

For the Year Ended 30 June 2020

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Palliative Care Victoria Inc for the year ended 30 June 2020.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Nick Walker
Partner

Melbourne
25 September 2020

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Palliative Care Victoria Inc.

Reg No: A0022429M

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Grants: Department of Health and Human Services		**660,941**	642,054
Membership fees		**107,317**	86,707
Project income - current year		**38,795**	9,718
Donations		**10,135**	8,965
National Palliative Care Week		**32,579**	5,000
Products and resources sales		**6,125**	6,977
Other income		**-**	17,146
Investment income	5	**131,548**	135,870
Total revenue and income		**987,440**	912,437
Project expenses		**465,312**	519,593
National Palliative Care Week		**5,794**	5,000
Employee benefits expense		**471,266**	522,073
Less amounts reflected in project expenses		**(220,153)**	(209,106)
Depreciation and amortisation expense		**14,658**	16,964
Communications expense		**28,544**	26,598
Occupancy expense		**25,703**	29,276
Administration expense		**47,402**	56,967
Consultancies expense		**40,575**	5,948
Less overheads to projects		**(68,749)**	(52,077)
Total expenditure		**(810,352)**	(921,236)
Surplus/(deficit) for the year		**177,088**	(8,799)
Other comprehensive income			
Fair value movements on investments held at fair value through other comprehensive income		**(79,025)**	39,709
Other comprehensive income for the year, net of tax		**(79,025)**	39,709
Total comprehensive income/(loss) for the year		**98,063**	30,910

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Palliative Care Victoria Inc.

Reg No: A0022429M

Statement of Financial Position

As At 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**438,802**	317,874
Trade and other receivables	7	**280**	80,428
Other financial assets	8	**2,139,732**	2,105,020
Other assets	10	**69,682**	84,958
TOTAL CURRENT ASSETS		**2,648,496**	2,588,280
NON-CURRENT ASSETS			
Property, plant and equipment	9	**89,666**	92,382
TOTAL NON-CURRENT ASSETS		**89,666**	92,382
TOTAL ASSETS		**2,738,162**	2,680,662
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**47,698**	41,926
Employee benefits	13	**59,939**	115,092
Contract liabilities	12	**482,871**	476,436
Other liabilities	14	**639,541**	639,541
TOTAL CURRENT LIABILITIES		**1,230,049**	1,272,995
NON-CURRENT LIABILITIES			
Employee benefits	13	**3,637**	1,254
TOTAL NON-CURRENT LIABILITIES		**3,637**	1,254
TOTAL LIABILITIES		**1,233,686**	1,274,249
NET ASSETS		**1,504,476**	1,406,413
MEMBERS' FUNDS			
Reserves		**(37,178)**	41,847
Accumulated surplus		**1,541,654**	1,364,566
		1,504,476	1,406,413
TOTAL MEMBERS' FUNDS		**1,504,476**	1,406,413

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Statement of Changes in Members' Funds

For the Year Ended 30 June 2020

2020

	Note	Accumulated Surplus $	Financial Asset Reserve $	Total $
Balance at 1 July 2019		**1,364,566**	**41,847**	**1,406,413**
Surplus for the year		**177,088**	**-**	**177,088**
Fair value movement for the year		**-**	**(79,025)**	**(79,025)**
Transactions with owners in their capacity as owners				
Balance at 30 June 2020		**1,541,654**	**(37,178)**	**1,504,476**

2019

	Note	Accumulated Surplus $	Financial Asset Reserve $	Total $
Balance at 1 July 2018		1,373,365	2,138	1,375,503
Loss for the year		(8,799)	-	(8,799)
Fair value movements for the year		-	39,709	39,709
Transactions with owners in their capacity as owners				
Balance at 30 June 2019		1,364,566	41,847	1,406,413

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from grants, conferences and projects		**685,172**	724,645
Payments to suppliers and employees		**(769,408)**	(932,524)
Interest and dividends received		**217,165**	152,013
Receipts from members		**113,679**	101,067
Net cash provided by/(used in) operating activities	19	**246,608**	45,201
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of investment		**466,158**	125,611
Purchase of property, plant and equipment		**(11,943)**	(1,059)
Purchase of investments		**(579,895)**	(298,110)
Net cash provided by/(used in) investing activities		**(125,680)**	(173,558)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase/(decrease) in cash and cash equivalents held		**120,928**	(128,357)
Cash and cash equivalents at beginning of year		**317,874**	446,231
Cash and cash equivalents at end of financial year	6	**438,802**	317,874

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The financial statements cover Palliative Care Victoria Inc. ("the Association") as an individual entity. Palliative Care Victoria Inc. is a not-for-profit association incorporated in Victoria under the *Associations Incorporation Reform Act (VIC) 2012*, the *Associations Incorporation Reform Regulations 2012* and the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act 2012").

The functional and presentation currency of Palliative Care Victoria Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclsoure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

The Association is a not-for-profit entity and has applied the additional AUS paragraphs applicable not-for-profit entities under the Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Association performed an impact assessment regarding the application of AASB 15 and AASB 1058. The assessment identified that the application of this standard had no significant impact on the timing of revenue recognition for the Association.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. There were no adjustments on adoption of AASB 15 and AASB 1058 taken to accumulated surplus at 1 July 2019.

The key changes to the Association's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

AASB 15 *Revenue from Contracts with Customers*

The Association has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 *Income of Not-for-Profit Entities*

The Association has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 *Contributions* in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

AASB 15 and AASB 1058 supersede AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions* and related interpretations, and apply to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

2 Change in Accounting Policy

Leases - Adoption of AASB 16

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Association as a lessee

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Association has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition
AASB 16 includes a number of practical expedients which can be used on transition, the Association has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Association's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

As the only leases identified were as at 30 June 2019 related to short-term leases or leases for low value assets, there were no right-of-use assets or lease liabilities recognised on adoption of AASB 16 on 1 July 2019.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant, 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.

When grant revenue is received whereby the Association 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 recognised as income on receipt.

Revenue from contracts with customers

For current year

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

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

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

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

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

Specific revenue streams

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

3 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

Rendering of services

Revenue from provision of services is recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefit simultaneously.

Other income

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

(b) Income Tax

The Association is exempt from income tax and as deductible gift recipient under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

3 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Depreciation

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

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

Fixed asset class	**Depreciation rate**
Buildings	4%
Fixtures and Fittings	10%
Office Furniture and Equipment	10%-20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

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

- amortised cost; and
- fair value through other comprehensive income - equity instrument (FVOCI - equity).

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

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Fair value through other comprehensive income

Equity instruments

The Association has a number of strategic investments in managed funds over which are they do not have significant influence nor control. The Association has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets
Impairment of financial assets

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

financial assets measured at amortised cost

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

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

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

the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or

the financial assets is more than 90 days past due.

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

Trade receivables

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

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

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

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Other financial assets measured at amortised cost

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

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

(f) Cash and cash equivalents

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

(g) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(h) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association or refer to Note 2 for details of the changes due to standards adopted.

Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Critical Accounting Estimates and Judgments

The Board of Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

Key estimates

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

5 Investment income

	2020 $	2019 $
Interest income		
- Assets measured at amortised cost	**507**	8,128
Dividend income		
- Relating to investments held at FVOCI at the end of the reporting period	**131,041**	127,742
Total finance income	**131,548**	135,870

6 Cash and Cash Equivalents

	2020 $	2019 $
Cash at bank and in hand	**223,881**	85,488
Cash investment account	**214,921**	232,386
	438,802	317,874

7 Trade and other receivables

	2020 $	2019 $
CURRENT		
Trade receivables	**280**	80,428
Total current trade and other receivables	**280**	80,428

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2020

8 Other Financial Assets

(a) Financial assets at fair value

	2020	2019
	$	$
CURRENT		
Investments at fair value through other comprehensive income:		
Managed funds	**2,139,732**	2,105,020

9 Property, plant and equipment

	2020	2019
	$	$
LAND AND BUILDINGS		
Freehold land		
At cost	**60,000**	60,000
Total Land	**60,000**	60,000
Buildings		
At cost	**160,000**	160,000
Accumulated depreciation	**(160,000)**	(155,712)
Total buildings	**-**	4,288
Total land and buildings	**60,000**	64,288
PLANT AND EQUIPMENT		
Fixtures and fittings		
At cost	**32,135**	32,135
Accumulated depreciation	**(22,491)**	(19,336)
Total furniture, fixtures and fittings	**9,644**	12,799
Office furniture and equipment		
At cost	**36,444**	38,920
Accumulated depreciation	**(16,422)**	(23,625)
Total office equipment	**20,022**	15,295
Total plant and equipment	**29,666**	28,094
Total property, plant and equipment	**89,666**	92,382

Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Land	Buildings	Fixtures and Fittings	Office Furniture and Equipment	Total
	$	$	$	$	$
Year ended 30 June 2020					
Balance at the beginning of year	**60,000**	**4,288**	**12,799**	**15,295**	**92,382**
Additions	**-**	**-**	**-**	**11,942**	**11,942**
Depreciation expense	**-**	**(4,288)**	**(3,155)**	**(7,215)**	**(14,658)**
Balance at the end of the year	**60,000**	**-**	**9,644**	**20,022**	**89,666**

10 Other Assets

	2020	2019
	$	$
CURRENT		
Prepayments	**5,859**	6,461
Accrued investment income	**55,923**	78,137
Deposits paid	**7,710**	-
Other	**190**	360
	69,682	84,958

The Association has initially applied AASB 15 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Trade and Other Payables

	Note	2020 $	2019 $
CURRENT			
Trade payables		**2,180**	4,977
GST payable		**13,838**	14,405
Accrued employee related expenses		**12,366**	6,936
Sundry payables and accrued expenses		**19,314**	15,608
		47,698	41,926

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Contract Liabilities

	2020 $	2019 $
CURRENT		
Department of Health and Human Services grants	**389,449**	407,297
Other programs	**17,921**	-
Memberships	**75,501**	69,139
Total	**482,871**	476,436

13 Employee Benefits

	2020 $	2019 $
CURRENT		
Long service leave	**33,291**	70,430
Annual leave	**26,648**	44,662
	59,939	115,092

	2020 $	2019 $
NON-CURRENT		
Long service leave	**3,637**	1,254

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Other Liabilities

	2020	2019
	$	$
CURRENT		
Funds held in trust	**639,541**	639,541
	639,541	639,541

15 Financial Risk Management

	2020	2019
	$	$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	**438,802**	317,874
Trade and other receivables	**280**	80,428
Fair value through Other Comprehensive Income (OCI)		
Managed funds	**2,139,732**	2,105,020
Total financial assets	**2,578,814**	2,503,322
Financial liabilities		
Financial liabilities at amortised cost	**47,698**	41,926
Total financial liabilities	**47,698**	41,926

16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Palliative Care Victoria Inc. during the year are as follows:

	2020	2019
	$	$
Short-term employee benefits	**352,460**	323,164
Long-term benefits	**28,876**	30,700
	381,336	353,864

17 Fair Value Measurement

The Association measures the following assets and liabilities at fair value on a recurring basis:

Financial assets

– Managed funds

Notes to the Financial Statements

For the Year Ended 30 June 2020

18 Contingencies

In the opinion of the Board of Directors, the Association did not have any contingencies at 30 June 2020 (30 June 2019:None).

19 Cash Flow Information

(a) Reconciliation of cash

	2020	2019
	$	$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	**438,802**	317,874

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

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

	2020	2019
	$	$
Surplus/(loss) for the year	**177,088**	(8,799)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**14,657**	16,964
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**80,148**	(76,623)
- (increase)/decrease in other assets	**15,277**	24,514
- increase/(decrease) in trade and other payables	**5,773**	(2,100)
- (increase)/decrease in contract liabilities	**6,435**	82,591
- increase/(decrease) in employee benefits	**(52,770)**	8,654
Cashflows from operations	**246,608**	45,201

Notes to the Financial Statements

For the Year Ended 30 June 2020

20 Events after the end of the Reporting Period

The Victorian Government announced a State of Disaster on 2 August 2020 and “Stage 4” restrictions were applied to Greater Metropolitan Melbourne. The Association's operations and service catchment are within Greater Metropolitan Melbourne.

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Association at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Association, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 28 September 2020 and the state of disaster still in place.

The operations of the Association have not yet been impacted by the pandemic with respect to its financial results and position, however, the Board of Directors and management continue to monitor developments.

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

21 Statutory Information

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

Palliative Care Victoria Inc.
2/182 Victoria Parade
East Melbourne Victoria 3002

Palliative Care Victoria Inc.

Reg No: A0022429M

Directors' Declaration

The Board of Directors declare that in the directors' opinion:

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

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

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Chairperson ....B. Hayes.... Dr Barbara Hayes

Treasurer .... Arunesh Choubey

Dated 25/09/2020 25/09/2020

INDEPENDENT AUDITOR'S REPORT
to the Members of Palliative Care Victoria Inc.

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Palliative Care Victoria Inc. ("the Association") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 those charged with governance.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Reform Act 2012 (Vic)*, including:

(a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for Opinion

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

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

Responsibilities of Management and Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Reform Act 2012 (Vic)* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Report

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Nick Walker
Partner

Melbourne
25 September 2020