

**Queensland AIDS Council Inc.
(Also known as Queensland Council
for LGBTI Health)**

ABN 58 039 823 994

Financial Statements

For the Year Ended 30 June 2020

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

ABN 58 039 823 994

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For the Year Ended 30 June 2020

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INDEPENDENT AUDIT SERVICES

www.independentauditservices.com.au

T 07 3905 9430

Level 1, Suite 1a, 33 Queen Street
BRISBANE QLD 4000

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

ABN 58 039 823 994

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

INDEPENDENT AUDIT SERVICES
Chartered Accountants

Jiahui (Jeremiah) Thum

Director

Brisbane, QLD

Dated this 13th day of October 2020

Independent Audit Services Pty Ltd **ABN 87 168 884 875**
Limited liability by a scheme approved under Professional Standards Legislation.
Registered Authorised Audit Company No. 460755



Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

ABN 58 039 823 994

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	5	3,009,433	2,749,796
Finance income	6	16,271	2,405
Other income	5	40,000	14,952
Total revenue		3,065,704	2,767,153
Employee benefits expense	7	(2,081,227)	(1,812,473)
Depreciation and amortisation expense	7	(1,081)	(68,847)
Administrative expenses		(548,992)	(540,854)
Other operating expenses		(422,618)	(321,137)
Finance expenses	6	-	(12)
Total expenses		(3,053,918)	(2,743,323)
Surplus before income tax		11,786	23,830
Income tax expense		-	-
Surplus for the year		11,786	23,830
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		11,786	23,830

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.

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

ABN 58 039 823 994

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,492,471	1,298,963
Trade and other receivables	9	74,193	91,839
TOTAL CURRENT ASSETS		<u>1,566,664</u>	<u>1,390,802</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,917,217	2,826,810
TOTAL NON-CURRENT ASSETS		<u>2,917,217</u>	<u>2,826,810</u>
TOTAL ASSETS		<u>4,483,881</u>	<u>4,217,612</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	149,227	202,049
Contract liabilities	12	430,410	216,700
Employee benefits	13	137,165	43,570
TOTAL CURRENT LIABILITIES		<u>716,802</u>	<u>462,319</u>
TOTAL LIABILITIES		<u>716,802</u>	<u>462,319</u>
NET ASSETS		<u>3,767,079</u>	<u>3,755,293</u>
EQUITY			
Reserves		525,000	525,000
Retained earnings		3,242,079	3,230,293
TOTAL EQUITY		<u>3,767,079</u>	<u>3,755,293</u>

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.

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

ABN 58 039 823 994

Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2019	3,230,293	525,000	3,755,293
Surplus for the year	11,786	-	11,786
Total other comprehensive income for the period	-	-	-
Balance at 30 June 2020	3,242,079	525,000	3,767,079

2019

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2018	3,206,463	525,000	3,731,463
Surplus for the year	23,830	-	23,830
Total other comprehensive income for the period	-	-	-
Balance at 30 June 2019	3,230,293	525,000	3,755,293

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.

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

ABN 58 039 823 994

Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	328,577	252,482
Payments to suppliers and employees	(2,810,867)	(2,669,430)
Donations received	55,454	42,337
Interest received	16,271	2,405
Interest paid	-	(12)
Receipt from grants	2,695,548	2,427,320
Net cash provided by/(used in) operating activities	17 <u>284,983</u>	<u>55,102</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(91,475)</u>	-
Net cash provided by/(used in) investing activities	<u>(91,475)</u>	-
Net increase/(decrease) in cash and cash equivalents held	193,508	55,102
Cash and cash equivalents at beginning of year	<u>1,298,963</u>	1,243,861
Cash and cash equivalents at end of financial year	8 <u><u>1,492,471</u></u>	<u><u>1,298,963</u></u>

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.

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

ABN 58 039 823 994

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health) as an individual entity. Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health) is a not-for-profit Association, registered and domiciled in Australia.

The principal activities of the Association for the year ended 30 June 2020 were provision of health promotion services including education, training and support, GP services and STI/HIV testing.

The functional and presentation currency of Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health) is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

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 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. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings 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.

Changes in presentation

The Association has assessed the impact in regards to changes in presentation and will comply with the relevant requirements so as to present certain balances such as contract liabilities or contract assets in the appropriate section of the Statement of Financial Position.

Statement of Cash Flows

The statement of cash flows is not materially different under AASB 15 / AASB 1058 from that which was presented under the previous revenue standards.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy

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.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is considered minimal as assessed by the Association. The Association has determined that there is no material lease in place as at 30 June 2020.

3 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) 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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

Contract modifications

Contract modifications are defined as changes in the scope of work, other than changes envisaged in the original contract that may result in a change in the revenue associated with that contract. Modifications to the initial contract require the customer's technical and financial approval before billings can be issued and the amounts relating to the additional work can be collected.

The Association does not recognise the revenue from such additional work until the customer's approval has been obtained. In cases where the additional work has been approved but the corresponding change in price has not been determined, the requirement described above for variable consideration is applied, namely to recognise revenue for an amount with respect to which it is highly probable that a significant revenue reversal will not occur. The costs associated with these additional units or services performed are recognised when incurred, irrespective of whether or not the modification has been approved.

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but may include management of education events, vaccinations, presentations at symposiums.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Grant income under AASB 1058

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Association considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Sale of goods and services

Under AASB 15, the total consideration in the contract is allocated to all product and services based on their standalone selling price. The performance obligation within the contract is identified and the allocated revenue is recognised when the performance obligation is satisfied. In this instance, it is when the ownership of goods and services have been transferred to the customer.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

Revenue from fundraising

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Association gains control of the asset.

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:

The Association principally generate revenue from Grants, Medicare income, Sales of goods and services and Donations. The contract can include providing product and services directly to customer on a timely manner. Revenue is recognised over time in the accounting period when services are rendered

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Association presents the contract as a contract asset, unless the Association's rights to that amount of consideration are unconditional, in which case the Association recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Association presents the contract as a contract liability.

Contract cost assets

The Association recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Statement of financial position balances relating to revenue recognition

Costs to obtain a contract

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Set-up / mobilisation costs

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Association if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

Costs to fulfil a contract

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Association that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on an systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

Other income

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

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(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 revaluation model.

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.

(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

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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

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

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

Impairment of financial assets

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

- financial assets measured at amortised cost
- debt investments measured at FVOCI (*Not applicable to the entity*)

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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

Other financial assets measured at amortised cost

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

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, credit card, accruals other payables.

(f) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(h) 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.

(i) Economic dependence

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health) is dependent on Government and other grant funding for the majority of its revenue used to operate the business. At the date of this report the Management Committee have no reason to believe the Government and other grant funding will not continue to support Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health).

(j) 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.

4 Critical Accounting Estimates and Judgments

Those charged with governance 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 - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

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

5 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Sale of goods and services	53,573	28,829
- Events and festivals	20,810	420
- Grant	2,616,548	2,376,845
- Health surveys	5,000	-
- Medicare	148,855	152,449
- Training income	30,193	65,388
	<u>2,874,979</u>	<u>2,623,931</u>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- ATO Cashflow Boost	62,500	-
- Donations	30,460	42,337
- Fundraising	24,994	33,053
- MAC Grant	16,500	50,475
	<u>134,454</u>	<u>125,865</u>
Total Revenue	<u>3,009,433</u>	<u>2,749,796</u>

	2020	2019
	\$	\$
Other Income		
- other income	40,000	14,952
	<u>40,000</u>	<u>14,952</u>

6 Finance Income and Expenses

Finance income

	2020	2019
	\$	\$
Interest income		
- Assets measured at amortised cost	16,271	2,405

Finance expenses

	2020	2019
	\$	\$
Interest expense	-	12

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

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

7 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Other expenses:		
Employee benefits expense	2,081,227	1,812,473
Depreciation expense	1,081	68,847

8 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	1,492,471	548,963
Short-term deposits	-	750,000
	<u>1,492,471</u>	<u>1,298,963</u>

9 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	36,573	84,356
Prepayments	37,620	7,483
Total current trade and other receivables	<u>74,193</u>	<u>91,839</u>

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.

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

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Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land		
Total Land	<u>2,826,823</u>	2,826,810
Leasehold Improvements		
At cost	91,475	-
Accumulated depreciation	<u>(1,081)</u>	-
Total Leasehold Improvements	<u>90,394</u>	-
Total land and buildings	<u>2,917,217</u>	2,826,810
Total property, plant and equipment	<u><u>2,917,217</u></u>	<u>2,826,810</u>

11 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	41,435	18,481
GST payable	44,095	50,761
Audit fees accrual	9,600	9,000
Other payables	<u>54,097</u>	123,807
	<u>149,227</u>	<u>202,049</u>

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		
Unexpended grant funding	<u>430,410</u>	216,700
Total	<u><u>430,410</u></u>	<u>216,700</u>

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

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

13 Employee Benefits

	2020	2019
	\$	\$
Current liabilities		
Long service leave	11,930	9,485
Provision for annual leave	125,235	34,085
	<u>137,165</u>	<u>43,570</u>

14 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on Property, Plant and Equipment held under the revaluation model.

15 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor Independent Audit Service Pty Ltd for: - auditing or reviewing the financial statements	<u>9,600</u>	<u>9,000</u>

There are no non-audit services provided by the auditor during the year.]

16 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2020 (30 June 2019:None).

Notes to the Financial Statements

For the Year Ended 30 June 2020

17 Cash Flow Information

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

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

	2020	2019
	\$	\$
Surplus for the year	11,786	23,830
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,081	68,847
- write-off of accumulated depreciation	(13)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	60,283	(42,609)
- (increase)/decrease in prepayments	(30,137)	(2,027)
- increase/(decrease) in trade and other payables	(65,322)	93,622
- (increase)/decrease in contract liabilities	213,710	98,746
- increase/(decrease) in employee benefits	93,595	(185,307)
Cashflows from operations	<u>284,983</u>	<u>55,102</u>

18 Events after the end of the Reporting Period

The financial report was authorised for issue on 13 October 2020 by those charged with governance.

The impact of the Coronavirus (COVID19) pandemic is ongoing and has not caused significant detriment for the Association up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the State Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. Based on the current available information, the Management Committee believe that the Association will remain a going concern.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

19 Statutory Information

The registered office and principal place of business of the association is:
 Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)
 30 Helen Street
 Teneriffe QLD 4005

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

ABN 58 039 823 994

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Peter Black

Responsible person

mjl

Responsible person

Dated this **13th** day of **October** 2020



INDEPENDENT AUDIT SERVICES

www.independentauditservices.com.au

T 07 3905 9430

Level 1, Suite 1a, 33 Queen Street
BRISBANE QLD 4000

Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

Independent Audit Report to the members of Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health), 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 responsible persons' declaration.

In our opinion the financial report of Queensland AIDS Council Inc. (Also known as Queensland Council for LGBTI Health) has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, 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 Registered Entity in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter

We draw attention to Note 18 of the financial report which describes the current outbreak of the Coronavirus (COVID19) which may have an impact on the going concern of the entity within the next 12 months of the signed financial report. The impact of the Coronavirus (COVID19) pandemic is ongoing and the Association's surplus has decreased for the year ended 30 June 2020, due to closure of the Clinic and cancellation of training events. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the State Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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 the 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 Registered Entity'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 Registered Entity to cease to continue as a going concern.

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

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.

INDEPENDENT AUDIT SERVICES
Chartered Accountants



Jiahui (Jeremiah) Thum
Director
Brisbane, QLD

Dated this 13th day of October 2020