Victorian AIDS Council Inc./Gay Men's Health Centre Inc. (Aggregated)

Aggregated Financial Statements

For the Year Ended 30 June 2020

Victorian AIDS Council Inc./Gay Men's Health Centre Inc. (Aggregated)

Contents

For the Year Ended 30 June 2020

Directors' Report
For the Year Ended 30 June 2020

The directors present their report, together with the aggregated financial statements of the Victorian AIDS Council Inc. ("VAC") and Gay Men's Health Centre Inc. ("GMHC"), collectively referred to herein as "the Group", for the financial year ended 30 June 2020.

Information on directors

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

Chad Hughes	VAC + GMHC
Craig Brennan	VAC + GMHC
Janet Jukes	VAC + GMHC
Adam Bourne	VAC + GMHC
Paul Kidd	VAC + GMHC
Neil Pharaoh	(appointed VAC + GMHC 17 November 2019)
Timothy Dyke	(appointed VAC + GMHC 17 November 2019)
Steven Farley-Odgers	(appointed VAC + GMHC 17 November 2019)
Peggy Kerdo	(appointed VAC + GMHC 10 March 2020)
Chrissie Feagins	(retired VAC + GMHC 17 November 2019)
Christopher McDermott	(retired VAC + GMHC 17 November 2019)
Deborah Sykes	(retired VAC + GMHC 17 November 2019)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The Victorian AIDS Council Inc. now trading as Thorne Harbour Health aims to improve the health and wellbeing of its LGBTI communities, through advocacy, health promotion, and collaborative health service provision. Its principal activities include:

- Peer education
- PLHIV (People Living with HIV) services
- Outreach services
- Regional & rural LGBTI support
- Policy & advocacy
- Therapeutic counselling
- LGBTI clinical services
- LGBTI women's health
- Trans & gender diverse health
- Alcohol & other drug services
- Relationship & family violence supprot
- Sexual health services
- Rapid sexual health testing

The principal activity of Gay Men's Health Centre Inc. during the financial year is to ensure that the entity trading as Thorne Harbour Health can provide advocacy, health promotion and health services to LGBTI community members and is accessible to LGBTI communities through the acquisition, disposal and protection of assets. Gay Men's Health Centre Inc. provides Thorne Harbour Health with accommodation for administrative, clinical and HIV services, and oversees the long term investment of funds to ensure the Thorne Harbour Health is a sustainable LGBTI health service.

No significant change in the nature of these activities occurred during the year.

Directors' Report
For the Year Ended 30 June 2020

Operating results

The aggregated surplus of the Group amounted to $1,173,532 (2019: aggregated surplus of $1,071,862).

Review of operations

The Group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Events after the reporting date

The Victorian Government applied Stage 4 restrictions on 2 August 2020 as a result of the rising COVID-19 cases in Greater Metropolitan Melbourne. The Group continued to operate within the government's permitted activities. The Group's operations are located in Melbourne and regional Victoria and employees have been working from home since mid-March.

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 Group by the reporting date. As responses by the 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 Group, its operations, its future results and financial position. Subsequent to year end, the state of emergency in Victoria was extended until 11 October 2020 and the state of disaster is still in place. Any future changes to the Group's operations relating to COVID-19 will be in response to the Victorian Government's directions.

The Board approved the acquisition of 58 Mundy Street, Bendigo on 2 September 2020. An offer of $825,000 was made on the Mundy Street property and accepted on 4 September, 2020. Settlement will occur on 11 November, 2020. The property acquisition is to house Thorne Harbour Country which has outgrown its temporary accommodation, and to grow further its health promotion, therapeutic services and potentially, clinical services offering in Bendigo.

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 Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental issues

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

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Victorian AIDS Council Inc. or Gay Men's Health Centre Inc..

Directors' Report

For the Year Ended 30 June 2020

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 4 of the aggregated financial report.

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

Director: .... Chad Hughes

Director: .... Janet Jukes

Dated this 9th day of October 2020

Victorian AIDS Council Inc./Gay Men's Health Centre Inc. (Aggregated)

52 907 644 835

Auditor's Independence Declaration to the Directors of Victorian AIDS Council Inc./Gay Men's Health Centre Inc. (Aggregated) and Controlled Entities

Aggregated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Revenue and other income	5	**14,692,848**	14,147,112
Employee benefits expense		**(8,603,644)**	(7,868,788)
Depreciation and amortisation expense	10,11, 12	**(1,042,883)**	(166,802)
Occupancy expense		**(218,726)**	(1,058,547)
Repairs and maintenance expense		**(63,934)**	(71,707)
Advertising expense		**(1,066,240)**	(1,735,050)
Consultancy costs		**(256,128)**	(260,373)
Investment management fees		**(21,429)**	(20,775)
Production coordination		**(4,525)**	(34,713)
Professional fees		**(30,640)**	(34,458)
Attendant care		**(48,347)**	(44,832)
Motor vehicle costs		**(82,960)**	(119,396)
Volunteer costs		**(39,686)**	(47,194)
Emergency relief grants		**(384,198)**	(396,829)
Food and catering costs		**(102,725)**	(117,970)
Computer expenses		**(226,378)**	(144,693)
Office expenses		**(292,301)**	(294,158)
Medical supplies		**(652,551)**	(672,556)
Net gain/(loss) on financial assets at FVTPL		**(99,023)**	177,865
Travel expenses		**(71,245)**	(116,922)
Other expenses		**(181,473)**	(47,352)
Finance costs		**(30,280)**	-
Net surplus/(deficit) for the year		**1,173,532**	1,071,862
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment	16	**(140,000)**	-
Items that will be reclassified to profit or loss when specific conditions are met			
Other comprehensive income for the year		**(140,000)**	-
Total comprehensive income for the year		**1,033,532**	1,071,862

The accompanying notes form part of these financial statements.

Aggregated Statement of Financial Position

As At 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**4,039,042**	3,599,201
Trade and other receivables	7	**302,624**	77,124
Other financial assets	8	**6,472,815**	6,343,353
Other assets	9	**514,764**	154,760
TOTAL CURRENT ASSETS		**11,329,245**	10,174,438
NON-CURRENT ASSETS			
Trade and other receivables	7	**3,113**	2,544
Right-of-use assets	10	**271,604**	-
Property, plant and equipment	11	**11,811,180**	12,035,419
Intangible assets	12	**78,885**	102,878
TOTAL NON-CURRENT ASSETS		**12,164,782**	12,140,841
TOTAL ASSETS		**23,494,027**	22,315,279
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**730,112**	977,831
Provisions	14	**1,275,692**	1,009,510
Other liabilities	15	**279,881**	398,315
Lease liabilities		**241,853**	-
TOTAL CURRENT LIABILITIES		**2,527,538**	2,385,656
NON-CURRENT LIABILITIES			
Provisions	14	**171,239**	205,049
Lease liabilities		**37,144**	-
TOTAL NON-CURRENT LIABILITIES		**208,383**	205,049
TOTAL LIABILITIES		**2,735,921**	2,590,705
NET ASSETS		**20,758,106**	19,724,574
EQUITY			
Reserves	16	**240,410**	380,410
Accumulated surpluses	17	**20,517,696**	19,344,164
TOTAL EQUITY		**20,758,106**	19,724,574

The accompanying notes form part of these financial statements.

Aggregated Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Note	Accumulated Surpluses $	Asset Revaluation Surplus $	Financial Assets Reserve $	Total $
Balance at 1 July 2019	17,16	19,344,164	380,410	-	**19,724,574**
Net surplus/(deficit) for the year	17	1,173,532	-	-	**1,173,532**
Revaluation of property, plant and equipment	16	-	(140,000)	-	**(140,000)**
Balance at 30 June 2020	17,16	20,517,696	240,410	-	**20,758,106**

2019

	Note	Accumulated Surpluses $	Asset Revaluation Surplus $	Financial Assets Reserve $	Total $
Balance at 1 July 2018	17,16	18,205,329	380,410	66,973	18,652,712
Cumulative adjustment upon adoption of AASB 9	17,16	66,973	-	(66,973)	-
Balance at 1 July 2018 (restated)		18,272,302	380,410	-	18,652,712
Net surplus/(deficit) for the year	17	1,071,862	-	-	1,071,862
Balance at 30 June 2019	17,16	19,344,164	380,410	-	19,724,574

The accompanying notes form part of these financial statements.

Aggregated Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Grants received		**10,704,521**	9,981,459
Payments to suppliers and employees		**(12,633,288)**	(13,444,177)
Interest received		**69,619**	162,961
Dividends received		**134,298**	150,030
Receipts from customers		**3,588,871**	2,519,631
Donations and bequests received		**282,063**	1,302,623
Net GST paid		**(520,221)**	-
Net cash provided by/(used in) operating activities		**1,625,863**	672,527
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for financial assets		**(571,013)**	(213,777)
Payments for property, plant and equipment		**(49,486)**	(11,030,278)
Payments for intangible assets		**(5,850)**	(29,206)
Proceeds from disposal of financial assets		**342,528**	11,198,527
Net cash provided by/(used in) investing activities		**(283,821)**	(74,734)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities		**(902,201)**	-
Net cash provided by/(used in) financing activities		**(902,201)**	-
Net increase/(decrease) in cash and cash equivalents held		**439,841**	597,793
Cash and cash equivalents at beginning of year		**3,599,201**	3,001,408
Cash and cash equivalents at end of financial year	6(a)	**4,039,042**	3,599,201

The accompanying notes form part of these financial statements.

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

The aggregated financial report covers the aggregated financial statements of the Victorian AIDS Council Inc. and Gay Men's Health Centre Inc. ('the Group'). Both Victorian AIDS Council Inc. and Gay Men's Health Centre Inc. are not-for-profit associations registered and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The aggregated financial statements are presented in Australian dollars which is the functional and presentation currency of both associations.

The financial report was authorised for issue by the Directors on 9 October 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Directors opinion, the Group 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. This special purpose financial report has been prepared to meet the reporting requirements of the *Associations Incorporation Reform Act (VIC) 2012*, the *Associations Incorporation Reform Regulations 2012* and the *Australian Charities and Not-For-Profits Commission Act 2012*.

The financial statements, other than 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

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or postition of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

Revenue Recognition - Adoption of AASB 15 and AASB 1058

The Group 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 Group 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 Group

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy (continued)

Revenue Recognition - Adoption of AASB 15 and AASB 1058 (continued)

AASB 15 *Revenue from Contracts with Customers*

The Group has adopted AASB 15 from 1 July 2019. This standard replaces AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations, and applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. 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 Group 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.

The Group 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.

Leases - Adoption of AASB 16

The Group has adopted AASB 16 *Leases* using the modified retrospective 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.

Notes to the Financial Statements

2 Change in Accounting Policy (continued)

Leases - Adoption of AASB 16 (continued)

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

The Group as a lessee

Under AASB 117, the Group 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 Group 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 aggregated statement of financial position (except for short-term leases and leases of low value assets).

The Group 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 aggregated 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 Group 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 Group'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 aggregated 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

The Group has recognised right-of-use assets of $1,150,918 and lease liabilities of $1,150,918 at 1 July 2019, for leases previously classified as operating leases.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy (continued)

Financial statement impact of adoption of AASB 16 (continued)

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 4.00%.

	$
Operating lease commitments at 30 June 2019 financial statements	1,869,702
Short-term leases included in commitments note	(10,982)
Leases for low value assets included in commitments note	(106,375)
	1,752,345
Discounted using the incremental borrowing rate at 1 July 2019	1,266,010
Less:	
Effects of GST	115,092
Lease liabilities recognised at 1 July 2019	1,150,918

3 Summary of Significant Accounting Policies

(a) Principles of Aggregation

The aggregated financial statements include the aggregation of the financial position and performance of VAC and GMHC.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the aggregated group have been eliminated in full for the purpose of these financial statements.

(b) Income Tax

No provision for income tax has been raised as the Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Leases

For the comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

For the current year

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(c) Leases (continued)

- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

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

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

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

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

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

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

Exceptions to lease accounting

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

(d) Revenue and other income

For the 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 Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(d) Revenue and other income (continued)

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

Grant revenue

Non-reciprocal grant revenue is recognised in profit or loss when the Group obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Group and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Group 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 aggregated 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.

The Group receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the aggregated statement of financial position, with a corresponding amount of income recognised in the aggregated statement of profit or loss and other comprehensive income.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

For the current year

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group 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 (continued)

(d) Revenue and other income (continued)

Revenue from contracts with customers (continued)

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 Group 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 Group are:

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

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 Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group 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 Group presents the contract as a contract liability.

Donation, fundraising and bequest income

Donations, fundraising income and bequests are recognised as revenue when received.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(d) Revenue and other income (continued)

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

(e) 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 payables are stated inclusive of GST.

Cash flows in the aggregated 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.

(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.

Bank overdrafts also form part of cash equivalents for the purpose of the aggregated statement of cash flows and are presented within current liabilities on the aggregated statement of financial position.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Group 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 Group classifies its financial assets into the following categories, those measured at:

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Financial assets (continued)

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the aggregated 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.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Financial assets (continued)

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group 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 Group's historical experience and informed credit assessment and including forward looking information.

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

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group 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 Group 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 Group 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 Group 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 Group 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 Group comprise trade and other payables.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(h) 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.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	6%
Motor Vehicles	25%
Office Equipment	6-10%
Computer Equipment	20-33%
Leasehold improvements	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.

(i) Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(i) Intangibles (continued)

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Fair value measurement

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

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

(k) Impairment of non-financial assets

At the end of each reporting period, the Group determines whether there is any evidence of impairment for its non-financial assets.

Where an indicator exists and regardless for goodwill, 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, except for goodwill.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(l) Employee benefits

Short-term employee benefits

Provision is made for the the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the aggregated statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its aggregated statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the aggregated statement of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Economic dependence

The Group is dependent on the grant funding from the State government and local sources for the majority of its revenue used to operate the business. At the date of this report, the directors have no reason to believe that the State government and local sources will not continue to support the Group.

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

3 Summary of Significant Accounting Policies (continued)

(o) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2020, the impact of adoption of these standards is outlined in Note 2.

(p) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Group.

4 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these aggregated 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 judgements - Impact of COVID-19

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date as a result of the Coronavirus (COVID-19) pandemic.

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Revenue and Income

	2020 $	2019 $
Revenue from operations:		
- Grant income	**10,684,521**	10,248,527
- Client fees	**1,800,354**	1,490,181
- Donations, fundraising and bequest income	**301,563**	1,282,767
- Goods and services income	**749,911**	759,608
- Membership fees	**4,016**	4,033
Total revenue	**13,540,365**	13,785,116
Income:		
- Interest income	**68,909**	170,869
- Dividend income	**134,298**	150,030
- Jobkeeper payments	**828,000**	-
- Cash flow boost	**100,000**	-
- Other	**21,276**	41,097
Total income	**1,152,483**	361,996
Total revenue and income	**14,692,848**	14,147,112

6 Cash and Cash Equivalents

	Note	2020 $	2019 $
Cash on hand		**8,950**	6,950
Cash at bank		**3,022,644**	2,592,251
Short-term deposits		**1,007,448**	1,000,000
Total cash and cash equivalents	6(a)	**4,039,042**	3,599,201

As at 30 June 2020, there is $61,689 (30 June 2019: $84,297) held on behalf of the John Marriot Trust.

(a) Reconciliation of cash

Cash and cash equivalents reported in the aggregated statement of cash flows are reconciled to the equivalent items in the aggregated statement of financial position as follows:

	Note	2020 $	2019 $
Cash and cash equivalents	6	**4,039,042**	3,599,201
Balance as per aggregated statement of cash flows		**4,039,042**	3,599,201

Notes to the Financial Statements

For the Year Ended 30 June 2020

7 Trade and Other Receivables

	2020	2019
	$	$
CURRENT		
Trade receivables	**302,624**	77,124
Total current trade and other receivables	**302,624**	77,124
NON-CURRENT		
Deposits	**3,113**	2,544
Total non-current trade and other receivables	**3,113**	2,544

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.

8 Other Financial Assets

	Note	2020	2019
		$	$
CURRENT			
Financial assets at fair value through profit or loss	8(a)	**3,548,460**	3,925,954
Financial assets at amortised cost	8(b)	**2,924,355**	2,417,399
Total current other financial assets		**6,472,815**	6,343,353

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

	2020	2019
CURRENT		
Listed securities - fair value	**1,537,909**	1,725,143
Unlisted managed investment - fair value	**2,010,551**	2,200,811
Total current financial assets at FVTPL	**3,548,460**	3,925,954

(b) Financial assets at amortised cost

	2020	2019
CURRENT		
Term deposits	**2,924,355**	2,417,399
Total current financial assets at amortised cost	**2,924,355**	2,417,399

Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Other Assets

	2020	2019
	$	$
CURRENT		
Prepayments	**160,512**	129,071
Contract assets (2019: Accrued income)	**354,252**	25,689
Total current other assets	**514,764**	154,760

10 Leases

The Group has applied AASB 16 using the modified retrospective method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

The Group as a lessee

The Group has leases over a range of assets including buildings, vehicles and office equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

The Group leases land and buildings under agreements of between 1 to 5 years and with optional further terms available. On renewal, the terms of the leases may be renegotiated, and a rent review conducted. The Group has assessed the likelihood of exercising available extension options and, where it has determined that it is reasonably certain that an option will be exercised, the extension period has been included in assessing the lease term and therefore in calculating the lease liability and associated right of use asset.

The Group also leases plant and equipment under agreements of between 3 to 5 years. None of the agreements contain options to extend the term or options to purchase the assets at the end of the agreement.

Right-of-use assets

	Buildings	Motor Vehicles	Office Equipment	Total
	$	$	$	$
Year ended 30 June 2020				
Adjustment on adoption of AASB 16 on 1 July 2019	**1,026,378**	**66,341**	**58,199**	**1,150,918**
Less: Accumulated depreciation	**(832,061)**	**(30,625)**	**(16,628)**	**(879,314)**
Balance at end of year	**194,317**	**35,716**	**41,571**	**271,604**

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

11 Property, plant and equipment

	2020	2019
	$	$
Land and buildings		
At valuation	**11,410,000**	11,586,840
Total land and buildings	**11,410,000**	11,586,840
Motor vehicles		
At cost	**39,606**	39,606
Accumulated depreciation	**(33,787)**	(30,764)
Total motor vehicles	**5,819**	8,842
Office equipment		
At cost	**171,151**	166,981
Accumulated depreciation	**(138,601)**	(133,328)
Total office equipment	**32,550**	33,653
Computer equipment		
At cost	**187,720**	169,514
Accumulated depreciation	**(153,538)**	(130,423)
Total computer equipment	**34,182**	39,091
Leasehold Improvements		
At cost	**594,502**	530,552
Accumulated amortisation	**(265,873)**	(163,559)
Total leasehold improvements	**328,629**	366,993
Total property, plant and equipment	**11,811,180**	12,035,419

Valuations

The valuation of the property located at 34 Myers St, Bendigo was undertaken by a qualified independent valuer, P J Campbell, of Countrywide Valuers. The property is valued at fair value, taking into account the property's highest and best use which is determined from the perspective of market participants.

At the time of valuation, available market data, including the condition of the property, available sales evidence of residential and office-residential properties in Bendigo and any market uncertainty due to the impact of the pandemic event, were considered.

The property at Hoddle St, Abbotsford was acquired on 11 December 2018 and recorded at cost. The carrying amount of the property approximates fair value as at 30 June 2020.

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Property, plant and equipment (continued)

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 and Buildings	Motor Vehicles	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	$	$	$	$	$	$
Year ended 30 June 2020						
Balance at the beginning of year	11,586,840	8,842	33,653	39,091	366,993	12,035,419
Additions	-	-	4,170	18,207	27,110	49,487
Transfers	(36,840)	-	-	-	36,840	-
Depreciation expense	-	(3,023)	(5,273)	(23,116)	(102,314)	(133,726)
Revaluation decrease	(140,000)	-	-	-	-	(140,000)
Balance at the end of the year	11,410,000	5,819	32,550	34,182	328,629	11,811,180

12 Intangible Assets

	2020	2019
	$	$
Computer software		
Cost	**156,584**	150,734
Accumulated amortisation and impairment	**(77,699)**	(47,856)
Net carrying value	**78,885**	102,878
Total intangibles	**78,885**	102,878

(a) Movements in carrying amounts of intangible assets

	Computer software	Total
	$	$
Year ended 30 June 2020		
Balance at the beginning of the year	102,878	102,878
Additions	5,850	5,850
Amortisation	(29,843)	(29,843)
Closing value at 30 June 2020	78,885	78,885

Notes to the Financial Statements

For the Year Ended 30 June 2020

13 Trade and Other Payables

	2020	2019
	$	$
CURRENT		
Trade payables	**310,796**	392,271
Sundry payables and accrued expenses	**419,316**	585,560
Total current trade and other payables	**730,112**	977,831

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.

14 Provisions

	2020	2019
	$	$
CURRENT		
Provision for employee benefits	**1,175,692**	901,010
Provision for make good	**100,000**	108,500
Total current provisions	**1,275,692**	1,009,510
NON-CURRENT		
Provision for employee benefits	**162,739**	205,049
Provision for make good	**8,500**	-
Total non-current provisions	**171,239**	205,049

(a) Movement in carrying amounts

	Employee Benefits	Provision for Make Good	Total
	$	$	$
Opening balance at 1 July 2019	**1,106,059**	**108,500**	**1,214,559**
Additional provisions	**755,337**	**-**	**755,337**
Provisions used	**(522,965)**	**-**	**(522,965)**
Balance at 30 June 2020	**1,338,431**	**108,500**	**1,446,931**

15 Other Liabilities

	2020	2019
	$	$
CURRENT		
Contract liabilities (2019: Grant funds received in advance)	**209,776**	306,250
Funds held on behalf of John Marriot Trust	**61,689**	84,297
Auspiced funds	**8,416**	7,768
Total current other liabilities	**279,881**	398,315

Funds held in the John Marriot Trust are included in the cash at bank account.

Notes to the Financial Statements

For the Year Ended 30 June 2020

15 Other Liabilities (continued)

(a) Reconciliation of contract liabilities

Reconciliation of the values at the beginning and end of the current financial year is set out below:

	2020	2019
	$	$
Opening balance on transition to AASB 15 on 1 July 2019	**306,250**	-
Payments received in advance	**1,107,222**	-
Transfer to revenue - performance obligations satisfied during the year	**(1,203,696)**	-
Closing balance	**209,776**	-

16 Reserves

	2020	2019
	$	$
Asset revaluation reserve		
Opening balance	**380,410**	380,410
Revaluation of property, plant and equipment	**(140,000)**	-
Closing balance	**240,410**	380,410
Financial assets reserve		
Opening balance	**-**	66,973
Transfers to accumulated surplus on adoption of AASB 9	**-**	(66,973)
Opening balance (restated)	**-**	-
Closing balance	**-**	-
Total reserves	**240,410**	380,410

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

(b) Financial assets reserve

Change in the fair value of available for sale investments are recognised in other comprehensive income - financial asset reserve. Amounts are reclassified to profit or loss on disposal of the investment or when an impairment arises.

17 Accumulated Surplus

	2020	2019
	$	$
Accumulated surpluses at the beginning of the financial year	**19,344,164**	18,205,329
Transfers from financial assets reserve on adoption of AASB 9	**-**	66,973
Accumulated surpluses at the beginning of the financial year (restated)	**19,344,164**	18,272,302
Net surplus/(deficit) for the year	**1,173,532**	1,071,862
Accumulated surpluses at end of the financial year	**20,517,696**	19,344,164

Notes to the Financial Statements

For the Year Ended 30 June 2020

18 Leasing Commitments

Operating leases

	2020 $	2019 $
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	964,560
- between one year and five years	-	643,208
- later than five years	-	261,934
	-	1,869,702

Operating lease commitments are in relation to leased premises in Victoria, motor vehicles and office photocopiers.

19 Financial Risk Management

The Group's principal financial instruments comprise of loans and receivables, term deposits, trade payables, lease liabilities and cash at bank.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 $	2019 $
Financial assets			
Financial assets at amortised cost:			
- Cash and cash receivables	6	**4,039,042**	3,599,201
- Trade and other receivables	7	**305,737**	79,668
- Term deposits	8	**2,924,355**	2,417,399
Financial assets at fair value through profit or loss:			
- Listed securities and unlisted managed investment	8	**3,548,460**	3,925,954
Total financial assets		**10,817,594**	10,022,222
Financial liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	13	**730,112**	977,831
- Lease liabilities		**278,997**	-
Total financial liabilities		**1,009,109**	977,831

20 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Group is $951,674 (2019: $919,320).

Notes to the Financial Statements

For the Year Ended 30 June 2020

21 Auditor's Remuneration

	2020 $	2019 $
Remuneration of the auditor (HLB Mann Judd), for:		
- auditing or reviewing the financial statements	**29,800**	26,000
Total auditor's remuneration	**29,800**	26,000

22 Fair Value Measurement

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

- Property, plant and equipment
  - Land and buildings
- Financial assets
  - Listed securities; and
  - Unlisted managed investments

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

30 June 2020	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Property, plant and equipment					
Land and buildings	11	-	**-**	**11,410,000**	**11,410,000**
Financial assets					
Listed securities	8(a)	**1,537,909**	-	**-**	**1,537,909**
Unlisted managed investments	8(a)	**-**	**2,010,551**	**-**	**2,010,551**
Total		**1,537,909**	**2,010,551**	**11,410,000**	**14,958,460**

Notes to the Financial Statements

For the Year Ended 30 June 2020

22 Fair Value Measurement (continued)

Fair value hierarchy (continued)

30 June 2019	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Property, plant and equipment					
Land and buildings	11	-	-	11,586,840	11,586,840
Financial assets					
Listed securities	8(a)	1,725,143	-	-	1,725,143
Unlisted managed investments	8(a)	-	2,200,811	-	2,200,811
Total		1,725,143	2,200,811	11,586,840	15,512,794

Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

23 Contingencies

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

24 Related Parties

The related parties of the Group are the directors of the associations as listed in the directors' report. There are no transactions between the associations and the directors.

25 Events Occurring After the Reporting Date

The aggregated financial report was authorised for issue on 9 October 2020 by the board of directors.

The Victorian Government applied Stage 4 restrictions on 2 August 2020 as a result of the rising COVID-19 cases in Greater Metropolitan Melbourne. The Group continued to operate within the government's permitted activities. The Group's operations are located in Melbourne and regional Victoria and employees have been working from home since mid-March.

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 Group by the reporting date. As responses by the 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 Group, its operations, its future results and financial position. Subsequent to year end, the state of emergency in Victoria was extended until 11 October 2020 and the state of disaster is still in place. Any future changes to the Group's operations relating to COVID-19 will be in response to the Victorian Government's directions.

Notes to the Financial Statements

For the Year Ended 30 June 2020

25 Events Occurring After the Reporting Date (continued)

The Board approved the acquisition of 58 Mundy Street, Bendigo on 2 September 2020. An offer of $825,000 was made on the Mundy Street property and accepted on 4 September, 2020. Settlement will occur on 11 November, 2020. The property acquisition is to house Thorne Harbour Country which has outgrown its temporary accommodation, and to grow further its health promotion, therapeutic services and potentially, clinical services offering in Bendigo.

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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

26 Statutory Information

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

Thorne Harbour Health
Level 5, 615 St Kilda Road
MELBOURNE VIC 3004

Directors' Declaration

The directors have determined that the Group is not a reporting entity and that this special purpose aggregated financial report should be prepared in accordance with the accounting policies described in Notes 1 to 3 to the aggregated financial statements.

The directors of the Group declare that:

1. The aggregated financial statements and notes, as set out on pages 5 to 33, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and:

    (a) comply with Accounting Standards as stated in Note 1; and

    (b) give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Notes 1 to 3 to the aggregated financial statements.

2. In the directors' opinion, there are reasonable grounds to believe that the Group 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 under subdivision 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director ....
Chad Hughes

Director ....
Janet Jukes

Dated this 9th day of October 2020

Victorian AIDS Council Inc./Gay Men's Health Centre Inc. (Aggregated)

Independent Audit Report to the members of Victorian AIDS Council Inc./Gay Men's Health Centre Inc. (Aggregated)