

# **Gay Men's Health Centre Inc.**

ABN 87 652 472 253

## **Financial Statements**

For the Year Ended 30 June 2021

# Gay Men's Health Centre Inc.

ABN 87 652 472 253

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For the Year Ended 30 June 2021

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## Gay Men's Health Centre Inc.

ABN 87 652 472 253

# Directors' Report

## For the Year Ended 30 June 2021

The directors present their report on Gay Men's Health Centre Inc. ("the Association") for the financial year ended 30 June 2021.

### 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	(Retired November 2020)
Craig Brennan	(Retired November 2020)
Janet Jukes	
Adam Bourne	
Paul Kidd	
Neil Pharaoh	
Timothy Dyke	
Steven Farley-Odgers	
Peggy Kerdo	
Bronwyn Lawman	(Appointed October 2020)
Bruce Weston	(Elected November 2020)
Nevena Spirovska	(Elected November 2020)

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

### Principal activities

The principal activities 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 that Thorne Harbour Health is a sustainable LGBTI health service.

No significant changes in the nature of the Association's activity occurred during the financial year.

### Operating results

The surplus of the Association for the year amounted to \$556,903 (2020: deficit of \$27,881).

### Review of operations

The Association 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 the Association during the year.

## Gay Men's Health Centre Inc.

ABN 87 652 472 253

# Directors' Report For the Year Ended 30 June 2021

### Events after the reporting date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Association 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 Association, its operations, its future results and financial position. Subsequent to year end, a State of Emergency was declared for COVID-19 in the State of Victoria on 16 March 2020 and has been extended to 21 October 2021. Any future changes to the Association's operations relating to COVID-19 will be in response to the Victorian Government's directions. Refer to Note 17 to the financial statements for further information regarding the impact of COVID-19 on the Association's operations.

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.

### Future developments and results

Likely developments in the operations of the Association 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 Association.

### Environmental issues

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

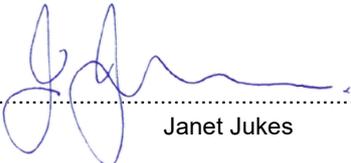
### Indemnification and insurance of officers and auditors

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 Gay Men's Health Centre Inc..

### Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 3 of the financial report.

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

Director:  .....  
Janet Jukes

Director:  .....  
Steven Farley-Odgers

Dated this 13th day of October 2021

**Gay Men's Health Centre Inc.**

ABN 52 907 644 835

**Auditor's Independence Declaration to the Directors of Gay Men's Health Centre Inc.**

**Gay Men's Health Centre Inc.**

ABN 87 652 472 253

**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2021**

		2021	2020
	Note	\$	\$
Revenue and other income	4	455,121	145,076
Occupancy expense		(15,952)	(32,383)
Repairs and maintenance expense		-	(16,086)
Consultancy costs		(1,474)	(1,060)
Investment management fees		(22,586)	(21,429)
Net gain/(loss) on financial assets at FVTPL		144,434	(99,023)
Professional fees		(2,640)	(2,976)
<b>Surplus/(deficit) before income tax</b>		<b>556,903</b>	<b>(27,881)</b>
Income tax expense		-	-
<b>Net surplus/(deficit) after income tax for the year</b>		<b>556,903</b>	<b>(27,881)</b>
<b>Other comprehensive income, net of income tax</b>			
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		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>556,903</b>	<b>(27,881)</b>

The accompanying notes form part of these financial statements.

# Gay Men's Health Centre Inc.

ABN 87 652 472 253

## Statement of Financial Position As At 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	640,403	1,544,987
Other financial assets	6	4,620,584	4,119,473
Contract assets		280,000	-
<b>TOTAL CURRENT ASSETS</b>		<b>5,540,987</b>	5,664,460
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	11,700,000	10,950,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,700,000</b>	10,950,000
<b>TOTAL ASSETS</b>		<b>17,240,987</b>	16,614,460
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	2,751	2,977
Borrowings	9	813,416	743,566
<b>TOTAL CURRENT LIABILITIES</b>		<b>816,167</b>	746,543
<b>TOTAL LIABILITIES</b>		<b>816,167</b>	746,543
<b>NET ASSETS</b>		<b>16,424,820</b>	15,867,917
<b>EQUITY</b>			
Accumulated surplus	10	16,424,820	15,867,917
<b>TOTAL EQUITY</b>		<b>16,424,820</b>	15,867,917

The accompanying notes form part of these financial statements.

**Gay Men's Health Centre Inc.**

ABN 87 652 472 253

**Statement of Changes in Equity  
For the Year Ended 30 June 2021**

**2021**

		<b>Accumulated Surplus</b>	<b>Total Equity</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2020</b>	10	<b>15,867,917</b>	<b>15,867,917</b>
Net surplus/(deficit) for the year	10	<b>556,903</b>	<b>556,903</b>
<b>Balance at 30 June 2021</b>	10	<b>16,424,820</b>	<b>16,424,820</b>

**2020**

		<b>Accumulated Surplus</b>	<b>Total Equity</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2019</b>	10	15,895,798	15,895,798
Net surplus/(deficit) for the year		(27,881)	(27,881)
<b>Balance at 30 June 2020</b>	10	<b>15,867,917</b>	<b>15,867,917</b>

The accompanying notes form part of these financial statements.

## Gay Men's Health Centre Inc.

ABN 87 652 472 253

### Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Payments to suppliers	(20,293)	(19,634)
Finance costs	(22,586)	(21,429)
Interest received	12,685	10,778
Dividends received	159,891	134,298
Rental receipts	2,545	-
<b>Net cash provided by/(used in) operating activities</b>	<b>132,242</b>	<b>104,013</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(750,000)	-
Payments for financial assets	(927,689)	(571,013)
Proceeds from disposal of financial assets	571,013	278,471
<b>Net cash provided by/(used in) investing activities</b>	<b>(1,106,676)</b>	<b>(292,542)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Loans received from related parties	69,850	-
<b>Net cash provided by/(used in) financing activities</b>	<b>69,850</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents held	(904,584)	(188,529)
Cash and cash equivalents at beginning of year	1,544,987	1,733,516
<b>Cash and cash equivalents at end of financial year</b>	<b>640,403</b>	<b>1,544,987</b>
5(a)		

The accompanying notes form part of these financial statements.

## Gay Men's Health Centre Inc.

ABN 87 652 472 253

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

The financial report covers Gay Men's Health Centre Inc. ("the Association") as an individual entity. Gay Men's Health Centre Inc. is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Gay Men's Health Centre Inc. is Australian dollars.

The financial report was authorised for issue by the Directors on 9 October 2021.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, 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 Summary of Significant Accounting Policies

#### (a) Income Tax

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

#### (b) Revenue and other income

##### Donation, fundraising and bequest income

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

##### 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 rate, 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.

##### Rental income

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

##### Other income

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(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 payables are stated inclusive of GST.

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

##### **(d) 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 statement of cash flows and are presented within current liabilities on the statement of financial position.

##### **(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 category, those measured at:

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

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

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies (continued)

#### (e) Financial instruments (continued)

##### Financial assets (continued)

- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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

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

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

##### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income 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.

When determining whether the credit risk of a financial asset has increased significantly 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 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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial instruments (continued)**

###### **Financial assets (continued)**

###### *Trade receivables*

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

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

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

###### *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 and other payables, and related party loans.

##### **(f) 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.

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies (continued)

#### (f) Property, plant and equipment (continued)

##### 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.

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.

#### (g) Impairment of non-financial assets

At the end of each reporting period, the Association determines whether there is any evidence of impairment for its 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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(h) 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.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

##### **(i) Adoption of new and revised accounting standards**

The Association has adopted all standards which became effective for the first time at 1 July 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

##### **(j) 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 Association.

## Gay Men's Health Centre Inc.

ABN 87 652 472 253

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 3 Critical Accounting Estimates and Judgements

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

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

#### **Key estimates - Fair value measurement hierarchy**

The Association is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

# Gay Men's Health Centre Inc.

ABN 87 652 472 253

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 4 Revenue and Income

	2021	2020
	\$	\$
Income:		
- Interest income	12,685	10,778
- Dividend income	159,891	134,298
- rental revenue for property investment	282,545	-
<b>Total income</b>	<b>455,121</b>	<b>145,076</b>

### 5 Cash and Cash Equivalents

	2021	2020
Note	\$	\$
Cash at bank	640,403	1,544,987
<b>Total cash and cash equivalents</b>	<b>640,403</b>	<b>1,544,987</b>

#### (a) Reconciliation of cash

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

Cash and cash equivalents	5	640,403	1,544,987
<b>Balance as per statement of cash flows</b>		<b>640,403</b>	<b>1,544,987</b>

### 6 Other Financial Assets

	2021	2020	
Note	\$	\$	
CURRENT			
Financial assets at amortised cost:			
- Term deposits	-	571,013	
Financial assets at FVTPL	6(a)	4,620,584	3,548,460
<b>Total current other financial assets</b>		<b>4,620,584</b>	<b>4,119,473</b>

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

CURRENT			
Listed securities - fair value		1,165,151	1,537,909
Unlisted managed investments - fair value		3,455,433	2,010,551
<b>Total current financial assets at FVTPL</b>		<b>4,620,584</b>	<b>3,548,460</b>

## Gay Men's Health Centre Inc.

ABN 87 652 472 253

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 7 Property, plant and equipment

	2021	2020
	\$	\$
<b>Land and buildings</b>		
At valuation	<u>11,700,000</u>	10,950,000
<b>Total land and buildings</b>	<u>11,700,000</u>	10,950,000
<b>Total property, plant and equipment</b>	<u>11,700,000</u>	10,950,000

The property at Hoddle St, Abbotsford was acquired on 11 December 2018 for \$10,950,000 and has been subsequently revalued to fair value as at the end of the current financial year to \$10,750,000.

The property at Mundy St, Bendigo was acquired on 9 November 2020 for \$825,000 and has been subsequently revalued to fair value as at the end of the current financial year to \$950,000.

The valuation of the property located at 198-210 Hoddle St, Abbotsford and the property located at 58A & 58B Mundy Street, Bendigo were undertaken by a qualified independent valuer. The properties are valued at fair value, taking into account the 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 Abbotsford and any market uncertainty due to the impact of the pandemic event, were considered.

#### 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	Total
	\$	\$
<b>Year ended 30 June 2021</b>		
Balance at the beginning of year	10,950,000	10,950,000
Additions	825,000	825,000
Revaluation decrease	(75,000)	(75,000)
<b>Balance at the end of the year</b>	<u>11,700,000</u>	<u>11,700,000</u>

#### 8 Trade and Other Payables

	2021	2020
	\$	\$
<b>CURRENT</b>		
Trade payables	<u>2,751</u>	2,977
<b>Total current trade and other payables</b>	<u>2,751</u>	2,977

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.

## Gay Men's Health Centre Inc.

ABN 87 652 472 253

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 9 Borrowings

	2021	2020
Note	\$	\$
CURRENT		
Unsecured liabilities:		
Related party loan - Victorian AIDS Council Inc.	9(a) 813,416	743,566
<b>Total current borrowings</b>	<b>813,416</b>	<b>743,566</b>

##### (a) Related party loan

The loan is provided by related entity, Victorian AIDS Council Inc.. The loan is at call and non-interest bearing.

#### 10 Accumulated Surplus

	2021	2020
	\$	\$
Accumulated surpluses at the beginning of the financial year	15,867,917	15,895,798
Net surplus/(deficit) for the year	556,903	(27,881)
<b>Accumulated surpluses at end of the financial year</b>	<b>16,424,820</b>	<b>15,867,917</b>

#### 11 Financial Risk Management

The Association's principal financial instruments comprise of loans and receivables, term deposits, trade payables, borrowings 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:

	2021	2020
Note	\$	\$
<b>Financial assets</b>		
<i>Financial assets at amortised cost:</i>		
- Cash and cash receivables	5 640,403	1,544,987
- Term deposits	6 -	571,013
<i>Financial assets at fair value through profit or loss:</i>		
- Listed securities and unlisted managed investments	6 4,620,584	3,548,460
<b>Total financial assets</b>	<b>5,260,987</b>	<b>5,664,460</b>
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost:</i>		
- Trade and other payables	8 2,751	2,977
- Borrowings	9 813,416	743,566
<b>Total financial liabilities</b>	<b>816,167</b>	<b>746,543</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 12 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Association is \$NIL (2020: \$NIL).

#### 13 Auditor's Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor (HLB Mann Judd), for:		
- auditing or reviewing the financial statements	2,640	2,976
<b>Total auditor's remuneration</b>	<b>2,640</b>	<b>2,976</b>

#### 14 Fair Value Measurement

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

- 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 Association:

		Level 1	Level 2	Level 3	Total
	Note	\$	\$	\$	\$
<b>30 June 2021</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Listed securities	6(a)	1,165,151	-	-	1,165,151
Unlisted managed investments	6(a)	-	3,455,433	-	3,455,433
<b>Total</b>		<b>1,165,151</b>	<b>3,455,433</b>	<b>-</b>	<b>4,620,584</b>
<b>30 June 2020</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Listed securities	6(a)	1,537,909	-	-	1,537,909
Unlisted managed investments	6(a)	-	2,010,551	-	2,010,551
<b>Total</b>		<b>1,537,909</b>	<b>2,010,551</b>	<b>-</b>	<b>3,548,460</b>

## Gay Men's Health Centre Inc.

ABN 87 652 472 253

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 14 Fair Value Measurement (continued)

#### 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.

### 15 Contingencies

In the opinion of the Directors, the Association did not have any contingencies at 30 June 2021 (30 June 2020: None).

### 16 Related Parties

During the year, the Association received funds from Victorian AIDS Council Inc. to assist with cash flow requirements. As at 30 June 2021, the Association has a loan payable to Victorian AIDS Council Inc. of \$813,416 (2020: \$743,566 loan receivable). The loan is not governed by a formal agreement but is considered to be non-interest bearing and repayable on demand.

Other related parties of Gay Men's Health Centre Inc. include those who acted as directors of the Association during the year as listed below:

Chad Hughes (Retired November 2020)	Timothy Dyke
Craig Brennan (Retired November 2020)	Steven Farley-Odgers
Janet Jukes	Peggy Kerdo
Adam Bourne	Bronwyn Lawman (Appointed October 2020)
Paul Kidd	Bruce Weston (Elected November 2020)
Neil Pharaoh	Nevena Spirovska (Elected November 2020)

Explicitly, there are no transactions between Gay Men's Health Centre Inc. and the directors. The directors of the Association are also the directors of Victorian AIDS Council Inc..

### 17 Impact of COVID-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus and has been extended to 21 October 2021. To contain the spread of the virus and to prioritise the health and safety of our communities' various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including the Victorian AIDS Council Inc.

During the financial year, the Association did not receive any COVID-19 Government financial assistance.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association 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 Association unfavourably as at the reporting date as a result of the Coronavirus (COVID-19) pandemic.

## **Gay Men's Health Centre Inc.**

ABN 87 652 472 253

# **Notes to the Financial Statements**

## **For the Year Ended 30 June 2021**

### **18 Events Occurring After the Reporting Date**

The financial report was authorised for issue on 9 October 2021 by the board of directors.

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Association 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 Association, its operations, its future results and financial position. Subsequent to year end, a State of Emergency was declared for COVID-19 in the State of Victoria on 16 March 2020 and has been extended to 21 October 2021. Any future changes to the Association's operations relating to COVID-19 will be in response to the Victorian Government's directions. Refer to Note 17 to the financial statements for further information regarding the impact of COVID-19 on the Association's operations.

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:

Gay Men's Health Centre Inc.  
200 Hoddle Street  
ABBOTSFORD VIC 3067

## Gay Men's Health Centre Inc.

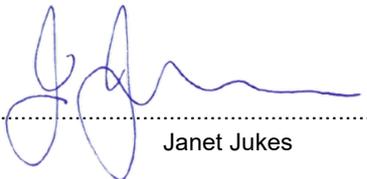
ABN 87 652 472 253

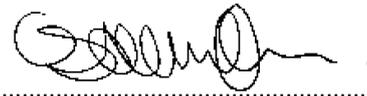
### Directors' Declaration

The directors of the Association declare that:

1. The financial statements and notes, as set out on pages 4 to 20, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Association.
2. In the directors' opinion, there are reasonable grounds to believe that the Association 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 .....  
  
Janet Jukes

Director .....  
  
Steven Farley-Odgers

Dated this 13th day of October 2021

**Gay Men's Health Centre Inc.**

**Independent Audit Report to the members of Gay Men's Health Centre Inc.**