

2021-2022

Financial Report



Palliative care. Living well every day.



Eastern Palliative Care Association Incorporated

ABN 62 982 157 121

Financial Statements - 30 June 2022

Eastern Palliative Care Association Incorporated

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30 June 2022

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General information

The financial statements cover Eastern Palliative Care Association Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Eastern Palliative Care Association Incorporated's functional and presentation currency.

Eastern Palliative Care Association Incorporated is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Eastern Palliative Care Association Incorporated
 Building 2, Level 1
 630 Mitcham Road
 Mitcham VIC 3132

A description of the nature of the incorporated association's operations and its principal activities are included in the committee members' report, which is not part of the financial statements.

The financial statements were authorised for issue on 29 August 2022.

Eastern Palliative Care Association Incorporated
Committee members' report
30 June 2022

The committee members present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2022.

Committee members

The names of the Committee Members throughout the financial year and at the date of this report are:

A Barnden (Appointed 28 August 2017)	T Bryan (Appointed 30 October 2020)
K Francis (Appointed 6 August 2007)	P Gurr (Appointed 25 November 1999; On leave from 1 February 2022)
A Hunt OAM (Appointed 28 October 2013)	D Kissane AC (Appointed 29 September 2014)
M O'Donnell (Appointed 27 May 2019)	I Parry (Appointed 27 January 2021)
H Sampson (Appointed 1 February 2022 to replace P Gurr while on leave)	M Smith (Appointed 30 September 2020)
M Stewart (Appointed 31 July 2018)	R Snyder AM (Appointed 4 July 2006)
T Gorton (appointed 27 September 2021)	

Principal activities

The principal activity of the Association during the financial year was the provision of support services to people living with a life threatening illness.

The Association also provided external education and consultancy support to other organisations which independently care for this client group.

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

Operating Result

The operating result for the Association for the financial year ended 30 June 2022 was a surplus of \$47,055 (2021:\$236,795). This surplus includes one-off contributions totalling \$109,665 which comprised of \$58,265 from five deceased estates (2021: \$378,111), and \$51,400 from five significant donations each in excess of \$5,000 (2021: \$20,000).

This also included non-recurring Government initiative and equipment grants of \$436,284 (2021: \$51,044).

After Balance Date Events

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

On behalf of the committee members



M Stewart
Chairman



R Snyder AM
Treasurer

29 August 2022
Melbourne

Eastern Palliative Care Association Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue			
Revenue from government sources	2	13,098,683	12,508,389
Revenue from non-government sources	3	571,941	790,430
Total revenue		<u>13,670,624</u>	<u>13,298,819</u>
Expenses			
Employee benefits expense	5	(11,175,144)	(10,734,058)
Depreciation and amortisation expense	5	(941,618)	(880,310)
Motor vehicle expenses		(126,053)	(119,891)
Telephone expenses		(99,890)	(93,135)
Finance costs	5	(121,352)	(144,274)
Other expenses		<u>(1,159,512)</u>	<u>(1,090,356)</u>
Surplus before income tax expense	4	47,055	236,795
Income tax expense		-	-
Surplus after income tax expense for the year		47,055	236,795
Other comprehensive income/(loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(loss) on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		<u>(253,642)</u>	<u>312,774</u>
Other comprehensive income/(loss) for the year, net of tax		<u>(253,642)</u>	<u>312,774</u>
Total comprehensive income/(loss) for the year		<u><u>(206,587)</u></u>	<u><u>549,569</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Eastern Palliative Care Association Incorporated
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6	2,732,486	2,540,549
Trade and other receivables	7	84,805	197,679
Other financial assets	8	1,124,091	2,130,569
Other assets	9	122,456	113,736
Total current assets		<u>4,063,838</u>	<u>4,982,533</u>
Non-current assets			
Investments	10	4,106,386	3,264,421
Property, plant and equipment	11	1,223,961	1,270,482
Right-of-use assets	12	3,161,284	3,340,909
Other assets	9	-	1,625,000
Total non-current assets		<u>8,491,631</u>	<u>9,500,812</u>
Total assets		<u>12,555,469</u>	<u>14,483,345</u>
Liabilities			
Current liabilities			
Trade and other payables	13	467,276	631,292
Lease liabilities	14	386,334	355,369
Provisions	15	1,630,202	1,580,003
Unearned income	16	144,533	135,550
Total current liabilities		<u>2,628,345</u>	<u>2,702,214</u>
Non-current liabilities			
Lease liabilities	14	1,409,839	3,161,778
Provisions	15	520,275	415,756
Total non-current liabilities		<u>1,930,114</u>	<u>3,577,534</u>
Total liabilities		<u>4,558,459</u>	<u>6,279,748</u>
Net assets		<u>7,997,010</u>	<u>8,203,597</u>
Equity			
Contributed equity	17	559,282	559,282
Reserves	18	214,186	538,053
Accumulated surplus		<u>7,223,542</u>	<u>7,106,262</u>
Total equity		<u>7,997,010</u>	<u>8,203,597</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Eastern Palliative Care Association Incorporated
Statement of changes in equity
For the year ended 30 June 2022

	Contributed Equity (Note 17) \$	Financial Assets Revaluation Reserve (Note 18) \$	MEPCA/EPC Scholarship Reserve (Note 18) \$	Capital Reserve (Note 18) \$	Accumulated Surplus \$	Total equity \$
Balance at 1 July 2020	559,282	32,085	64,658	181,588	6,816,415	7,654,028
Surplus after income tax expense for the year	-	-	-	-	236,795	236,795
Other comprehensive income for the year, net of tax	-	312,774	-	-	-	312,774
Total comprehensive income for the year	-	312,774	-	-	236,795	549,569
Transfer to MEPCA/EPC scholarship reserve	-	-	95	-	(95)	-
Transfer balance of Financial Assets Revaluation Reserve related to assets disposed during the year to Accumulated Surplus	-	(53,147)	-	-	53,147	-
Balance at 30 June 2021	<u>559,282</u>	<u>291,712</u>	<u>64,753</u>	<u>181,588</u>	<u>7,106,262</u>	<u>8,203,597</u>
Balance at 1 July 2021	559,282	291,712	64,753	181,588	7,106,262	8,203,597
Surplus after income tax expense for the year	-	-	-	-	47,055	47,055
Other comprehensive income/(loss) for the year, net of tax	-	(253,988)	-	-	346	(253,642)
Total comprehensive income/(loss) for the year	-	(253,988)	-	-	47,401	(206,587)
Transfer balance of Financial Assets Revaluation Reserve related to assets disposed during the year to Accumulated Surplus	-	(69,879)	-	-	69,879	-
Balance at 30 June 2022	<u>559,282</u>	<u>(32,155)</u>	<u>64,753</u>	<u>181,588</u>	<u>7,223,542</u>	<u>7,997,010</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Eastern Palliative Care Association Incorporated
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Operating grants from Government		13,235,085	12,345,586
Donations received		247,801	479,381
Interest received		18,338	33,854
Dividends received		174,611	85,639
Interest paid		(121,352)	(144,274)
Receipts from other sources of income		86,055	105,238
Payments to suppliers and employees		(12,546,490)	(11,442,633)
Net cash from operating activities		<u>1,094,048</u>	<u>1,462,791</u>
Cash flows from investing activities			
Proceeds from sale of term deposit		1,000,000	-
Proceeds from sale of property, plant & equipment		261,836	207,714
Payments for purchase of property, plant and equipment		(660,357)	(898,027)
Refunds of/(payments for) security bond		6,478	(20,610)
Proceeds on sale of investments		558,800	618,824
Purchases of investments		(1,599,645)	(619,321)
Net cash used in investing activities		<u>(432,888)</u>	<u>(711,420)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(469,223)</u>	<u>(356,845)</u>
Net cash used in financing activities		<u>(469,223)</u>	<u>(356,845)</u>
Net increase in cash and cash equivalents		191,937	394,526
Cash and cash equivalents at the beginning of the financial year		<u>2,540,549</u>	<u>2,146,023</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>2,732,486</u></u>	<u><u>2,540,549</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The incorporated association has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Associations Incorporation Reform Act 2012, the Fundraising Act 1998 and associated regulations, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through other comprehensive income.

Revenue recognition

The incorporated association recognises revenue as follows:

Grant revenue

Grant revenue is recognised in profit or loss when the incorporated association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the incorporated association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Donations

Donations are recognised as revenue when received.

Interest

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.

Other revenue

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

Volunteer services

The incorporated association has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the incorporated association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Investments

Investments are classified as financial assets measured at fair value through other comprehensive income and include equity investments which the incorporated association intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The incorporated association recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the incorporated association's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Revenue from government sources

	2022	2021
	\$	\$
Operating grant	12,662,399	12,457,345
Non-recurrent grant - Initiative and infrastructure	436,284	51,044
	<u>13,098,683</u>	<u>12,508,389</u>

Note 3. Revenue from non-government sources

	2022	2021
	\$	\$
Other grants	14,545	18,600
Donations	247,801	547,099
Interest	18,338	33,854
Dividends and franking credits	174,612	85,639
Education sessions	16,748	35,026
Other income	99,897	70,212
	<u>571,941</u>	<u>790,430</u>

Note 4. Surplus

	2022	2021
	\$	\$
Revenue from recurring sources	13,097,969	12,849,664
Operating expenses	<u>(13,623,569)</u>	<u>(13,062,024)</u>
	<u>(525,600)</u>	<u>(212,360)</u>
Income from non-recurring sources		
Significant donations and bequests (over \$5,000)	109,665	398,111
Government initiative/equipment grants	436,284	51,044
(Gain)/Loss on disposal of property, plant and equipment	26,706	-
	<u>47,055</u>	<u>236,795</u>

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 5. Expenses

	2022	2021
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Plant, property and equipment	445,044	441,144
Right-of-use assets	496,574	439,166
Total depreciation and amortisation	<u>941,618</u>	<u>880,310</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	121,352	144,274
<i>Superannuation expense</i>		
Defined contribution superannuation expense	944,479	841,596
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	10,230,665	9,892,462
<i>Disposal of assets</i>		
Motor Vehicles	230,681	191,241

Note 6. Cash and cash equivalents

	2022	2021
	\$	\$
<i>Current assets</i>		
Petty Cash	1,200	1,200
Cash at bank	2,731,286	2,539,349
	<u>2,732,486</u>	<u>2,540,549</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Trade and other receivables

	2022	2021
	\$	\$
<i>Current assets</i>		
Sundry receivables	84,805	197,679

Accounting policy for trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 8. Other financial assets

	2022	2021
	\$	\$
<i>Current assets</i>		
Bank term deposits	1,000,000	2,000,000
Security bond	50,061	56,539
Term deposits	74,030	74,030
	<u>1,124,091</u>	<u>2,130,569</u>

Security bond of \$50,061 (2021: \$56,539) is on the Mitcham property and is not available to the Association until the conclusion of the lease. Refer to note 12 and note 14 for further details on Mitcham property leases.

Term Deposit of \$74,030 (2021: \$74,030) is used to secure a bank guarantee provided by ANZ bank and thus is not available for use by the Association.

Note 9. Other assets

	2022	2021
	\$	\$
<i>Current assets</i>		
Prepayments	122,456	113,736
<i>Non-current assets</i>		
Prepayments	-	1,625,000

Eastern Palliative Care Association Inc entered into an agreement with its landlord partner St Vincents Healthcare Limited and St Vincents Hospital (Melbourne) Limited whereby Eastern Palliative Care Association Inc has paid \$1,625,000 representing 22 years prepaid rent effective from August 2021, to assist funding the construction of a facility at the landlords premises in Studley Park Road, Kew. The lease prepayment in relation to this agreement was converted to a Right of Use Asset - Property under AASB16 Leases on 9 August 2021.

Note 10. Investments

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Cash	299,216	769,969
Fixed Interest	1,310,148	1,250,726
Australian Equities	1,948,909	1,080,844
International Equities	343,957	-
Property	204,156	162,882
	<u>4,106,386</u>	<u>3,264,421</u>

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 11. Property, plant and equipment

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	1,268,691	1,173,358
Less: Accumulated amortisation	(925,855)	(788,434)
	<u>342,836</u>	<u>384,924</u>
Medical equipment - at cost	322,419	310,789
Less: Accumulated depreciation	(309,246)	(292,135)
	<u>13,173</u>	<u>18,654</u>
Motor vehicles - at cost	769,241	738,087
Less: Accumulated depreciation	(144,605)	(160,291)
	<u>624,636</u>	<u>577,796</u>
Office and IT equipment - at cost	1,086,910	989,978
Less: Accumulated depreciation	(843,594)	(700,870)
	<u>243,316</u>	<u>289,108</u>
	<u><u>1,223,961</u></u>	<u><u>1,270,482</u></u>

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 the current financial year:

	Leasehold Improvements	Medical Equipment	Motor Vehicles	Office & IT Equipment	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	384,924	18,654	577,796	289,108	1,270,482
Additions	95,334	11,630	425,308	96,932	629,204
Disposals/write-off	-	-	(230,681)	-	(230,681)
Depreciation expense	(137,422)	(17,111)	(147,787)	(142,724)	(445,044)
Balance at 30 June 2022	<u><u>342,836</u></u>	<u><u>13,173</u></u>	<u><u>624,636</u></u>	<u><u>243,316</u></u>	<u><u>1,223,961</u></u>

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold Improvements	11.11% - 41.38%
Motor Vehicles	18% - 27%
Office Equipment	20% - 33%
Computer Equipment	33.3%
Medical Equipment	6.6% - 33%

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

Leasehold improvements under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 11. Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 12. Right-of-use assets

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	4,521,913	4,194,748
Less: Accumulated depreciation	(1,360,629)	(853,839)
	<u><u>3,161,284</u></u>	<u><u>3,340,909</u></u>

The property leases are non-cancellable leases with rent payable in advance. The lease for leased premises at 630 Mitcham Road is a term of nine years from September 2013 with further two terms of four years each. Additional space has been leased at 630 Mitcham Road with the leases having options taking the full term, if exercised, to a date consistent with the original lease.

Eastern Palliative Care Association Inc entered into an agreement with its landlord partner St Vincents Healthcare Limited and St Vincents Hospital (Melbourne) Limited whereby Eastern Palliative Care Association Inc has paid \$1,625,000 representing 22 years prepaid rent effective from August 2021, to assist funding the construction of a facility at the landlords premises in Studley Park Road, Kew. The lease prepayment in relation to this agreement was converted to a Right of Use Asset - Property under AASB16 Leases on 9 August 2021.

Additions to the right-of-use assets during the year were: \$1,625,000 (2021: \$240,502).

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the incorporated association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Note 13. Trade and other payables

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	36,684	275,524
Sundry payables and accruals	430,592	355,768
	<u><u>467,276</u></u>	<u><u>631,292</u></u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid, whether billed to the Association or not. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 14. Lease liabilities

	2022 \$	2021 \$
<i>Current liabilities</i>		
Lease liability	<u>386,334</u>	<u>355,369</u>
<i>Non-current liabilities</i>		
Lease liability	<u>1,409,839</u>	<u>3,161,778</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	386,334	355,369
One to five years	1,409,839	3,161,778
More than five years	-	-
	<u>1,796,173</u>	<u>3,517,147</u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incorporated association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 15. Provisions

	2022 \$	2021 \$
<i>Current liabilities</i>		
Employee benefits	<u>1,630,202</u>	<u>1,580,003</u>
<i>Non-current liabilities</i>		
Employee benefits	380,275	325,756
Lease make good	140,000	90,000
	<u>520,275</u>	<u>415,756</u>

Lease make good

The make good provisions are in respect of the leased properties. The amounts provided will be utilised at the conclusion of the leases, between 2023 and 2043.

Accounting policy for provisions

Provisions are recognised when the incorporated association has a present (legal or constructive) obligation as a result of a past event, it is probable the incorporated association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 15. Provisions (continued)

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 16. Unearned income

	2022 \$	2021 \$
<i>Current liabilities</i>		
Grants received in advance	<u>144,533</u>	<u>135,550</u>

Note 17. Contributed equity

	2022 \$	2021 \$
St. Vincent's Hospital (Melbourne) Ltd.	131,936	131,936
Order of Malta	131,936	131,936
Outer East Palliative Care Association Inc.	295,410	295,410
Total members' contributions at the reporting date	<u>559,282</u>	<u>559,282</u>

Note 18. Reserves

	2022 \$	2021 \$
Financial assets at fair value through other comprehensive income reserve	(32,155)	291,712
Capital reserve	181,588	181,588
MEPCA/EPC Scholarship reserve	64,753	64,753
	<u>214,186</u>	<u>538,053</u>

Refer to statement of changes in equity for reconciliation of movements.

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 18. Reserves (continued)

Capital Reserve

Due to the withdrawal of Melbourne Eastern Palliative Care Association Inc. ("MEPCA") as a member of EPC, the members' contribution provided by MEPCA has been transferred to a capital reserve. Under the constitution the founding members do not have right to a refund in the event of their withdrawal.

MEPCA/EPC Scholarship Reserve

Upon the liquidation of Melbourne Eastern Palliative Care Association Inc. ("MEPCA"), the surplus of MEPCA's funds was donated to EPC. This contribution and interest earned on it have been set aside for MEPCA/EPC scholarship fund.

Note 19. Eastern Metropolitan Region Palliative Care Consortium

During the financial year 2006 Eastern Palliative Care was appointed custodian for palliative care initiative funding provided by the Department of Health and Human Services (DHHS) to the Eastern Metropolitan Region Palliative Care Consortium. These funds are under the control of the Consortium and are therefore excluded from Eastern Palliative Care reports. The beneficiaries of these funds are determined by the Consortium members which includes Eastern Palliative Care.

Note 20. Key management personnel disclosures

Compensation

The aggregate compensation made to committee members and other members of key management personnel of the incorporated association is set out below:

	2022 \$	2021 \$
Aggregate compensation	<u>960,862</u>	<u>783,358</u>

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the incorporated association:

	2022 \$	2021 \$
<i>Audit services -</i> Audit of the financial statements	<u>26,000</u>	<u>26,000</u>
<i>Other services -</i> Accounts preparation fee	<u>5,600</u>	<u>5,300</u>
	<u>31,600</u>	<u>31,300</u>

Note 22. Volunteer Services

During the year, 210 volunteers have provided a total of 18,246 (2021: 11,007) hours of unpaid assistance to the Association covering various capacities including as Home based and Biography Volunteers supporting the Association's client base and in providing administrative support.

This excludes the significant number of hours our committee members contribute to the governance of the Association and other committees.

Eastern Palliative Care Association Incorporated
Notes to the financial statements
30 June 2022

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

No Committee Member has entered into any material contracts with the entity since the end of the previous financial year. No Committee Member has received/paid any amount from/to the entity during the year.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Eastern Palliative Care Association Incorporated
Committee members' declaration
30 June 2022

In the committee members' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



M Stewart
Chairman

29 August 2022
Melbourne



R Snyder AM
Treasurer



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INDEPENDENT AUDITOR'S REPORT

To the members of Eastern Palliative Care Association Inc

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eastern Palliative Care Association Inc (the Association), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the committee members' declaration.

In our opinion the accompanying financial report of Eastern Palliative Care Association Inc, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Association's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The committee members of the Association are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Association's committee members' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of committee members for the Financial Report

The committee members of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the committee members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The committee members of the Association are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Elizabeth Blunt
Director

Melbourne, 29 August 2022



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DECLARATION OF INDEPENDENCE BY ELIZABETH BLUNT TO THE COMMITTEE MEMBERS OF EASTERN PALLIATIVE CARE ASSOCIATION INC

As lead auditor of Eastern Palliative Care Association Inc for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Elizabeth Blunt
Director

BDO Audit Pty Ltd

Melbourne, 29 August 2022



Palliative care. Living well every day.

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