



PalliativeCare
VICTORIA
Living, dying & grieving well

Palliative Care Victoria Inc

Financial Report

For the Year Ended 30 June 2017

Reg. Incorpor. No. A0022429M
ABN 88 819 011 622

Palliative Care Victoria
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For the Year Ended 30 June 2017

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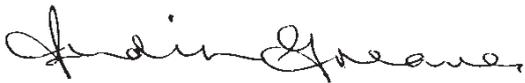
Palliative Care Victoria
For the Year Ended 30 June 2017

Statement by the Board of Directors of Palliative Care Victoria Incorporated

In the opinion of the Board of Directors:

- a. The attached financial statements comprising the balance sheet, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes thereto are drawn up so as to give a true and fair view of the state of the Association's affairs at 30 June 2017 and of its results for the year ended on that date.
- b. At the date of this statement there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The financial statements have been compiled in accordance with Australian Accounting Standards, the Associations Incorporation Act (Vic) 2012, the Australian Charities and Not-for-profit Commission Act 2012, and the Australian Charities and Not-for-profit Commission Regulations 2013.



Judi Greaves
Chairperson



Michael Corry
Treasurer

12 September 2017

Palliative Care Victoria

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017	2016
Revenue from Ordinary Activities		\$	\$
Grants: Department of Health		478,654	369,647
Membership fees		74,748	73,286
Projects income – current year		43,670	29,410
Donations		16,225	19,870
State Conference		131,687	-
National Palliative Care Week		5,000	5,000
Products, resources		4,740	6,723
Other income		11,513	487
Investment income		115,139	91,925
Total income		881,376	596,348
 Expenditure			
Project expenditure		222,431	137,175
National Palliative Care Week		5,278	5,761
Conferences, Seminars & Workshops		96,157	25,590
Salaries and on costs		412,526	395,148
Less amounts reflected in project expenditure		(115,034)	(81,917)
Communications		22,195	21,774
Occupancy costs		37,582	39,577
Administration		34,771	32,646
Consultancies		113,475	20,790
Depreciation		21,586	21,747
Realised capital loss		4,208	-
Less overheads to projects		(40,880)	-
Total expenditure		814,295	618,291
 Net surplus/(deficit) from ordinary activities		67,081	(21,943)
 Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Reversal of previous fair value adjustments of available-for-sale financial assets disposed of during the year		4,208	
Fair value gain/(loss) on available-for-sale financial assets		8,344	(48,470)
Total other comprehensive income		12,552	(48,470)

Total comprehensive Income/(Loss) for the year

79,633

(70,413)

The accompanying notes form part of this financial report.

Palliative Care Victoria

Balance Sheet As at 30 June 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	12	570,508	156,546
Investments	2	1,621,396	1,871,681
Receivables	3	19,878	7,230
Other	4	61,415	59,800
Total current assets		<u>2,273,197</u>	<u>2,095,257</u>
Non-current assets			
Land & Buildings	5	77,088	83,488
Fixtures & fittings	5	19,107	26,503
Furniture and equipment	5	20,812	26,842
Total non-current assets		<u>117,007</u>	<u>136,833</u>
Total assets		<u>2,390,204</u>	<u>2,232,090</u>
Current liabilities			
Payables		34,707	30,651
Provisions	6	74,712	46,607
Other	7	347,076	286,945
Monies to be distributed	8	664,178	664,178
Total current liabilities		<u>1,120,673</u>	<u>1,028,381</u>
Non-current liabilities			
Provisions	6	14,363	28,174
Total non-current liabilities		<u>14,363</u>	<u>28,174</u>
Total liabilities		<u>1,135,036</u>	<u>1,056,555</u>
Net assets		<u>1,255,168</u>	<u>1,175,535</u>
Equity			
Reserves	10	(30,767)	(43,319)
Accumulated funds	9	1,285,935	1,218,854
Total equity		<u>1,255,168</u>	<u>1,175,535</u>

The accompanying notes form part of this financial report.

Palliative Care Victoria
Statement of Changes in Equity
For the year ended 30 June 2017

	Accumulated Funds	Reserves	Total
	\$	\$	\$
Balance at 30 June 2015	<u>1,240,797</u>	<u>5,151</u>	<u>1,245,948</u>
Surplus attributable to Members	(21,943)	-	(21,943)
Other Comprehensive Income	-	<u>(48,470)</u>	<u>(48,470)</u>
Total Comprehensive Income	<u>(21,943)</u>	<u>(48,470)</u>	<u>(70,413)</u>
Balance at 30 June 2016	<u>1,218,854</u>	<u>(43,319)</u>	<u>1,175,535</u>
Surplus attributable to Members	67,081	-	67,081
Other Comprehensive Income	-	<u>12,552</u>	<u>12,552</u>
Total Comprehensive Income	<u>67,081</u>	<u>12,552</u>	<u>79,633</u>
Balance at 30 June 2017	<u>1,285,935</u>	<u>(30,767)</u>	<u>1,255,168</u>

The accompanying notes form part of this financial report.

Palliative Care Victoria
Statement of Cash Flows
For the year ended 30 June 2017

	Note	2017 Inflows (Outflows) \$	2016 Inflows (Outflows) \$
Cash flows from operating activities			
Receipts			
Grants, projects & conferences		757,825	604,046
Interest & Distributions		89,856	81,314
Membership fees		109,955	89,393
Other		26,583	32,411
Payments			
Salaries and wages		(396,908)	(393,662)
Projects and other		(430,218)	(343,932)
Net Cash (Outflows)/Inflows from operating activities	13	<u>157,093</u>	<u>69,570</u>
Cash flows from investing activities			
Payments for purchase of investments		(198,000)	(1,175,000)
Proceeds from the redemption of Investments		456,629	850,000
Payments for purchase of fixed assets		(1,760)	(7,719)
Net cash outflows from investing activities		<u>256,869</u>	<u>(332,719)</u>
Net increase (decrease) in cash held		<u>413,962</u>	<u>(263,149)</u>
Cash at the beginning of the year		156,546	419,695
Cash at the end of the reporting period	12	<u>570,508</u>	<u>156,546</u>

The accompanying notes form part of this financial report.

Palliative Care Victoria
Notes to the Financial Statements
For the year ended 30 June 2017

Note 1: Statement of accounting policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Reform Act (Victoria) 2012, the Australian Charities and Not-for-profit Commission Act 2012, and the Australian Charities and Not-for-profit Commission Regulations 2013.

The financial report of Palliative Care Victoria Inc. complies with all Australian equivalents to International Financial Reporting Standards (Australian Accounting Standards) in their entirety except to the extent noted below.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report comprises the Statement of Profit or Loss and Other Comprehensive Income; the Balance Sheet; the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the financial statements.

Statement of Profit or Loss and Other Comprehensive Income

The net surplus/(deficit) from ordinary activities is equivalent to profit or loss derived in accordance with Australian Accounting Standards.

“Other comprehensive income” is unrealised gain/losses arising from fair value measurement changes in investments. These unrealised gains/losses are recognised directly in a fair value equity reserve and are included in total comprehensive income for the year to report the total changes in equity resulting from transactions.

Balance Sheet

Assets and liabilities are classified as current and non-current. The non-current classification represents those assets and liabilities expected to be recovered or settled more than 12 months after the reporting date.

Statement of Changes in Equity

The Statement of Changes in Equity presents reconciliations of changes in equity from the opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period.

Statement of Cash Flows

Cash flows are classified according to whether or not they arise from operating, investing or financing activities.

Comparatives

Where applicable, comparatives have been restated to reflect current year classification and disclosures.

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Statement of accounting policies (cont).

(b) Income Tax

The Association has been endorsed as an income tax exempt charitable entity and as deductible gift recipient under the provision of the Income Tax Assessment Act.

(c) Depreciation of fixed assets

Assets with a cost in excess of \$1,000 (2016; \$1,000) are capitalised. Depreciation has been charged on a straight line basis so as to write off the assets over their estimated useful lives. The depreciation rates used for each class of depreciable assets are as follows:

Building	4%
Fixtures & Furnishings	10%
Office Furniture and Equipment	10% - 20%

(d) Income recognition

All income received is recognised as revenue at the time the income is earned and the services are provided. For Grants this is on the basis of acquittal, which sees Government Grants recognised as Income only when such grant monies have been expended in accordance with the Project objectives.

Government Grant monies received under an arrangement where such are to be distributed on behalf of the respective Government Agency are not brought to account as Income, but rather are treated as monies held in trust and the balance undistributed is disclosed under Note 8.

(e) Employee entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees. At balance date, employee entitlements expected to be settled within one year have been measured at their nominal amount. Other employee entitlements which will be settled after one year have been measured at the present value of the estimated future cash flows to be made for those entitlements. Contributions are made by the Association to an employee superannuation fund and are charged as an expense when incurred.

(f) Cash & Cash Equivalents

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents includes cash on hand and in banks and deposits held at call with banks and other short term highly liquid investments.

(g) Investments

Term deposits are stated at cost and are classified between current and non current assets based on the Association's intention at balance date with respect to the timing of disposal.

Available-for-sale Financial Assets are initially recognised at cost. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in other comprehensive income until the investments are disposed.

Movements resulting from impairment are recognised in the net result as 'other economic flows'. On disposal, the cumulative gain or loss previously recognised in 'other economic flows – other non-owner changes in equity' is transferred to 'other economic flows' in the net result.

Fair value is determined using quoted market prices.

Interest and distribution revenue from investments is brought to account when it is earned.

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Statement of accounting policies (cont).

(h) Receivables

Debtors are recognised at the amounts receivable and are due for settlement within the terms stated, usually thirty days from the end of the month in which the debt is recognised.

(i) Payables

Creditors and accrued expenses are paid according to Association policy, generally thirty days from the end of the month in which the liability is recognised.

(j) Goods and services tax

All revenue and expenditure is stated net of goods and services tax.

(k) New and Amended Accounting Policies Adopted by the Association

There have been no changes in accounting policy in the year ended 30 June 2016.

(l) New accounting standards and interpretation

Certain new accounting standards and interpretation have been published that are not mandatory for 30 June 2017 reporting period. As at 30 June 2017, the following standards and interpretations had been issued but were not mandatory for financial years ending 30 June 2017. The Association has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Entities Annual Statements
<i>AASB 9 Financial instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	Beginning 1 January 2018	The nature of the Association's financial assets and liabilities are such that the change is unlikely to result in a material change.
<i>AASB 15 Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	Beginning 1 January 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. However, the nature of the Association's revenue are such that the change is unlikely to result in a material change.

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Statement of accounting policies (cont).

(m) New accounting standards and interpretation

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Entities Annual Statements
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase. Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.
AASB 1058 <i>Income of Not-for-Profit Entities</i>	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

(n) Correction of prior year error

In previous financial years, the value apportioned to depreciable amount of buildings was overstated by \$60,000 due to PCV not taking into account the land component in land and buildings assets for which depreciation should not have been charged. This error in prior years treatment had the accumulated effect as at 30 June 2016 of understating the carrying amount of land and buildings and overstating the depreciation expenses in prior years by \$51,132. This error has been corrected by restating each of the affected financial statement line items as described below for the 2016 comparative figures including the Accumulated Funds at 30 June 2015.

Statement/Note restated	Restated line item	2016 Restated	2016 As reported
Comprehensive Income Statement	Depreciation Expense	21,747	24,147
Total expenditure		618,291	620,691
Comprehensive Income Statement	Net Surplus/(deficit) from ordinary activities	(21,943)	(24,343)
Comprehensive Income Statement	Total Comprehensive Income/(Loss) for the year	(70,413)	(72,813)
Balance Sheet	Land & Buildings	83,488	32,326
Balance Sheet	Total Non-Current Assets	136,833	85,671
Balance sheet	Total Assets	2,232,090	2,180,928
Balance sheet	Net Assets	1,175,535	1,124,373
Statement of Changes in Equity	Accumulated Funds at 30 June 2015	1,240,797	1,192,035
Statement of Changes in Equity	Net Surplus/(deficit)	(21,943)	(24,343)
Statement of Changes in Equity	Accumulated Funds at 30 June 2016	1,218,854	1,167,692
Note 5	Land & Buildings	83,488	32,326
Note 5(a)	Balance at the beginning of year – Land & Buildings	89,888	41,126
Note 5(a)	Depreciation Expense – Land & Buildings	(6,400)	(8,800)
Note 5(a)	Carrying amount at of the year – Land & Buildings	83,488	32,326
Note 9	Accumulated Funds at the beginning of the year	1,240,797	1,192,035
Note 9	Net Surplus/(deficit)	(21,943)	(24,343)
Note 9	Accumulated Funds at the end of the year	1,218,854	1,167,692

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

	2017	2016
	\$	\$
Note 2: Investments		
Short Term Deposits, at cost	-	300,000
Available-for-Sale Financial Assets:		
Managed Funds – at fair value	1,621,396	1,571,681
	1,621,396	1,871,681
Note 3: Receivables		
Sundry Debtors	19,878	7,230
Note 4: Other assets		
Prepayments	7,949	7,659
Prepaid conference expenses	-	23,958
Accrued Income	53,466	28,183
	61,415	59,800

Note 5: Property plant & equipment

	Cost	Accumulated Depreciation	Written Down Value	Written Down Value
	2017	2017	2017	2016
	\$	\$	\$	\$
Land & Buildings *	220,000	(142,912)	77,088	83,488
Fixtures & Fittings	74,546	(55,439)	19,107	26,503
Office Furniture and Equipment	39,343	(18,531)	20,812	26,842
	333,889	(216,882)	117,007	136,833

*The buildings were subject to an Independent Valuation performed by Mr Aaron Campbell, AAPI, MRICS, Certified Practising Valuer, Australian Property Institute Member, Valuations Vic as at 6 November 2014 which reflected a valuation of \$550,000.

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

Note 5 a): Property plant & equipment movement - 2017

	Land & Buildings	Fixtures & Fittings	Office Furniture & Equipment	Total
	\$	\$	\$	\$
Balance at beginning of year	83,488	26,503	26,842	136,833
Additions	-	-	1,760	1,760
Disposals	-	-	-	-
Depreciation expense	(6,400)	(7,396)	(7,790)	(21,586)
Carrying amount at end of year	<u>77,088</u>	<u>19,107</u>	<u>20,812</u>	<u>117,007</u>

Note 5 a): Property plant & equipment movement - 2016

	Land & Buildings	Fixtures & Fittings	Office Furniture & Equipment	Total
	\$	\$	\$	\$
Balance at beginning of year	89,888	33,898	27,075	150,861
Additions	-	-	7,719	7,719
Disposals	-	-	-	-
Depreciation expense	(6,400)	(7,395)	(7,952)	(21,747)
Carrying amount at end of year	<u>83,488</u>	<u>26,503</u>	<u>26,842</u>	<u>136,833</u>

	2017	2016
	\$	\$
Note 6: Provision for employee entitlements		
Current		
Annual leave	36,573	41,152
Long service leave	38,139	5,455
	<u>74,712</u>	<u>46,607</u>
Non-Current		
Long Service Leave	14,363	28,174
	<u>14,363</u>	<u>28,174</u>
Total Provision	<u>89,075</u>	<u>74,781</u>

Based on past experience, the Association does not expect the full amount of annual leave to be settled wholly within the next 12 months. However, the amount must be classified as a current liability because the Association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

	2017	2016
	\$	\$
Note 7: Other Liabilities		
Unearned Income	53,651	28,440
Deferred Grant Income	293,425	157,024
Conference registration and sponsorship in advance	-	101,481
	<u>347,076</u>	<u>286,945</u>
 Note 8: Monies to be distributed		
Monies to be distributed held as an auspice organisation		
	<u>664,178</u>	<u>664,178</u>
 Note 9: Accumulated Surplus		
Accumulated surplus at the beginning of the year	1,218,854	1,240,797
Net surplus/(deficit) attributable to the Association	67,081	(21,943)
Accumulated surplus at the end of the year	<u>1,285,935</u>	<u>1,218,854</u>
 Note 10 Reserves		
Financial Assets Reserve		
Opening Balance	(43,319)	5,151
Reversal of previous fair value adjustments of available-for-sale financial assets disposed of during the year	4,208	-
Fair value gain/(loss) on available-for-sale financial assets	8,344	(48,470)
Balance at the end of the year	<u>(30,767)</u>	<u>(43,319)</u>

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

Note 11: Financial Instruments

a. Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial Assets	Total carrying amount as per Balance Sheet		Aggregate Net Fair value	
	2017 \$	2016 \$	2017 \$	2016 \$
Cash and cash equivalents	570,508	156,546	570,508	156,546
Receivables	19,878	7,230	19,878	7,230
Managed Funds				
- Fixed interest	351,844	632,097	351,844	632,097
- Alternative Assets	314,736	-	314,736	-
- Property	42,745	-	42,745	-
- Australian Equities	597,232	633,560	597,232	633,560
- Global Equities	314,839	306,024	314,839	306,024
Short term Deposits	-	300,000	-	300,000
Total financial assets	2,211,782	2,035,457	2,211,782	2,035,457
Financial Liabilities				
Payables	34,708	30,651	34,708	30,651
Monies to be distributed	664,178	664,178	664,178	664,178
Total financial liabilities	698,886	694,829	698,886	694,829
Net Financial assets & liabilities	1,512,896	1,340,628	1,512,896	1,340,628

b. Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

(i) Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk, the Association invests for diversification by credit rating, financial institution and investment product. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and notes to the financial statements. The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

Note 11: Financial Instruments (cont.)

(ii) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Association's exposures to market risk are primarily through interest rate risk, price risk in listed shares, and foreign exchange risk with global listed shares. Components of market risk to which the Association is exposed are discussed below.

(iii) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets that we use. Non derivative interest bearing assets are predominantly short term liquid assets.

The Association manages interest rate risk by adopting an investment policy that ensures:

- appropriate liquidity,
- diversification by investment product,
- monitoring of return on investment.

Maturity is staggered to provide for interest rate variations and to minimise interest rate risk.

Maturity Analysis

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Within 1 Year		Interest Free	
	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS								
Cash and Cash equivalents	1.05		570,508	156,546	-	-	-	-
Term Deposits	1.16		-	-	-	300,000	-	-
Managed Funds			-	-				
- Fixed interest	1.16		-	-	351,844	632,097	-	-
- Alternative Assets			-	-	-	-	314,736	-
- Property			-	-	-	-	42,745	-
- Australian Equities			-	-	-	-	597,232	633,560
- Global Equities			-	-	-	-	314,839	306,024
Receivables			-	-	-	-	19,878	7,230
TOTAL FINANCIAL ASSETS			570,508	156,546	351,844	932,097	1,289,430	946,814
FINANCIAL LIABILITIES								
Payables			-	-	-	-	34,708	30,651
Monies to be distributed			-	-	-	-	664,178	664,178
Total financial liabilities			-	-	-	-	698,886	694,829

Payables are expected to be settled within 60 days

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

Note 11. Financial Instruments (cont.)

(i) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), or foreign exchange movements.

Such risk is managed through diversification of investments across industries and between the domestic and global markets.

Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Association believes the following movements are reasonably possible over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- a parallel shift of +1% and -1% in market interest rates (AUD) from year end rates.
- a parallel shift of +10% and -10% in market prices and/or foreign currency exchange rates from year end rates.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Association at year end, if the above movements were to occur.

Market risk exposure	Carrying amount subject to interest	Interest rates +/- 1%		Other price risk +/- 10%	
		Profit	Equity	Profit	Equity
		\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	570,508	5,705	5,705	-	-
Term Deposits	-	-	-	-	-
Managed Funds					
- Fixed interest	351,844	3,518	3,518	-	-
- Alternative Assets	314,736	-	-	-	31,474
- Property	42,745	-	-	-	4,275
- Australian Equities	597,232	-	-	-	59,723
- Global Equities	314,839	-	-	-	31,484

(ii) Liquidity risk

Liquidity risk includes the risk that, as a result of the Association's operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial asset at all.

To help reduce these risks the Association:

- has readily accessible standby facilities in place; and
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments.

The Association's exposure to liquidity risk is considered to be insignificant.

Palliative Care Victoria

Notes to the Financial Statements

For the year ended 30 June 2017

Note 12: Reconciliation of cash

Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2017	2016
	\$	\$
Cash and short term highly liquid investments	570,508	156,546
Cash and cash equivalents	<u>570,508</u>	<u>156,546</u>

Note 13: Reconciliation of net cash used in operating activities to operating result

	2017	2016
	\$	\$
Operating result	67,081	(21,943)
Add/deduct non-cash items:		
Depreciation	21,586	21,747
Realised capital loss	4,208	-
(Increase)/Decrease in debtors	(12,648)	(6,470)
(Increase)/Decrease in prepaid expenses	23,668	(26,048)
(Increase)/Decrease in accrued income	(25,283)	(10,611)
Increase/(Decrease) in creditors	4,056	(58,725)
Increase/(Decrease) in unearned income	(76,270)	109,461
Increase/(Decrease) in deferred revenue	136,401	56,395
Increase/(Decrease) in employee provisions	14,294	5,764
Net cash inflows/(outflows) from operating activities	<u>157,093</u>	<u>69,570</u>

Note 14: Related party disclosures

(a) The names of the Board of Directors Members during the financial year and at the date of these accounts were:

Rachel Bovenizer	Dr Judi Greaves
Dr David Brumley	Dr Barbara Hayes
Christine Campbell – resigned 8 /11/2016	Dr Claire Hepper – appointed 6/3/2017
Karen Conte – elected 11/11/2016	Jade Odgers
Michael Corry	Fiona Palmer – retired 11/11/2016
Maurice Cruz – retired 11/11/2016	Shannon Thompson – appointed 6/3/2017

(b) Remuneration received by Board Members:

	2017	2016
	NIL	NIL

Note 15: Key management personnel

Remuneration of key management personnel:

	2017	2016
	\$	\$
Short term benefits - Salaries & Wages	262,262	255,332
Other long-term benefits	24,915	24,251
Total	<u>287,177</u>	<u>279,583</u>

Palliative Care Victoria
Notes to the Financial Statements
For the year ended 30 June 2017

Note 16: Commitments for expenditure

a) Operating Expenditure Commitments

The Association has a commitment for consultancy fees.

	2017	2016
	\$	\$
Payable -		
- Not later than 1 year	36,300	-
- Later than 1 year but less than 5 years	-	-
	36,300	-

These consultancy fees relate to the conduct of project evaluations to be completed in 2017/18

b) Operating Lease Commitments

Operating leases contracted for but not capitalised in the accounts

Payable -

- Not later than 1 year	3,533	3,532
- Later than 1 year but less than 5 years	4,416	7,949
	7,949	11,481

The above operating lease relates to the 5 year photocopier rental agreement entered into during 2014 which expires in the year 2019

Note 17: Subsequent events

The Board of the Association is not aware of any significant events occurring after balance date which should be commented upon in this Financial Report.

Note 18: Segment information

The Association operates in the Health Services Industry sector, with its operations confined to Victoria.

Palliative Care Victoria

Board of Directors as at 30 June 2017

Dr Judi Greaves	Chairperson
Michael Corry	Treasurer
Rachel Bovenizer	
Dr David Brumley	
Karen Conte	
Dr Barbara Hayes	
Dr Claire Hepper	
Jade Odgers	
Shannon Thompson	

Staff members as at 30 June 2017

Chief Executive Officer	Odette Waanders
Office and Member Services Manager	Heather Stevens
Projects Manager	Mike Kennedy
Accounts and Grants Manager	Maree Chilton, 0.4 EFT

Association address

Suite 3C, Level 2, 182 Victoria Parade
EAST MELBOURNE 3002
Tel: (03) 9662 9644
Fax: (03) 9662 9722
Email: info@pallcarevic.asn.au

Auditors

McLean Delmo Bentleys Audit Pty Ltd
Level 3
302 Burwood Rd
HAWTHORN 3122

Auditor's Independence Declaration

To the Board of Directors of Palliative Care Victoria Inc.:

As engagement partner for the audit of Palliative Care Victoria Inc. for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- i. No contraventions of the independence requirements of the the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

McLean Delmo Bentleys Audit Pty Ltd

MCLEAN DELMO BENTLEYS AUDIT PTY LTD



ADAM ROBERTS
Partner

Hawthorn

12 September 2017

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PALLIATIVE CARE VICTORIA INC.

Opinion

We have audited the financial report of Palliative Care Victoria Inc. (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Board.

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

- (a) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the Associations Incorporation Reform Act (Vic) 2012 and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Board members are responsible for the other information. The other information comprise the information included in the Association's annual report for the year ended 30 June 2017, 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 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 the Board for the Financial Report

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

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

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF PALLIATIVE CARE VICTORIA INC. (CONT.)**

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

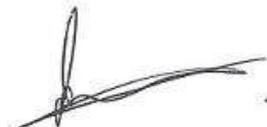
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



MCLEAN DELMO BENTLEYS AUDIT PTY LTD



Adam Roberts
Partner

Dated in Hawthorn on this 14 day of September 2017.