



FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Hepatitis NSW
working towards a world free of viral hepatitis



Hepatitis NSW Hepatitis Helpline 1800 803 980 www.hep.org.au

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Accredited by the Quality Improvement Council of Australia (QIC). ABN 30 408 065 245



HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

STATEMENT BY MEMBERS OF THE BOARD OF GOVERNANCE

In accordance with a resolution of the Board of Governance of Hepatitis NSW Inc., the members of the Board declare that the financial statements:

1. Presents a true and fair view of the financial position of Hepatitis NSW Inc. as at 30 June 2019, its performance for the year ended on that date in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act New South Wales 2009, and the Australian Charities and Not-for-profits Commission Act 2012.
2. At the date of this statement, there are reasonable grounds to believe that Hepatitis NSW Inc will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the Board by:

President Denise Jarratt 	
Treasurer Richard Faggart Renger Palanc 	
Date	19 September 2019

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HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue	2	1,944,154.98	2,308,695.32
Employee benefits expense		(1,335,703.69)	(1,329,233.63)
Depreciation and amortisation expenses	3	(17,547.31)	(20,625.42)
Other expenses		(537,699.84)	(812,620.26)
Current year surplus before income tax		<u>53,204.14</u>	<u>146,216.01</u>
Income tax expense	1	<u>-</u>	<u>-</u>
Net current year surplus attributable to members of the entity		<u><u>53,204.14</u></u>	<u><u>146,216.01</u></u>

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,131,289.48	851,900.02
Trade and other receivables	6	-	-
Other current assets	7	26,897.99	25,101.75
TOTAL CURRENT ASSETS		<u>1,158,187.47</u>	<u>877,001.77</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	38,764.57	42,984.38
TOTAL NON-CURRENT ASSETS		<u>38,764.57</u>	<u>42,984.38</u>
TOTAL ASSETS		<u>1,196,952.04</u>	<u>919,986.15</u>
CURRENT LIABILITIES			
Trade and other payables	9	19,650.64	25,119.32
Other current liabilities	10	217,817.66	(2,348.83)
Provisions	11	260,677.93	251,613.99
TOTAL CURRENT LIABILITIES		<u>498,146.23</u>	<u>274,384.48</u>
TOTAL LIABILITIES		<u>498,146.23</u>	<u>274,384.48</u>
NET ASSETS		<u>698,805.81</u>	<u>645,601.67</u>
EQUITY			
Retained surplus		698,805.81	645,601.67
TOTAL EQUITY		<u>698,805.81</u>	<u>645,601.67</u>

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained Surplus
	\$
Balance at 1 July 2017	499,385.66
Net surplus for the year	<u>146,216.01</u>
Balance at 30 June 2018	645,601.67
Net surplus for the year	<u>53,204.14</u>
Balance at 30 June 2019	<u><u>698,805.81</u></u>

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Membership Fees		288.19	2,725.27
Grants Received		2,436,481.86	1,874,220.39
Interest Received		18,344.64	18,836.10
Other Operating Receipts		57,488.66	67,449.51
Donations Received		1,880.00	6,218.50
Payments to Suppliers and Employees		(2,221,766.39)	(2,058,462.42)
<i>Net Cash provided by (used in) operating activities</i>	14	292,716.96	(89,012.65)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of Office Equipment and Furniture		(13,327.50)	(14,440.31)
<i>Net Cash provided by (used in) Investing Activities</i>		(13,327.50)	(14,440.31)
<u>Net (Decrease)/Increase in Cash Held</u>		279,389.46	(103,452.96)
Cash at beginning of year		851,900.02	955,352.98
<u>CASH AT END OF YEAR</u>	5	1,131,289.48	851,900.02

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Hepatitis NSW Incorporated applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053 : *Application of Tiers of Australian Accounting Standards* .

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Act New South Wales 2009*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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

Income Tax

The Association has been advised by the Australian Taxation Office that it is exempt from income tax.

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 losses.

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1 - SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (cont'd)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office Equipment	10% - 20%
Leasehold Improvements	10% - 20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits arising from annual leave and long service leave have been measured at their nominal amount.

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred.

Revenue

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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

Revenue from the sale of goods is recognised upon the delivery of the goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The Association has not held any financial assets at fair value through profit or loss in the current or comparative financial year.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown exclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparative Figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgments

The Board's members evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key Estimates - Impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

New and Amended Accounting Policies

The Association has assessed all new and amended accounting standards issued and effective for financial reporting periods beginning on or after 1 January 2018, and determine there to be no effect on the current or prior period financial statements.

During the period, the Association has applied all relevant accounting standards including any new standards as required.

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 2 – REVENUE

	2019	2018
	\$	\$
Operating Activities:		
Membership fees	288.19	2,725.27
Interest received	18,344.64	18,836.10
Grant Income - NSW Ministry of Health	1,991,900.00	1,927,400.00
Grant Income – Others	59,479.73	21,412.86
Unexpended Grants	(180,000.00)	270,784.78
Product and Services Income	52,262.42	61,317.81
Donations received	1,880.00	6,218.50
	<u>1,944,154.98</u>	<u>2,308,695.32</u>
Total Revenue	1,944,154.98	2,308,695.32

NOTE 3 – PROFIT

Profit from ordinary activities before income tax has been determined after:

Expenses

Depreciation of Non-Current Assets:

Office Equipment	17,547.31	20,625.42
Leasehold Improvements	-	-
Total Depreciation	<u>17,547.31</u>	<u>20,625.42</u>

NOTE 4 – AUDITOR’S REMUNERATION

Remuneration of the Auditor of the Association for:

- Auditing the Financial Report	<u>7,299.80</u>	<u>7,270.62</u>
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NOTE 5 – CASH AND CASH EQUIVALENTS

Cash at bank	<u>1,131,289.48</u>	<u>851,900.02</u>
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HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6 – TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
Current		
Loan Provided	-	-
Receivables	-	-
	<u>-</u>	<u>-</u>

NOTE 7 – OTHER CURRENT ASSETS

Current		
Prepayments	26,447.99	24,651.75
Deposits Paid	450.00	450.00
Sundry debtors	-	-
	<u>26,897.99</u>	<u>25,101.75</u>

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

Office Equipment -at cost	461,245.35	447,917.85
Less: Accumulated Depreciation	(422,480.78)	(404,933.47)
	<u>38,764.57</u>	<u>42,984.38</u>
Leasehold Improvements -at cost	-	-
Less: Accumulated Depreciation	-	-
	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment	<u>38,764.57</u>	<u>42,984.38</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 current financial year:

	Furniture and Equipment	Leasehold Improvements	Total
	\$	\$	\$
Balance at the beginning of year	42,984.38	-	42,984.38
Additions	13,327.50	-	13,327.50
Disposals	-	-	-
Depreciation expense	(17,547.31)	-	(17,547.31)
Carrying amount at the end of year	<u>38,764.57</u>	<u>-</u>	<u>38,764.57</u>

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 9 - TRADE AND OTHER PAYABLES		
Current		
Trade Creditors and Accrued Expenses	<u>19,650.64</u>	<u>25,119.32</u>
NOTE 10 - OTHER CURRENT LIABILITIES		
Current		
Unexpended Grants	180,000.00	-
GST Payable	(11,999.28)	(39,460.83)
Payroll Liabilities	49,816.94	37,112.00
	<u>217,817.66</u>	<u>(2,348.83)</u>
NOTE 11 – PROVISIONS		
Current		
Employee Benefits	<u>260,677.93</u>	<u>251,613.99</u>
	Employee Benefits	
	\$	
Opening Balance at 1 July 2018	251,613.99	
Increase/(decrease) Provisions	<u>9,063.94</u>	
Balance at 30 June 2019	<u>260,677.93</u>	

NOTE 12 - SEGMENT REPORTING

The Association's activities are the delivery of information, support, referral, representation and advocacy services for people in New South Wales affected by viral hepatitis, and education, workforce development and capacity building services for the NSW workforce accessed by people affected by viral hepatitis.

NOTE 13 - ASSOCIATION DETAILS

The principal place of business of the Association at 30 June 2019 was:

Hepatitis NSW Incorporated.
Level 4, 414 Elizabeth Street
Surry Hills NSW 2010

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 14 – RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT
FROM ORDINARY ACTIVITIES AFTER INCOME TAX

	2019	2018
	\$	\$
Current year surplus after income tax	53,204.14	146,216.01
Non-cash flows in profit		
Depreciation	17,547.31	20,625.42
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade and Other Receivables	-	13,138.05
(Increase)/Decrease in Prepayments	(1,796.24)	(2,178.01)
Increase/(Decrease) in Trade and Other Payables	214,697.81	(261,204.02)
Increase/(Decrease) in Provisions	9,063.94	(5,610.10)
CASH FLOW FROM OPERATIONS	292,716.96	(89,012.65)

NOTE 15 – FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note		
Financial assets			
Cash and cash equivalents	5	1,131,289.48	851,900.02
Trade and other receivables	6	-	-
Other current assets	7	26,897.99	25,101.75
		1,158,187.47	877,001.77
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	9	19,650.64	25,119.32
Other current liabilities	10	217,817.66	(2,348.83)
		237,468.30	22,770.49

HEPATITIS NSW INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 15 – FINANCIAL RISK MANAGEMENT (CONT'D)

Financial Risk Management Policies

The Association's Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the Association. The Treasurer monitors the Association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk, and interest rate risk.

Discussions on monitoring and managing financial risk exposures are held monthly and reported to and minuted by the Board of Governance quarterly.

The Treasurer's overall risk management strategy seeks to ensure that the Association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. Interest rate risk

The Association is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and borrowings of the Association are not considered significant.

b. Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle finance leases reflect the earliest contractual settlement dates.

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Office Equipment and Leasehold improvements

Equipment purchased during the year ended 30 June 2019.

Furniture and Equipment	13,327.50
	<hr/>
	<u>13,327.50</u>

Insurance

All policies are current and adequate cover exists for workers compensation, public liability, fire and theft, in respect of the year ended 30 June 2019.

Accommodation charges

At 30 June 2019 accommodation charges were being paid to ACON Health Limited trading as ACON.

Provisions

	2019	2018
	\$	\$
Provision for Annual Leave	121,558.38	125,197.53
Provision for Long Service Leave	<u>139,119.55</u>	<u>126,416.46</u>
Aggregate employee benefits liability	<u>260,677.93</u>	<u>251,613.99</u>

Payment To Associated Persons, Bodies or Groups

There were no payments to other organisations or to peak bodies.

Repairs and Maintenance

	<u>Total</u>
Zynet Pty Ltd	\$13,004.00
Portner Press Pty Ltd	\$ 627.27

There are no other amounts over \$500.

Donations

No payments of donations were made during the year.

HEPATITIS NSW INCORPORATED
ABN 30 408 095 245

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
INCOME		
Membership fees	288.19	2,725.27
Interest received	18,344.64	18,836.10
Grant income - NSW Ministry of Health	1,991,900.00	1,927,400.00
Grant income – others	59,479.73	21,412.86
Unexpended grants	(180,000.00)	270,784.78
Product and services income	52,262.42	61,317.81
Donations received	1,880.00	6,218.50
	<u>1,944,154.98</u>	<u>2,308,695.32</u>
Less: EXPENSES		
Advertising and promotion	1,607.13	34,502.62
Accreditation expense	7,316.46	7,173.00
Recruitment	8,497.35	1,798.55
Auditor's remuneration	7,299.80	7,270.62
Bank charges	821.45	1,124.96
Information technology	71,321.66	71,116.84
Consultancy fees	18,754.00	19,861.15
Depreciation	17,547.31	20,625.42
Information production costs	84,195.09	97,667.36
Insurance	24,180.94	17,315.00
Conferences	13,133.00	15,304.85
Minor office expenses	1,732.81	382.70
Postage and courier	38,946.87	27,315.84
Printing and stationery	12,750.00	12,396.92
Provision for employee benefits	9,063.94	(5,610.10)
Rent / accommodation charges	73,485.00	72,563.25
Repairs and maintenance	1,183.27	2,285.00
Subscriptions and publications	2,514.60	3,553.27
Superannuation contributions	109,550.41	111,864.58
Telecommunications	28,169.43	24,518.28
Travelling expenses	62,183.13	56,639.58
Other project expenses	68,931.48	326,616.21
Training	10,676.37	13,214.26
Wages	1,217,089.34	1,222,979.15
	<u>1,890,950.84</u>	<u>2,162,479.31</u>
OPERATING SURPLUS/(DEFICIT) before		
income Tax	<u>53,204.14</u>	<u>146,216.01</u>

portman newton

Level 14, 309 Kent Street
Sydney NSW 2000
Ph: 02 9994 8991
www.portmannewton.com
ABN 51 131 458 118

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEPATITIS NSW INCORPORATED

Report on the Audit of the Financial Report

Opinion:

We have audited the accompanying financial report of Hepatitis NSW Incorporated which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by Board of Governance on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report of Hepatitis NSW Incorporated is in accordance with the Associations Incorporation Act New South Wales 2009, including:

- i. giving a true and fair view of the association's financial position as at 30 June 2019 and of its financial performance for the year then ended;
- ii. that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements;
- iii. complying with the Grant Funding Agreement 2018-19 with the NSW Ministry of Health; and
- iv. complying with the Australian Charities and Not-for-profits Commission Act 2012.

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.

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 of Governance of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 30 June 2019, 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 or 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 consistent 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 of Governance for the Financial Report

The Board of Governance of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act New South Wales 2009* and for such internal control as the committee determines is necessary to enable the preparation of the 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 ability of the association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.

-Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

-Conclude on the appropriateness of the Board'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 the Board 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.

Portman Newton



Wei Chong CA
Director

Level 14, 308 Kent Street
Sydney NSW 2000

Dated this 19th day of September 2019