

# Celebrating excellence in palliative care since 1998





# Eastern Palliative Care Association Incorporated

ABN 62 982 157 121

## Financial Statements - 30 June 2023

### Eastern Palliative Care Association Incorporated

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30 June 2023

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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 28 August 2023.

**Eastern Palliative Care Association Incorporated**  
**Committee members' report**  
**30 June 2023**

The committee members present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2023.

**Officers**

The following persons were officers of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

M Stewart (Chair) R Snyder AM (Treasurer)

**Committee members**

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

A Barnden	T Bryan
K Francis	T Gorton
P Gurr OAM (returned from leave 1 January 2023)	A Hunt OAM
N Jolley (appointed 24 July 2023)	D Kissane AC
M O'Donnell	I Parry
H Sampson (until 31 December 2022 to replace P Gurr while on leave)	M Smith (resigned 21 April 2023)
R Snyder AM	M Stewart

**Objectives**

The incorporated association exists so that:

- Our clients live with the best quality of life, before dying in their place of choice.
- Clients, their families and carers are supported according to their needs and choices.

**Strategy for achieving the objectives**

The incorporated association's strategy for achieving the objectives fall under four themes:

- Our care
- Our engagement
- Our people
- Organisational sustainability

**Principal activities**

The principal activity of the incorporated association during the financial year was the provision of support services to people living with a progressive, life-limiting condition. The incorporated association also provided external education and consultancy support to other organisations which independently care for this client group.

**Performance measures**

The incorporated association measures its performance using the following high-level indicators:

<b>Measure</b>	<b>Target</b>	<b>Actual achievement</b>
Total number of clients during the year	2,300	2,366
Number of episodes opened and accepted	2,536	2,888 (114%)
Total contacts (not including written)	96,761	109,037
Preferred site of death where known achieved	70%	75.6%

On behalf of the officers and committee members



M Stewart  
Chair



R Snyder AM  
Treasurer

28 August 2023  
Melbourne

**Eastern Palliative Care Association Incorporated**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Revenue from government sources	3	14,160,717	13,098,683
Revenue from non-government sources	4	714,128	553,603
Interest revenue		60,306	18,338
<b>Total revenue</b>		<u>14,935,151</u>	<u>13,670,624</u>
<b>Expenses</b>			
Employee benefits expense		(11,694,064)	(11,175,144)
Depreciation and amortisation expense		(795,236)	(941,618)
Motor vehicle expenses		(137,986)	(126,053)
Telephone expenses		(104,479)	(99,890)
Finance costs	5	(62,659)	(121,352)
Other expenses		<u>(1,384,777)</u>	<u>(1,159,512)</u>
<b>Surplus before income tax expense</b>		755,950	47,055
Income tax expense		-	-
<b>Surplus after income tax expense for the year</b>		755,950	47,055
<b>Other comprehensive income/(loss)</b>			
<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>163,929</u>	<u>(253,642)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>163,929</u>	<u>(253,642)</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><u>919,879</u></u>	<u><u>(206,587)</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 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,874,561	2,732,486
Trade and other receivables	7	152,694	84,805
Other financial assets	8	1,624,094	1,124,091
Other assets	9	121,158	122,456
Total current assets		<u>4,772,507</u>	<u>4,063,838</u>
<b>Non-current assets</b>			
Investments	10	4,407,087	4,106,386
Property, plant and equipment	11	1,252,056	1,223,961
Right-of-use assets	12	2,704,442	3,161,284
Total non-current assets		<u>8,363,585</u>	<u>8,491,631</u>
<b>Total assets</b>		<u>13,136,092</u>	<u>12,555,469</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	401,564	467,276
Contract liabilities	14	374,604	144,533
Lease liabilities	15	409,426	386,334
Provisions	16	1,455,587	1,630,202
Total current liabilities		<u>2,641,181</u>	<u>2,628,345</u>
<b>Non-current liabilities</b>			
Lease liabilities	15	1,000,520	1,409,839
Provisions	16	577,502	520,275
Total non-current liabilities		<u>1,578,022</u>	<u>1,930,114</u>
<b>Total liabilities</b>		<u>4,219,203</u>	<u>4,558,459</u>
<b>Net assets</b>		<u>8,916,889</u>	<u>7,997,010</u>
<b>Equity</b>			
Contributed equity	17	559,282	559,282
Reserves	18	393,348	214,186
Accumulated surplus		<u>7,964,259</u>	<u>7,223,542</u>
<b>Total equity</b>		<u>8,916,889</u>	<u>7,997,010</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 2023

	Contributed Equity \$	Financial Assets Revaluation Reserve \$	MEPCA/EPC Scholarship Reserve \$	Capital Reserve \$	Accumulated Surplus \$	Total equity \$
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 of realised gains on sale of financial assets	-	(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>
<b>Balance at 1 July 2022</b>						
Balance at 1 July 2022	559,282	(32,155)	64,753	181,588	7,223,542	7,997,010
Surplus after income tax expense for the year	-	-	-	-	755,950	755,950
Other comprehensive income for the year, net of tax	-	163,929	-	-	-	163,929
Total comprehensive income for the year	-	163,929	-	-	755,950	919,879
Transfer of realised gains on sale of financial assets	-	15,233	-	-	(15,233)	-
Balance at 30 June 2023	<u>559,282</u>	<u>147,007</u>	<u>64,753</u>	<u>181,588</u>	<u>7,964,259</u>	<u>8,916,889</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 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Operating grants from Government (inclusive of GST)		15,901,010	14,501,325
Donations received		186,819	247,801
Interest received		60,306	18,338
Dividends received		223,846	174,612
Interest paid		(62,659)	(121,352)
Receipts from other sources of income		129,118	116,645
Payments to suppliers and employees (inclusive of GST)		<u>(14,925,190)</u>	<u>(13,843,321)</u>
Net cash from operating activities		<u>1,513,250</u>	<u>1,094,048</u>
<b>Cash flows from investing activities</b>			
(Payments for)/proceeds from investment in term deposit	8	(500,000)	1,000,000
Proceeds from sale of property, plant & equipment		185,272	261,836
Payments for property, plant and equipment	11	(533,445)	(660,357)
(Payments for)/refund of security bond	8	(3)	6,478
Proceeds from sale of investments		473,043	558,800
Payments for investments		<u>(609,815)</u>	<u>(1,599,645)</u>
Net cash used in investing activities		<u>(984,948)</u>	<u>(432,888)</u>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		<u>(386,227)</u>	<u>(469,223)</u>
Net cash used in financing activities		<u>(386,227)</u>	<u>(469,223)</u>
Net increase in cash and cash equivalents		142,075	191,937
Cash and cash equivalents at the beginning of the financial year		<u>2,732,486</u>	<u>2,540,549</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>2,874,561</u></u>	<u><u>2,732,486</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 2023**

**Note 1. 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.

**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.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**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.

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.

**Note 1. Significant accounting policies (continued)**

*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.

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. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*

The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the incorporated association's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The incorporated association reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the incorporated association estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

*Employee benefits provision*

As discussed in note 16, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Lease make good provision*

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

**Note 3. Revenue from government sources**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Operating grant	14,037,659	12,662,399
Non-recurrent grant - Initiative and infrastructure	<u>123,058</u>	<u>436,284</u>
	<u><u>14,160,717</u></u>	<u><u>13,098,683</u></u>

*Accounting policy for 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.

**Eastern Palliative Care Association Incorporated**  
**Notes to the financial statements**  
**30 June 2023**

**Note 4. Revenue from non-government sources**

	2023	2022
	\$	\$
Other grants	174,345	14,545
Donations	186,819	247,801
Dividends and franking credits	223,846	174,612
Education sessions	46,940	16,748
Gain on sale of property, plant and equipment	18,316	26,706
Other income	63,862	73,191
	<u>714,128</u>	<u>553,603</u>

*Accounting policy for revenue recognition*

The incorporated association recognises revenue as follows:

*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 income*

Other income 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.

**Note 5. Expenses**

	2023	2022
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>62,659</u>	<u>121,352</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>1,075,039</u>	<u>944,479</u>

*Finance costs*

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

*Defined contribution superannuation expense*

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

**Eastern Palliative Care Association Incorporated**  
**Notes to the financial statements**  
**30 June 2023**

**Note 6. Cash and cash equivalents**

	2023	2022
	\$	\$
<i>Current assets</i>		
Petty cash	1,200	1,200
Cash at bank	<u>2,873,361</u>	<u>2,731,286</u>
	<u>2,874,561</u>	<u>2,732,486</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**

	2023	2022
	\$	\$
<i>Current assets</i>		
Sundry receivables	<u>152,694</u>	<u>84,805</u>

*Accounting policy for trade and other receivables*

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

**Note 8. Other financial assets**

	2023	2022
	\$	\$
<i>Current assets</i>		
Bank term deposits	1,500,000	1,000,000
Security bond	50,064	50,061
Term deposits for bank guarantee	<u>74,030</u>	<u>74,030</u>
	<u>1,624,094</u>	<u>1,124,091</u>

The security bond is on the Mitcham property and is not available to the incorporated association until the conclusion of the lease. Refer to note 12 and note 15 for further details on Mitcham property leases.

The term deposit for bank guarantee is used to secure a bank guarantee provided by ANZ bank and thus is not available for use by the incorporated association.

**Note 9. Other assets**

	2023	2022
	\$	\$
<i>Current assets</i>		
Prepayments	<u>121,158</u>	<u>122,456</u>

**Note 10. Investments**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Cash	137,138	299,216
Fixed interest	1,443,696	1,310,148
Australian equities	2,176,972	1,948,909
International equities	504,420	343,957
Property	144,861	204,156
	<u>4,407,087</u>	<u>4,106,386</u>

**Note 11. Property, plant and equipment**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	1,284,996	1,268,691
Less: Accumulated amortisation	(969,711)	(925,855)
	<u>315,285</u>	<u>342,836</u>
Medical equipment - at cost	351,059	322,419
Less: Accumulated depreciation	(317,072)	(309,246)
	<u>33,987</u>	<u>13,173</u>
Motor vehicles - at cost	829,732	769,241
Less: Accumulated depreciation	(198,752)	(144,605)
	<u>630,980</u>	<u>624,636</u>
Office and IT equipment - at cost	1,234,309	1,086,910
Less: Accumulated depreciation	(962,505)	(843,594)
	<u>271,804</u>	<u>243,316</u>
	<u>1,252,056</u>	<u>1,223,961</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 2022	342,836	13,173	624,636	243,316	1,223,961
Additions	16,305	28,641	341,100	147,399	533,445
Disposals/write-off	-	-	(166,956)	-	(166,956)
Depreciation expense	(43,856)	(7,827)	(167,800)	(118,911)	(338,394)
Balance at 30 June 2023	<u>315,285</u>	<u>33,987</u>	<u>630,980</u>	<u>271,804</u>	<u>1,252,056</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.

**Note 11. Property, plant and equipment (continued)**

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% - 41%
Medical Equipment	7% - 33%
Motor Vehicles	18% - 27%
Office and IT Equipment	20% - 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.

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**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	4,193,212	4,521,913
Less: Accumulated depreciation	(1,488,770)	(1,360,629)
	<u>2,704,442</u>	<u>3,161,284</u>

The property leases are non-cancellable leases with rent payable in advance. The lease for leased premises at 630 Mitcham Road was extended during the year, taking up the option for an additional term until 31 August 2026.

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, for office space at Studley Park Road, Kew.

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Total \$
Balance at 1 July 2022	3,161,284
Depreciation expense	(456,842)
Balance at 30 June 2023	<u>2,704,442</u>

*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**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	55,163	36,684
Sundry payables and accruals	346,401	430,592
	<u>401,564</u>	<u>467,276</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 incorporated 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.

**Note 14. Contract liabilities**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Grants received in advance	<u>374,604</u>	<u>144,533</u>

*Accounting policy for contract liabilities*

Contract liabilities represent grants that have attached conditions which must be satisfied before the incorporated association is eligible to retain the contribution.

**Note 15. Lease liabilities**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Lease liability	<u>409,426</u>	<u>386,334</u>
<i>Non-current liabilities</i>		
Lease liability	<u>1,000,520</u>	<u>1,409,839</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	456,127	437,412
One to five years	1,042,602	1,498,729
More than five years	-	-
	<u>1,498,729</u>	<u>1,936,141</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.

**Note 15. Lease liabilities (continued)**

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 16. Provisions**

	2023 \$	2022 \$
<i>Current liabilities</i>		
Employee benefits	<u>1,455,587</u>	<u>1,630,202</u>
<i>Non-current liabilities</i>		
Employee benefits	437,502	380,275
Lease make good	140,000	140,000
	<u>577,502</u>	<u>520,275</u>

*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.

*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 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.

**Note 17. Contributed equity**

	2023 \$	2022 \$
St. Vincent's Hospital (Melbourne)	131,936	131,936
Order of Malta	131,936	131,936
Outer East Palliative Care Services Inc.	<u>295,410</u>	<u>295,410</u>
Total members' contributions at the reporting date	<u>559,282</u>	<u>559,282</u>

**Eastern Palliative Care Association Incorporated**  
**Notes to the financial statements**  
**30 June 2023**

**Note 18. Reserves**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Financial assets at fair value through other comprehensive income reserve	147,007	(32,155)
Capital reserve	181,588	181,588
MEPCA/EPC Scholarship reserve	64,753	64,753
	<u>393,348</u>	<u>214,186</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.

*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:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Aggregate compensation	<u>1,170,132</u>	<u>960,862</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:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services -</i> Audit of the financial statements	<u>28,600</u>	<u>26,000</u>
<i>Other services - network firms</i> Preparation of the financial statements	<u>5,600</u>	<u>5,600</u>

**Eastern Palliative Care Association Incorporated**  
**Notes to the financial statements**  
**30 June 2023**

**Note 22. Volunteer services**

During the year, 194 volunteers have provided a total of 23,170 (2022: 18,246) hours of unpaid assistance to the incorporated association covering various capacities including as Home based and Biography Volunteers supporting the incorporated 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 incorporated association and other committees.

**Note 23. Contingent liabilities**

The incorporated association had no contingent liabilities as at 30 June 2023 and 30 June 2022.

**Note 24. Commitments**

The incorporated association had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

**Note 25. Related party transactions**

*Key management personnel*

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

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

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

*Loans to/from related parties*

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

**Note 26. Economic dependency**

The entity is economically dependent on Victorian State Government Funding for the majority of its revenue used to operate the business. If funds are not spent in accordance with grant conditions, the department can suspend future grants or reclaim all or part of the grants. At the date of this report, the directors have no reason to believe the Department of Health will not continue to support the entity.

**Note 27. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 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 2023**

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 and Victorian legislation the Associations Incorporation Reform Act 2012, the Fundraising Act 1998 and associated regulations;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2023 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  
Chair

28 August 2023  
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 registered entity), which comprises the statement of financial position as at 30 June 2023, 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 Incorporated, 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 registered entity's financial position as at 30 June 2023 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 2022*.

#### 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 registered entity 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 responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the 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.

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### Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity 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 responsible entities 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, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity'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](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, 28 August 2023

### 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 2023, 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, 28 August 2023



Palliative care. Living well every day.

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