

# **Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

**ABN 52 907 644 835**

## **Financial Statements**

**For the Year Ended 30 June 2023**

# Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

ABN 52 907 644 835

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For the Year Ended 30 June 2023

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# Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

ABN 52 907 644 835

## Directors' Report For the Year Ended 30 June 2023

The directors present their report on Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.) ("the Company") for the financial year ended 30 June 2023.

The Company was formerly known as Victorian AIDS Council Inc., a Victorian incorporated association. Subsequent to a Special General Meeting held on 17 August 2022, the members of the incorporated association resolved the following:

- The Victorian AIDS Council Inc. will change from a Victorian incorporated association to a company limited by guarantee, to become Thorne Harbour Health Limited (THH Ltd).

Following the Special General Meeting, documentation was lodged with ASIC, which has registered Thorne Harbour Health Ltd from 2 September 2022.

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Janet Jukes

**Experience and Qualifications** Janet has held key leadership roles in effective organisations for over thirty years. Janet's experience in the human services sector includes work in child, youth and family services, relationship and counselling services, homelessness, family violence, community legal sectors, AIDS Councils and universities. Janet's current role is CEO of Refuge Victoria and holds MSocSc, BEd, DipT(SpecEd), GAICD

**Special responsibilities** President; Finance, Risk and Audit Committee; Investment Committee; Governance Committee

Adam Bourne

**Experience and Qualifications** Adam Bourne is Associate Professor of Public Health at the Australian Research Centre in Sex, Health & Society (ARCSHS) at La Trobe University, where he leads research relating to LGBTIQ+ health and wellbeing. Originally from the UK, Adam has spent nearly 15 years in social research relating to HIV, drug and alcohol use, and the mental health of marginalised populations. He has served as an advisor to the European Centres for Disease Control, the UK Home Office, and previously worked on secondment with the International HIV/AIDS Alliance, helping to develop their research and evaluation capacity.

**Special responsibilities** Community Research Endorsement Panel

Paul Kidd

**Experience and Qualifications** Paul Kidd is an activist and advocate who has been living with HIV for more than 30 years. He has extensive experience in community sector governance, having served on numerous boards, including as president of Living Positive Victoria for three years. A life member of Thorne Harbour Health, he is a passionate advocate for the rights of people with HIV and was instrumental in the successful campaign to repeal Victoria's HIV criminal statute, section 19A. He is a practising lawyer, working in criminal defence and therapeutic justice.

**Special responsibilities** Vice President; Governance Committee

# Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

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## Directors' Report For the Year Ended 30 June 2023

### Information on directors (continued)

Neil Pharaoh

**Experience and Qualifications** Neil is a Director of a number of educational, philanthropic, environmental and equality organisations. Neil is passionate about LGBTIQ+ advocacy and his work has included establishing The Channel (An LGBTIQ+ giving circle), serving as the National Co-Convenor of Australian Rainbow Labor from 2007-2014 and campaigning strongly on local health and community issues as the district candidate for Prahran in 2014 and 2018. He also helped establish the Nexus Global Youth Summit in Australia.

**Special responsibilities** Finance, Risk and Audit Committee; Governance Committee

Steven Farley-Odgers

**Experience and Qualifications** Steven has worked in financial services for 30 years, serving as a senior advisor to members of boards in China, Malaysia, Indonesia and Vietnam. He personally served on the Board of ANZ royal bank for several years. He holds a Bachelor of Science, Graduate Diploma in Finance and Master of Business Administration.

He has completed projects in the non-profit sector on a pro-bono basis as an alumnus of Leadership Victoria's Williamson Community Leadership Program. Before joining the Board, Steven became a member of Thorne Harbour's Investment Committee.

**Special responsibilities** Treasurer; Chair Finance Risk and Audit Committee; Chair Investment Committee

Bronwyn Lawman

**Experience and Qualifications** Bronwyn is an experienced mental health leader with over 30 years working in a variety of health care services. Bronwyn has both general and mental health nursing qualifications and experience. She has held senior roles in mental health for many years including managing CATT and Triage Services in public health roles. She has also worked in the non-government sector as an executive director of operations at Mind Australia. She was instrumental in the design thinking and implementation of Mind Equality Centre which serviced LGBTIQ+ communities

**Special responsibilities** N/A

Bruce Weston

**Experience and Qualifications** Bruce Weston brings many years of health sector experience that has crossed the public, private and not for profit sectors. Of particular note is Bruce's experiences within the public and private hospital systems having worked in senior roles at: Epworth Healthcare, Medibank, Alfred Health and now at Austin Health as its Program Director.

Bruce is postgraduate educated and a Graduate of the Institute of Company Directors, he has also volunteered with corporate and not for profit organisations in the LGBTIQ+ space, including with Thorne Harbour Health.

**Special responsibilities** Governance Committee; Finance, Risk and Audit Committee

## **Directors' Report**

### **For the Year Ended 30 June 2023**

#### **Information on directors (continued)**

Cassius Armitage

**Experience and Qualifications** Cassius career spans 30 years predominantly within the health sector and consulting sector. Cassius studies are diverse and range from Bachelor and Post Graduate degrees including BA (Honours) in European and Middle Eastern languages; Psychology, Post Graduate Degree in Teaching; Post Graduate Degree in Management, and a Diploma in Coaching. During his career he has been an out and proud leader predominantly across Australia & UK; also developing international channels across Europe, Middle East, Asia and Africa; working with large corporates to help embed cultures with awareness and acceptance.

**Special responsibilities** Finance, Risk and Audit Committee; Governance Committee

Emma Halliday

**Experience and Qualifications** Emma has held a range of leadership roles in community organisations and she brings her experience in the areas of governance, advocacy, relationship management and finance to the board. She currently works in relationship coverage at an institutional bank, has previously worked in Federal Parliament and is a previous co-convenor of the Victorian Gay and Lesbian Rights Lobby (now the Victorian Pride Lobby)

**Special responsibilities** Chair Governance Committee

Nevena Spirovska

**Experience and Qualifications** Nevena Spirovska is a leading strategist and communications specialist, with a passion for contributing to and enriching LGBTIQ+ communities. Currently, she is the Co-Convenor of the Victorian Pride Lobby, a position she's held since 2018; a volunteer with National Homeless Collective; a member of the Victorian Pride Centre Family; and works at the Centre for Excellence in Child and Family Welfare, Victoria's peak body for children, young people, and their families. She has a strong record of achievement in leading community projects and supporting social justice movements. Previously, Nevena has held senior positions in the Victorian Parliament and the corporate sector as well as the judiciary in Australia. Internationally, she worked in an advisory capacity for the United Nations and has led campaigns for Amnesty International.

Timothy Dyke (Resigned 4 December 2022)

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

#### **Principal activities**

The Company aims to improve the health and wellbeing of its LGBTI communities, through advocacy, health promotion, and collaborative health service provision. Its principal activities include:

- Peer education
- PLHIV (People Living with HIV) services
- Outreach services
- Regional & rural LGBTI support
- Policy & advocacy
- Therapeutic counselling
- LGBTI clinical services
- LGBTI women's health
- Trans & gender diverse health
- Alcohol & other drug services
- Relationship & family violence support
- Sexual health services
- Rapid sexual health testing

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

# Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

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## Directors' Report For the Year Ended 30 June 2023

### Our objectives

The Company's objectives are to:

- Envision a healthy future for our sex, sexuality and gender diverse communities, a future without HIV, where all people live with dignity and wellbeing;
- To devise and deliver effective community-driven health and wellbeing programs, and advocate to reduce stigma and discrimination;
- As a community-controlled organisation, governed by our members, we are working for our sex, sexuality and gender diverse communities;
- That we are responsive to our communities and encourage leadership at all levels of our work;
- We respect and celebrate the diversity within our communities;
- We value being inclusive in all aspects of our work;
- We are committed to equal rights, health equity and recognition of social and economic inequality;
- We stand up for what is right and take considered risks to learn and grow; and
- We are optimistic for each other and the future.

### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Expanding the reach and impact of our programs;
- Exercise trusted leadership;
- Develop our people and community; and
- Build a flexible and innovative organisation for the future.

### How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Work in partnership with HIV communities, peak bodies and state organisations and other stakeholder groups to lead an effective HIV strategy that is aligned with relevant state and commonwealth agencies;
- Establish an evidence base to determine future program priorities, and as opportunities arise, expand programs and services that can reach beyond the metropolitan areas, to reduce health inequalities and support inclusive access to health for people with diverse sex, sexuality and gender identities;
- Offer specialist expertise, advice and partnering with mainstream health and human services to ensure real choice for our communities;

## Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

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### Directors' Report For the Year Ended 30 June 2023

#### How principal activities assisted in achieving the objectives (continued)

- Advance our priorities through policy advice and contribution, to service planning and implementation with government and other key stakeholders;
- Develop communication and stakeholder engagement strategies, and provide communications support to key partners. ;
- Continue to develop our membership, our volunteer base and our staff in recognition that our organisation cannot succeed without investment in our people;
- Contribute to community building, by developing and supporting leadership programs, mentoring, auspicing arrangements, networking and capacity building;
- Empower our communities through Pride initiatives;
- We maintain best practice in our governance structures, systems and processes to deliver on the organisations strategic mission, values and priorities;
- Develop new partnerships and programs to ensure financial stability; and
- Continue to build our presence, capacity and effectiveness in digital technology and communications.

#### Performance measures

The following measures are used within the Company to monitor performance:

- In the last 12 months the Company has been focused on creating a new strategic plan, any measurable and relevant key performance indicators for future reports are still under development.

#### Members' guarantee

Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.) is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for all members, subject to the provisions of the Company's constitution.

At 30 June 2023 the collective liability of members was \$10.

The Company was an incorporated association during the year ended 30 June 2022. Accordingly, the collective liability of members was not applicable.

#### Operating results

The surplus of the Company for the year amounted to \$554,533 (2022: surplus of \$360,061).

#### Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

**Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

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**Directors' Report  
For the Year Ended 30 June 2023**

**Meetings of directors**

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

<b>Directors' Meetings</b>		
<b>Number eligible to attend</b>	<b>Number attended</b>	
Janet Jukes	8	7
Adam Bourne	8	7
Paul Kidd	8	7
Neil Pharaoh	8	5
Steven Farley-Odgers	8	8
Bronwyn Lawman	8	6
Bruce Weston	8	8
Cassius Armitage	8	7
Emma Halliday	8	7
Timothy Dyke (Resigned 4 December 2022)	4	4

**Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 7 of the financial report.

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

Director: .....  
Janet Jukes

Director: .....  
Steven Farley-Odgers

Dated this 18th day of October 2023

**Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

ABN 52 907 644 835

**Auditor's Independence Declaration to the Directors of Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

## Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

ABN 52 907 644 835

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue and income	4	20,256,037	17,463,564
Employee benefits expense		(12,171,575)	(10,345,649)
Depreciation and amortisation expense		(935,763)	(374,398)
Occupancy expense		(518,154)	(839,640)
Repairs and maintenance expense		(117,675)	(97,889)
Advertising expense		(1,957,132)	(2,046,991)
Consultancy costs		(768,355)	(378,156)
Production coordination		(79,490)	(202,356)
Professional fees		(80,713)	(61,870)
Attendant care		(49,398)	(81,360)
Motor vehicle costs		(111,132)	(90,422)
Volunteer costs		(17,990)	(17,525)
Emergency relief grants		(447,127)	(550,485)
Food and catering costs		(154,561)	(68,369)
Computer expenses		(244,276)	(400,799)
Office expenses		(480,596)	(625,947)
Medical expenses		(1,074,321)	(653,484)
Travel expenses		(165,115)	(88,979)
Other expenses		(176,281)	(122,357)
Finance costs		(151,850)	(56,827)
<b>Surplus before income tax</b>		<b>554,533</b>	360,061
Income tax expense		-	-
<b>Net surplus after income tax for the year</b>		<b>554,533</b>	360,061
<b>Other comprehensive income/(loss), net of income tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>		-	-
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>		-	-
<b>Total comprehensive income for the year</b>		<b>554,533</b>	360,061

The accompanying notes form part of these financial statements.

**Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

ABN 52 907 644 835

**Statement of Financial Position**

**As At 30 June 2023**

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	7,468,586	6,950,456
Trade and other receivables	6	166,382	433,474
Other financial assets	7	-	6,393
Other assets	8	168,206	147,537
<b>TOTAL CURRENT ASSETS</b>		<b>7,803,174</b>	<b>7,537,860</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	13,867	570
Right-of-use assets	9	3,575,934	1,743,449
Property, plant and equipment	10	3,061,485	3,179,117
Intangible assets	11	2,831	23,249
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,654,117</b>	<b>4,946,385</b>
<b>TOTAL ASSETS</b>		<b>14,457,291</b>	<b>12,484,245</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	825,199	1,146,105
Borrowings	13	371,050	-
Provisions	14	1,558,596	1,529,186
Other liabilities	15	519,040	1,047,048
Lease liabilities		614,137	151,839
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,888,022</b>	<b>3,874,178</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	14	94,209	141,450
Lease liabilities		3,100,312	1,648,402
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,194,521</b>	<b>1,789,852</b>
<b>TOTAL LIABILITIES</b>		<b>7,082,543</b>	<b>5,664,030</b>
<b>NET ASSETS</b>		<b>7,374,748</b>	<b>6,820,215</b>
<b>EQUITY</b>			
Reserves	16	-	150,000
Accumulated surplus	17	7,374,748	6,670,215
<b>TOTAL EQUITY</b>		<b>7,374,748</b>	<b>6,820,215</b>

The accompanying notes form part of these financial statements.

**Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

ABN 52 907 644 835

**Statement of Changes in Equity**

**For the Year Ended 30 June 2023**

**2023**

		Accumulated Surplus	Asset Revaluation Surplus	Future Funding Contracts Reserve	Total Equity
	Note	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	16,17	<b>6,670,215</b>	-	<b>150,000</b>	<b>6,820,215</b>
Net surplus/(deficit) for the year	17	<b>554,533</b>	-	-	<b>554,533</b>
Transfers from accumulated surplus to future funding contracts reserve	16,17	<b>150,000</b>	-	<b>(150,000)</b>	-
<b>Balance at 30 June 2023</b>	16,17	<b>7,374,748</b>	-	-	<b>7,374,748</b>

**2022**

		Accumulated Surplus	Asset Revaluation Surplus	Future Funding Contracts Reserve	Total Equity
	Note	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	16,17	6,219,744	240,410	-	6,460,154
Net surplus/(deficit) for the year	17	360,061	-	-	360,061
Balance written off on disposal of property	16	240,410	(240,410)	-	-
Transfers from accumulated surplus to future funding contracts reserve	16,17	(150,000)	-	150,000	-
<b>Balance at 30 June 2022</b>	16,17	<b>6,670,215</b>	-	<b>150,000</b>	<b>6,820,215</b>

The accompanying notes form part of these financial statements.

# Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

ABN 52 907 644 835

## Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Grants received	14,825,389	13,518,955
Payments to suppliers and employees	(19,205,775)	(17,081,916)
Donations and bequests received	762,735	468,247
Interest received	120,684	53,798
Net GST paid	(795,556)	(689,264)
Receipts from customers	5,301,053	5,291,669
<b>Net cash provided by/(used in) operating activities</b>	<b>1,008,530</b>	<b>1,561,489</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	-	550,000
Payments for property, plant and equipment	(98,497)	(1,018,017)
Proceeds from sale of financial assets	6,393	-
<b>Net cash provided by/(used in) investing activities</b>	<b>(92,104)</b>	<b>(468,017)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Advances from/(to) related party	371,050	-
Repayment of lease liabilities	(769,346)	(190,133)
<b>Net cash provided by/(used in) financing activities</b>	<b>(398,296)</b>	<b>(190,133)</b>
Net increase/(decrease) in cash and cash equivalents held	518,130	903,339
Cash and cash equivalents at beginning of year	6,950,456	6,047,117
<b>Cash and cash equivalents at end of financial year</b>	<b>7,468,586</b>	<b>6,950,456</b>
5(a)		

The accompanying notes form part of these financial statements.

# Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

ABN 52 907 644 835

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

The financial report covers Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.) ("the Company") as an individual entity. Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.) is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The Company was formerly known as Victorian AIDS Council Inc., a Victorian incorporated association. Subsequent to a Special General Meeting held on 17 August 2022, the members of the incorporated association resolved the following:

- The Victorian AIDS Council Inc. will change from a Victorian incorporated association to a company limited by guarantee, to become Thorne Harbour Health Limited (THH Ltd).

Following the Special General Meeting, documentation was lodged with ASIC, which has registered Thorne Harbour Health Ltd from 2 September 2022.

The functional and presentation currency of Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.) is Australian dollars.

The financial report was authorised for issue by the Directors on 18 October 2023.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-For-Profits Commission Act 2012*.

The financial statements, other than the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 2 Summary of Significant Accounting Policies

##### (a) Income Tax

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

##### (b) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

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

##### **(b) Leases (continued)**

- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

##### **Lessee accounting**

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

##### **Right-of-use asset**

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

##### **Lease liability**

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### **Adoption of short term leases or low value asset exception**

##### *Exceptions to lease accounting*

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

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

##### **(c) Revenue and other income**

###### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

###### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Company are:

###### **Rendering of services**

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

###### **Grant revenue**

Funding received under an enforceable agreement that contains sufficiently specific performance obligations is recognised as revenue from contracts with customers under AASB 15 using the 5-step model as outlined above. If funding is not received under an enforceable agreement or does not contain sufficiently specific performance obligations, it is recognised in profit or loss when the Company initially recognises the associated asset, after having recognised any related amounts as required by AASB 1058 *Income of Not-for-Profit Entities*.

###### **Statement of financial position balances relating to revenue recognition**

###### **Contract assets and liabilities**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

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

##### **(c) Revenue and other income (continued)**

###### **Statement of financial position balances relating to revenue recognition (continued)**

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

###### **Donation, fundraising and bequest income**

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

###### **Interest revenue**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

###### **Other income**

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

##### **(d) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

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

##### **(e) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

##### **(f) Financial instruments**

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

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

##### (f) Financial instruments (continued)

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Company classifies its financial assets into the following category, those measured at:

- amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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

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

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

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

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

##### **(f) Financial instruments (continued)**

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

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Trade receivables*

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

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

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

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### **Financial liabilities**

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade and other payables, and related party loans.

##### **(g) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

## Notes to the Financial Statements For the Year Ended 30 June 2023

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

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

##### Plant and equipment

Plant and equipment are measured using the cost model.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	6%
Motor Vehicles	25%
Office Equipment	6-10%
Computer Equipment	20-33%
Leasehold improvements	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (h) Intangibles

##### Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

##### Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

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

#### (i) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

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

##### **(i) Fair value measurement (continued)**

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

##### **(j) Impairment of non-financial assets**

At the end of each reporting period, the Company determines whether there is any evidence of impairment for its non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

##### **(k) Employee benefits**

###### **Short-term employee benefits**

Provision is made for the the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

###### **Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

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

##### **(k) Employee benefits (continued)**

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

##### **(l) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

##### **(m) Economic dependence**

Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.) is dependent on grant funding from the State government and local sources for the majority of its revenue used to operate the business. At the date of this report, the directors have no reason to believe that the State government and local sources will not continue to support Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.).

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

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

##### **(o) New accounting standards for application in future periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **3 Critical Accounting Estimates and Judgements**

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

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

The significant estimates and judgements made have been described below.

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

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

# Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

ABN 52 907 644 835

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 4 Revenue and Income

	2023	2022
	\$	\$
Revenue from operations:		
- Grant income	852,786	1,381,035
- Membership fees	3,947	7,356
<b>Total revenue</b>	<b>856,733</b>	<b>1,388,391</b>
Income:		
- Grant income	13,972,603	12,137,920
- Client fees	2,137,536	1,781,273
- Donations, fundraising and bequest income	762,735	468,247
- Goods and services income	2,358,869	1,473,833
- Interest income	120,684	53,798
- Other	46,877	160,102
<b>Total income</b>	<b>19,399,304</b>	<b>16,075,173</b>
<b>Total revenue and income</b>	<b>20,256,037</b>	<b>17,463,564</b>

#### (a) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into geographical regions and the timing of revenue recognition, and the following table shows this breakdown:

<b>Geographical regions:</b>		
- Victoria	644,563	790,107
- South Australia	212,170	598,284
<b>Revenue from contracts with customers</b>	<b>856,733</b>	<b>1,388,391</b>
<b>Timing of revenue recognition:</b>		
- Goods/services transferred at a point in time	38,683	42,110
- Goods/services transferred over time	818,050	1,346,281
<b>Revenue from contracts with customers</b>	<b>856,733</b>	<b>1,388,391</b>

# Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

ABN 52 907 644 835

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 5 Cash and Cash Equivalents

	2023	2022
Note	\$	\$
Cash on hand	1,850	1,850
Cash at bank	7,466,736	6,948,606
<b>Total cash and cash equivalents</b>	<b>7,468,586</b>	<b>6,950,456</b>

As at 30 June 2023, there is \$51,854 (30 June 2022: \$55,189) held on behalf of the John Marriot Trust.

#### (a) Reconciliation of cash

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

Cash and cash equivalents	5	7,468,586	6,950,456
<b>Balance as per statement of cash flows</b>		<b>7,468,586</b>	<b>6,950,456</b>

### 6 Trade and Other Receivables

	2023	2022	
Note	\$	\$	
CURRENT			
Trade receivables	166,382	375,220	
Deposits	-	2,500	
Loan - VAC/GMHC Ltd	-	55,754	
<b>Total current trade and other receivables</b>	<b>166,382</b>	<b>433,474</b>	
NON-CURRENT			
Deposits	13,867	570	
<b>Total non-current trade and other receivables</b>	<b>13,867</b>	<b>570</b>	

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (a) Related party loan

The loan is provided to related entity, VAC/GMHC Ltd (formerly Gay Men's Health Centre Inc.). The loan is at call and non-interest bearing.

# Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

ABN 52 907 644 835

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 7 Other Financial Assets

#### Financial assets at amortised cost

	2023	2022
	\$	\$
CURRENT		
Term deposits	-	6,393
<b>Total current other financial assets</b>	<b>-</b>	<b>6,393</b>

### 8 Other Assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	84,078	133,158
Contract assets	84,128	14,379
<b>Total current other assets</b>	<b>168,206</b>	<b>147,537</b>

### 9 Leases

#### Company as a lessee

The Company has leases over a range of assets including buildings, vehicles, and office equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

#### *Terms and conditions of leases*

The Company leases land and buildings under agreements of between 1 to 5 years and with optional further terms available. On renewal, the terms of the leases may be renegotiated, and a rent review conducted. The Company has assessed the likelihood of exercising available extension options and, where it has determined that it is reasonably certain that an option will be exercised, the extension period has been included in assessing the lease term and therefore in calculating the lease liability and associated right of use asset. Two property leases ceased during the year and the option to renew was not taken.

The Company also leases plant and equipment under agreements of between 3 to 5 years. None of the agreements contain options to extend the term or options to purchase the assets at the end of the agreement.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**9 Leases (continued)**

**(a) Right-of-use assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Buildings</b>		
At cost	4,224,426	2,843,428
Accumulated depreciation	(798,804)	(1,171,804)
<b>Total buildings</b>	<b>3,425,622</b>	<b>1,671,624</b>
<b>Motor vehicles</b>		
At cost	146,435	149,334
Accumulated depreciation	(51,978)	(85,824)
<b>Total motor vehicles</b>	<b>94,457</b>	<b>63,510</b>
<b>Office equipment</b>		
At cost	120,260	58,199
Accumulated depreciation	(64,405)	(49,884)
<b>Total office equipment</b>	<b>55,855</b>	<b>8,315</b>
<b>Total right-of-use assets</b>	<b>3,575,934</b>	<b>1,743,449</b>

	<b>Buildings</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2023</b>				
Balance at beginning of year	1,671,624	63,510	8,315	1,743,449
Additions to right-of-use assets	2,407,376	63,442	62,060	2,532,878
Reductions in right-of-use assets due to changes in lease liability	(307)	(866)	-	(1,173)
Depreciation expense	(653,071)	(31,629)	(14,520)	(699,220)
<b>Balance at end of year</b>	<b>3,425,622</b>	<b>94,457</b>	<b>55,855</b>	<b>3,575,934</b>

**Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

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**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**9 Leases (continued)**

**(b) Lease liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Current liabilities	<b>614,136</b>	151,839
Non-current liabilities	<b>3,100,313</b>	1,648,402
<b>Total lease liabilities</b>	<b>3,714,449</b>	1,800,241

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	<b>&lt; 1 year</b>	<b>1 - 5 years</b>	<b>&gt; 5 years</b>	<b>Total undiscounted lease liabilities</b>	<b>Lease liabilities included in this Statement Of Financial Position</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023</b>					
Lease liabilities	<b>735,108</b>	<b>2,575,430</b>	<b>895,863</b>	<b>4,206,401</b>	<b>3,714,449</b>
<b>2022</b>					
Lease liabilities	221,304	931,435	1,079,579	2,232,318	1,800,241

**(c) Statement of Profit or Loss and Other Comprehensive Income**

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Interest expense on lease liabilities	<b>71,962</b>	56,827
Rent expense on low value and short term leases	<b>266,068</b>	668,607
Depreciation expense on right-of-use assets	<b>699,220</b>	189,576
	<b>1,037,250</b>	915,010

**Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

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**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**10 Property, plant and equipment**

	2023	2022
	\$	\$
<b>Motor vehicles</b>		
At cost	37,091	64,606
Accumulated depreciation	(20,323)	(41,588)
<b>Total motor vehicles</b>	<u>16,768</u>	<u>23,018</u>
<b>Office equipment</b>		
At cost	559,977	532,703
Accumulated depreciation	(212,539)	(179,957)
<b>Total office equipment</b>	<u>347,438</u>	<u>352,746</u>
<b>Computer equipment</b>		
At cost	401,716	366,586
Accumulated depreciation	(246,737)	(199,341)
<b>Total computer equipment</b>	<u>154,979</u>	<u>167,245</u>
<b>Leasehold Improvements</b>		
At cost	3,182,097	3,155,425
Accumulated depreciation	(649,215)	(519,317)
<b>Total leasehold improvements</b>	<u>2,532,882</u>	<u>2,636,108</u>
<b>Artwork</b>		
At cost	9,418	-
<b>Total artwork</b>	<u>9,418</u>	<u>-</u>
<b>Total property, plant and equipment</b>	<u><u>3,061,485</u></u>	<u><u>3,179,117</u></u>

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles	Office Equipment	Computer Equipment	Leasehold Improvements	Artwork	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2023</b>						
Balance at the beginning of year	23,018	352,746	167,245	2,636,108	-	3,179,117
Additions	-	27,274	35,129	26,672	9,418	98,493
Disposals	-	-	-	-	-	-
Depreciation expense	(6,250)	(32,582)	(47,395)	(129,898)	-	(216,125)
<b>Balance at the end of the year</b>	<u>16,768</u>	<u>347,438</u>	<u>154,979</u>	<u>2,532,882</u>	<u>9,418</u>	<u>3,061,485</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 11 Intangible Assets

	2023	2022
	\$	\$
<b>Computer software</b>		
Cost	156,584	156,584
Accumulated amortisation and impairment	(153,753)	(133,335)
<b>Net carrying value</b>	<u>2,831</u>	<u>23,249</u>
<b>Total intangibles</b>	<u><u>2,831</u></u>	<u><u>23,249</u></u>

#### (a) Movements in carrying amounts of intangible assets

	Computer software	Total
	\$	\$
<b>Year ended 30 June 2023</b>		
Balance at the beginning of the year	23,249	23,249
Amortisation	(20,418)	(20,418)
<b>Closing value at 30 June 2023</b>	<u><u>2,831</u></u>	<u><u>2,831</u></u>

### 12 Trade and Other Payables

	2023	2022
	\$	\$
<b>CURRENT</b>		
Trade payables	506,583	724,852
Sundry payables and accrued expenses	318,616	421,253
<b>Total current trade and other payables</b>	<u><u>825,199</u></u>	<u><u>1,146,105</u></u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 13 Borrowings

		2023	2022
	Note	\$	\$
<b>CURRENT</b>			
<i>Unsecured liabilities:</i>			
Related party loan - VAC/GMHC Ltd	13(a)	371,050	-
<b>Total current borrowings</b>		<u><u>371,050</u></u>	<u><u>-</u></u>

#### (a) Related party loan

The loan is provided by related entity, VAC/GMHC Ltd (formerly Gay Men's Health Centre Inc.). The loan is at call and non-interest bearing.

# Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

ABN 52 907 644 835

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 14 Provisions

	2023	2022
	\$	\$
CURRENT		
Provision for employee benefits	1,558,596	1,529,186
<b>Total current provisions</b>	<b>1,558,596</b>	<b>1,529,186</b>
NON-CURRENT		
Provision for employee benefits	85,709	132,950
Provision for make good	8,500	8,500
<b>Total non-current provisions</b>	<b>94,209</b>	<b>141,450</b>

#### (a) Movement in carrying amounts

	Employee Benefits	Other Provisions	Total
	\$	\$	\$
<b>Current</b>			
Opening balance at 1 July 2022	1,662,136	8,500	1,670,636
Additional provisions	1,007,727	-	1,007,727
Provisions used	(1,025,558)	-	(1,025,558)
<b>Balance at 30 June 2023</b>	<b>1,644,305</b>	<b>8,500</b>	<b>1,652,805</b>

### 15 Other Liabilities

		2023	2022
	Note	\$	\$
CURRENT			
Contract liabilities	15(a)	451,228	911,685
Funds held on behalf of John Marriot Trust		51,854	55,189
Auspiced funds		15,958	80,174
<b>Total current other liabilities</b>		<b>519,040</b>	<b>1,047,048</b>

Funds held in the John Marriot Trust are included in the cash at bank account.

#### (a) Reconciliation of contract liabilities

Reconciliation of the values at the beginning and end of the current financial year is set out below:

Opening balance at 1 July	911,685	692,750
Payments received in advance	2,010,903	1,513,987
Transfer to revenue - performance obligations satisfied during the year	(2,471,360)	(1,295,052)
<b>Closing balance</b>	<b>451,228</b>	<b>911,685</b>

## Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

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### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 16 Reserves

	2023	2022
	\$	\$
<b>Asset revaluation reserve</b>		
Opening balance	-	240,410
Balance written off on disposal of property	-	(240,410)
<b>Closing balance</b>	<u>-</u>	<u>-</u>
<b>Future Funding Contracts Reserve</b>		
Opening balance	150,000	-
Transfers (to)/from accumulated surplus	(150,000)	150,000
<b>Closing balance</b>	<u>-</u>	<u>150,000</u>
<b>Total reserves</b>	<u>-</u>	<u>150,000</u>

##### (a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

##### (b) Future funding contracts reserve

The future funding contracts reserve was created in 2022 to record and quarantine funding recognised as income for projects where the contracts did not fulfill the requirements of AASB 15 revenue recognition to allow deferral of income as a contract liability. The project completed in 2023, therefore, the reserve amount was released back to accumulated surplus.

#### 17 Accumulated Surplus

	2023	2022
	\$	\$
Accumulated surplus at the beginning of the financial year	6,670,215	6,219,744
Net surplus/(deficit) for the year	554,533	360,061
Transfer to the future funding contracts reserve	150,000	(150,000)
Balance written off on disposal of property	-	240,410
<b>Accumulated surplus at end of the financial year</b>	<u>7,374,748</u>	<u>6,670,215</u>

#### 18 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 1.

The Company was an incorporated association during the year ended 30 June 2022. Accordingly, the number of members was not applicable.

#### 19 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$1,137,239 (2022: \$965,058).

## Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)

ABN 52 907 644 835

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 20 Auditor's Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor (HLB Mann Judd), for: - auditing or reviewing the financial statements	<u>31,455</u>	25,470
<b>Total auditor's remuneration</b>	<u><b>31,455</b></u>	<u>25,470</u>

#### 21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

#### 22 Related Parties

The Company leases the 200 Hoddle Street property from VAC/GMHC Ltd (formerly Gay Men's Health Centre Inc.) and pays a monthly rental of \$40,000. It also leases 58 Mundy Street for \$50,000 per annum. Both leases are for 5 years commencing 1 July 2022. As at 30 June 2023, the Company has a loan payable to the VAC/GMHC Ltd of \$371,050 (2022: \$55,754 loan receivable). The loan is not governed by a formal agreement but is considered to be non-interest bearing and repayable on demand.

Other related parties of Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.) include those who acted as directors of the Company during the year as listed below:

Janet Jukes	Steven Farley-Odgers
Adam Bourne	Bronwyn Lawman
Paul Kidd	Bruce Weston
Neil Pharaoh	Cassius Armitage
Emma Halliday	
Timothy Dyke (Resigned 4 December 2022)	

Explicitly, there are no transactions between Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.) and the directors.

With the exception of Cassius Armitage, all the directors are also the directors of the VAC/GMHC Ltd.

#### 23 Events Occurring After the Reporting Date

The financial report was authorised for issue on 18 October 2023 by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

ABN 52 907 644 835

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **24 Statutory Information**

The registered office and principal place of business of the Company is:  
Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)  
200 Hoddle Street  
ABBOTSFORD VIC 3067

**Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

ABN 52 907 644 835

**Directors' Declaration**

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 8 to 32, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (a) comply with Australian Accounting Standards - Simplified Disclosures ; and
  - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
- 2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors under subdivision 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Director .....  
Janet Jukes

Director .....  
Steven Farley-Odgers

Dated this 18th day of October 2023

**Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**

**Independent Audit Report to the members of Thorne Harbour Health Limited (formerly Victorian AIDS Council Inc.)**