

HEPATITIS C VICTORIA INC.

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2010**

HEPATITIS C VICTORIA INC.

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2010**

CONTENTS

ITEM	PAGE
Income and Expenditure Statement	1 - 2
Asset and Liabilities Statement	3
Statement of Cash Flows	4
Notes to and forming part of the accounts	5 - 8
Statement by Directors of the Committee	9
Independent Auditors Report	10 - 11
Certificate by Directors of the Committee	12

HEPATITIS C VICTORIA INC.

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED
30 JUNE 2010**

	Note	2010 \$	2009 \$
INCOME			
Grant – DHS Commonwealth		-	41,667
Grant – DHS Minor Works		-	9,310
Grant – DHS Core		821,967	729,955
Grant - City of Melbourne		3,125	-
Grant - Dept. Of Health & Aging (CDSM)		133,206	-
Grant – DHS funding provision delay		80,000	-
Grants in Advance		6,000	74,000
Membership Fees – Organisations & Professional		380	1,260
Donations		3,512	1,985
Reimbursements		882	-
Other income		3,699	5,363
Interest received		5,537	9,623
Fees for Service		402	455
Sponsorship		-	707
		<u>1,058,710</u>	<u>874,325</u>
EXPENDITURE			
Advertising & Promotions		10,615	6,347
AGM Costs		2,842	2,070
Amenities		1,544	473
Audit		2,200	1,800
Awareness Week Costs		1,031	8,364
Bank fees		1,010	-
Car Leasing Costs		25,149	20,349
Car Running Costs		14,292	11,606
Cleaning		5,694	3,939
Communication Project Costs		12,040	24,323
Computer Software & Maintenance		14,183	12,353
Consultancy		27,663	7,863
Course costs		318	-
Depreciation		19,880	21,765
Employee EAP Costs		2,160	2,219
Equipment		2,352	2,330
F.B.T.		2,308	2,308
Financial Services		8,842	5,212
Grant Schemes		8,487	2,954
Insurance		13,733	4,062
Interest		247	-

HEPATITIS C VICTORIA INC.

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED
30 JUNE 2010**

	Note	2009 \$	2008 \$
Internet Costs		80	-
Meeting Costs		5,197	1,760
Support Groups		824	1,206
Newsletter		11,373	13,285
Photocopy & Printing		12,289	12,320
Postage & Courier		9,949	10,363
Provision for Long Service Leave/Annual Leave		9,161	40,910
Publications & Subscriptions		1,978	1,320
Repairs & Maintenance		2,597	11,206
Rent		57,208	58,635
Salaries		599,366	500,285
Security		826	-
Staff Development		22,007	4,909
Stationery		7,034	8,141
Street Shot re Awareness		7,329	-
Sundry Expenses		931	8,015
Superannuation		55,816	46,793
Telephone		19,864	20,813
Travel & Accommodation		14,809	5,918
Volunteer Costs		1,653	592
Website Upgrade		8,648	-
Workcover		11,228	14,710
Workshops & Conferences		1,560	4,871
		<u>1,038,317</u>	<u>906,389</u>
 Profit before income tax		 20,393	 (32,064)
 Income tax expense	 2	 <u>-</u>	 <u>-</u>
 Profit after income tax		 20,393	 (32,064)
 Retained Profits at the beginning of the financial year		 <u>87,564</u>	 <u>119,628</u>
 Retained Profits at the end of the financial year		 <u><u>107,957</u></u>	 <u><u>87,564</u></u>

HEPATITIS C VICTORIA INC.

**ASSETS AND LIABILITIES STATEMENT
AS AT 30 JUNE 2010**

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash at Bank		256,426	260,738
TOTAL CURRENT ASSETS		<u>256,426</u>	<u>260,738</u>
NON-CURRENT ASSETS			
Property, plant and equipment	3	18,551	24,561
TOTAL NON-CURRENT ASSETS		<u>18,551</u>	<u>24,561</u>
TOTAL ASSETS		<u>274,977</u>	<u>285,299</u>
CURRENT LIABILITIES			
Trade and other creditors	4	38,440	13,537
Amounts received in advance	5	36,623	9,125
Provisions	6	91,957	175,073
TOTAL CURRENT LIABILITIES		<u>167,020</u>	<u>197,735</u>
TOTAL LIABILITIES		<u>167,020</u>	<u>197,735</u>
NET ASSETS		<u>107,957</u>	<u>87,564</u>
MEMBERS' FUNDS			
Retained profits		107,957	87,564
TOTAL MEMBERS' FUNDS		<u>107,957</u>	<u>87,564</u>

HEPATITIS C VICTORIA INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government Grants		988,467	784,057
Receipts from Other Sources		8,875	9,770
Payments to suppliers and employees		(993,321)	(888,518)
Interest received		<u>5,537</u>	<u>9,623</u>
Net Cash provided by operating activities	7	<u>9,558</u>	<u>(85,068)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property and equipment		<u>(13,870)</u>	<u>-</u>
Net Cash provided by (used in) investing activities		<u>(13,870)</u>	<u>-</u>
Net increase (decrease) in cash held		(4,312)	(85,068)
Cash at the beginning of the year		260,738	345,806
Cash at the end of the year		<u><u>256,426</u></u>	<u><u>260,738</u></u>

HEPATITIS C VICTORIA INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2010**

Note 1: Statement of Significant Accounting Policies

This financial report is special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act 1981 (Vic). The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuation of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in preparation of this financial report.

a. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly investment with original maturities of three months or less.

b. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income). The association does not apply deferred tax.

Current income tax expense charged to the profit and loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

The Association is exempt from paying income tax by virtue of Section 50-45 of the Income Tax Assessment Act, 1997. Accordingly, tax effect accounting has not been adopted.

c. Property, Plant and Equipment

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold Improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

d. Employee Entitlements

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits.

Provision is made for the Association's liability for long service leave from commencement of employment, not from the 5 year employment period normally accrued as industry practice.

HEPATITIS C VICTORIA INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2010**

e. Provisions

Provisions are recognised when the Association 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.

f. Impairment of Assets

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

g. Revenue

Revenue is brought to account when received and to the extent that it relates to the subsequent period it is disclosed as a liability.

Grant Income

Grant income received, other than for specific purposes, is brought to account for the period to which the grant relates.

Deferred Income

Unspent grant income received in relation to specific projects and events is not brought to account as revenue in the current year but deferred as a liability in the financial statements until spent for the purpose received.

Capital Grants

Grant Income received relating to the purchase of capital items is shown as Unamortised Capital Grant and brought to account over the expected life of the asset in proportion to the related depreciation charge.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Donations

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

h. Goods and Services Tax (GST)

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

HEPATITIS C VICTORIA INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2010**

i. Economic Dependence

The entity is dependent on the Department of Human Services for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support the entity.

	2010	2009
	\$	\$
Note 2: Income Tax Expense		
Prima facie tax payable on operating profit at 30% (2009: 30%)	6,118	(9,619)
Less tax effect of:		
- non-taxable member income arising from principle of mutuality	(6,118)	9,619
Income tax expense	<u>-</u>	<u>-</u>
 Note 3: Property, plant and equipment		
Office equipment - at cost	179,459	165,589
Less accumulated depreciation	(160,908)	(141,028)
	<u>18,551</u>	<u>24,561</u>
 Note 4: Trade and other payables		
Creditors	15,350	1,799
BAS amounts payable	23,090	11,738
	<u>38,440</u>	<u>13,537</u>
 Note 5: Amounts received in advance		
Grant in Advance – City of Melbourne	-	3,125
Grant in Advance – Young Persons	-	6,000
Grant in Advance – CDSM	36,623	-
	<u>36,623</u>	<u>9,125</u>
 Note 6: Provisions		
Current		
Provision for Expansion	-	80,000
Provision for Audit fees	2,400	1,800
Provision for Annual Leave	40,012	39,387
Provision for Long Service Leave	9,533	16,182
Provision for Sick Leave	25,874	25,874
Provision for FBT	14,138	11,830
	<u>91,957</u>	<u>175,073</u>

HEPATITIS C VICTORIA INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2010

	2010	2009
	\$	\$
Note 7: Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit after income tax	20,393	(32,064)
Cash flows excluded from operating profit attributable to operating activities;		
Non-cash flows in profit		
- Depreciation	19,880	21,765
Changes in assets and liabilities;		
- Increase/(decrease) in creditors	24,903	(20,921)
- Increase/(decrease) in grants received in advance	27,498	(70,875)
- Increase/(decrease) in provisions	(83,116)	17,027
Net cash provided by Operating Activities	<u>9,558</u>	<u>(85,068)</u>

HEPATITIS C VICTORIA INC.

**STATEMENT BY DIRECTORS OF THE COMMITTEE
FOR THE YEAR ENDED
30 JUNE 2010**

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 8:

1. Presents a true and fair view of the financial position of Hepatitis C Victoria Inc. and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the Hepatitis C Victoria Inc. will be able to pay its debts as and when they fall due.

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

Peter Higgs - Chairperson

Dated:

Isabell Howden - Treasurer

Dated:

HEPATITIS C VICTORIA INC.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEPATITIS C VICTORIA INC.

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Hepatitis C Victoria Inc., which comprises the assets and liabilities statement as at 30 June 2010 for the year then ended, the income and expenditure statement, a summary of significant accounting significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act 1981 (Vic) and are appropriate to meet the needs of the members. The committee's responsibilities also include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conduct our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Act 1981 (Vic). We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion:

The financial report of Hepatitis C Victoria Inc. is in accordance with the Associations Incorporation Act 1981 (Vic) including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2010 and of its performance and its cash flows for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1981 (Vic).

Sean Denham

Sean Denham & Associates

Dated: 3 September 2010

CPA's

Suite 6, 707 Mt Alexander Road, Moonee Ponds Vic 3039

HEPATITIS C VICTORIA INC.

CERTIFICATE BY DIRECTORS OF THE COMMITTEE

I Peter Higgs, and I Isabell Howden , certify that:

This annual statement was/will be submitted to the members of the association at its annual general meeting.

Peter Higgs - Chairperson

Dated:

Isabell Howden - Treasurer

Dated: