

**HARM REDUCTION VICTORIA INC.
(REG. NO: A14792P)**

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

CSB Accountants
Melbourne

**HARM REDUCTION VICTORIA INC.
(REG. NO: A14792P)**

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DETAILED MANAGEMENT PROFIT AND LOSS ACCOUNT

HARM REDUCTION VICTORIA INC.
(REG. NO: A14792P)

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Note	<u>2023</u>	<u>2022</u>
		\$	\$
<u>Revenue From Ordinary Activities:</u>			
Service grant-- DHHS	3	1,416,807	1,547,368
Levy income		844,780	232,347
Dosing Fee Income		1,321	4,753
Donations received		50	427
Gia income		860,342	40,000
DW Promotor income		54,825	78,124
Other project income		43,100	8,041
PABN income PAMS		11,000	11,000
Sublet income		45,738	-
Miscellaneous income		68,631	89,678
Interest received		<u>2,187</u>	<u>8,946</u>
		3,348,781	2,020,684
<u>Expenditure</u>			
Depreciation and amortization		(76,124)	(13,373)
Education and awareness programs		(63,913)	(5,019)
Other expenses from ordinary activities	4	<u>(3,256,991)</u>	<u>(1,856,912)</u>
		(3,397,028)	(1,875,304)
Operating surplus/(deficit) from ordinary activities before income tax expense		(48,247)	145,380
Income tax expense	5	<u>-</u>	<u>-</u>
Surplus/(deficit) from ordinary activities after income tax expense		(48,247)	145,380
Accumulated funds at beginning of year		854,314	708,934
Adjusted general reserve to accumulated funds		-	-
Accumulated funds at end of year		<u><u>806,067</u></u>	<u><u>854,314</u></u>

The Income Statement is to be read in conjunction with the notes to and forming part of the financial report.

HARM REDUCTION VICTORIA INC.
(REG. NO: A14792P)

BALANCE SHEET AS AT 30 JUNE 2023

	Note	<u>2023</u>	<u>2022</u>
		\$	\$
<u>EQUITY</u>			
Accumulated funds		806,067	854,314
TOTAL EQUITY		<u>806,067</u>	<u>854,314</u>
<u>NON-CURRENT LIABILITIES</u>			
Motor vehicle finance liabilities	9	-	-
		<u>806,067</u>	<u>854,314</u>
Represented by:			
		\$	\$
<u>CURRENT ASSETS</u>			
Cash assets	6	927,791	2,261,905
Term deposit		1,000,000	-
Pledges receivable		76,306	8,749
Other current assets	7	<u>67,322</u>	<u>106,903</u>
		<u>2,071,419</u>	<u>2,377,557</u>
<u>NON-CURRENT ASSETS</u>			
Plant and equipment	8	<u>325,638</u>	<u>38,766</u>
		325,638	38,766
Total Assets		<u>2,397,057</u>	<u>2,416,323</u>
<u>CURRENT LIABILITIES</u>			
Trade and other payables		1,320,096	1,315,910
Motor vehicle finance liabilities	9	-	-
GST payable		47,481	90,569
Provisions	10	<u>223,413</u>	<u>155,530</u>
		<u>1,590,990</u>	<u>1,562,009</u>
NET ASSETS		<u>806,067</u>	<u>854,314</u>

The Balance Sheet is to be read in conjunction with the notes to and forming part of the financial report.

HARM REDUCTION VICTORIA INC.
(REG. NO: A14792P)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
Accumulated funds at the beginning of year	854,314	708,934
Surplus/(Deficit) for the year	<u>(48,247)</u>	<u>145,380</u>
Accumulated funds at end of the year	<u>806,067</u>	<u>854,314</u>
TOTAL EQUITY	<u><u>806,067</u></u>	<u><u>854,314</u></u>

HARM REDUCTION VICTORIA INC.
(REG. NO: A14792P)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Note	<u>2023</u>	<u>2022</u>
		\$	\$
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Receipts from grants, members & other activities		3,318,618	2,197,312
Interest received		2,187	8,946
Payments to suppliers & employees		<u>(3,291,923)</u>	<u>(1,127,863)</u>
Net cash flow from operating activities		28,882	1,078,395
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>			
(Increase)/ Decrease in term deposit		(1,000,000)	-
Payment for purchase of plant & equipment		<u>(362,996)</u>	<u>(16,236)</u>
Net cash flow from investing activities		(1,362,996)	(16,236)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
Payment of finance borrowing		<u>-</u>	<u>(8,621)</u>
Net cash flow from financing activities		-	(8,621)
Cash held at the beginning of the year		<u>2,261,905</u>	<u>1,208,367</u>
Cash held at the end of the year	6	<u>927,791</u>	<u>2,261,905</u>

HARM REDUCTION VICTORIA INC.
(REG. NO: A14792P)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2023

1. **STATEMENT OF ACCOUNTING POLICIES**

a) **Basis of Accounting:**

These financial statements are a general purpose financial report (reduced disclosure) prepared in accordance with *Australian Accounting Standards* for the members of Harm Reduction Victoria Inc. using the accrual basis of accounting, and to enable compliance with the requirements of the *Associations Incorporation Reform Act (2012)*.

The significant accounting policies are presented below and have been consistently applied unless otherwise stated.

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048:	Interpretation and Application of Standards

The accounts have been prepared using historical costs and do not take into account changing money values.

b) **Plant and Equipment**

The plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated to write off the asset over its useful life using the diminishing method and the straight-line method. The rates used for the year were 25% - 66.6% p.a.

c) **Impairment of Assets**

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

d) **Income Tax**

The economic entity, Harm Reduction Victoria Inc., is registered as an Income Tax Exempt organization under Subdivision 50-5 of the *Income Tax Assessment Act*.

e) **Payables**

The payables represent liabilities for goods and services provided prior to the financial year end, and which are unpaid. The amounts are unsecured and are paid in accordance with existing trading terms.

f) **Employee Provisions**

Provision is made for the employee entitlements. Employee entitlements are benefits (other than termination benefits) that are expected to be settled wholly for which the employees have rendered their services, including wages, salaries and sick leave. Provision is also made for the employees' long service leave and annual leave entitlements.

g) **Cash Assets**

For the purposes of the statement of cash flows, cash assets include cash on hand and at call deposits with banks or financial institutions, and investments in money market instruments maturing within two months, net of bank overdrafts.

h) **Revenue Recognition**

Revenue is recognised in accordance with AASB118. In general, revenue is recognised where it can be reliably measured, in the period to which it relates.

i) **Rounding**

In this report, all the amounts have been rounded to the nearest dollar, unless otherwise stated.

j) **Comparative Figures**

Where necessary, the previous year's figures have been re-classified to facilitate comparison.

k) **GST**

Revenues, expenses and assets are recognised net of GST except where the amount of GST is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the Balance Sheet. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AASB107.

2 **PRINCIPAL ACTIVITIES**

Harm Reduction Victoria Inc., which is a prescribed body and classified as Tier 3 under the *Associations Incorporation Reform Act (2012)*, is principally engaged in the provision of health education and awareness services relating to intravenous drug use and AIDS to the community.

The economic entity, Harm Reduction Victoria Inc., is registered with the Charities and Not-for-profits Commission (ACNC).

3. **GOVERNMENT GRANTS**

During the year the economic entity received government assistance and grants totalling \$1,416,807 (2022 - \$1,547,368). The amounts are for specific purposes and are to be expended in accordance with the terms of the grants. Amounts that are committed but have not been expended at balance sheet date are treated and recorded as a liability.

4. **OTHER EXPENSES FROM ORDINARY ACTIVITIES**

The other expenses from ordinary activities include the following items:

	<u>2023</u>	<u>2022</u>
	\$	\$
Rent – premises and halls	145,326	60,186
Salaries and on-costs	1,423,398	1,097,912
Consultancy	184,133	142,321

5. **INCOME TAX RELATING TO ORDINARY ACTIVITIES**

No income tax is provided as the economic entity is income tax exempt.

6. **CASH**

(a) Cash Assets:

	\$	\$
Petty cash	-	16,552
Cash at bank and finance institutions	<u>927,791</u>	<u>2,245,353</u>
	<u>927,791</u>	<u>2,261,905</u>

(b) Reconciliation of Net Cash Provided by Operating Activities:

	\$	\$
Surplus/(deficit) from operating activities	(48,247)	145,380
Add/(Less) Non-cash Items:		
Depreciation and amortization	76,124	13,373
Write-offs	-	-
Provision for staff entitlements	<u>67,885</u>	<u>(11,537)</u>
	<u>95,762</u>	<u>147,216</u>
Changes in Assets and Liabilities:		
Decrease/ (increase) in trade and other receivables	(27,976)	189,224
Increase/(decrease) in creditors and accrued expenses	<u>56,858</u>	<u>741,955</u>
NET CASH PROVIDED BY OPERATIONS	<u>28,882</u>	<u>1,078,395</u>

7. **OTHER CURRENT ASSETS**

Other current assets include the following item:

	\$	\$
Prepayment and other receivables	67,322	106,903

8. **PLANT AND EQUIPMENT**

	\$	\$
Lease holding improvement	-	-
Addition - At Cost	349,841	-
Less: Accumulated depreciation	<u>(55,534)</u>	-
	<u>294,307</u>	-
Motor vehicles	86,844	86,844
Disposal/Written-off	(55,862)	-
Less: Accumulated depreciation	(22,992)	(74,489)
Accumulated depreciation for disposal	<u>(638)</u>	<u>-</u>
	<u>7,352</u>	<u>12,355</u>
Office Equipment	91,248	91,248
Disposal/Written-off	(33,988)	-
Addition	13,155	21,815
Less: Accumulated depreciation	<u>(46,436)</u>	<u>(86,652)</u>
	<u>23,979</u>	<u>26,411</u>
Net Book Value	<u>325,638</u>	<u>38,766</u>

9. **MOTOR VEHICLE FINANCE LIABILITIES**

	<u>2023</u>	<u>2022</u>
	\$	\$
Amount due – not later than 1 year	-	-
– later than 1 year and not later than 5 years	-	-
	<u>-</u>	<u>-</u>

10. **PROVISIONS**

	\$	\$
Staff entitlements	223,413	155,530

11. **AUDITOR'S REMUNERATION**

Amounts received or due and receivable by the auditor for:

	\$	\$
Auditing of the accounts	2,200	2,000

12. **ECONOMIC DEPENDENCY**

The economic entity receives assistance and grants from the State government. The grants are generally made for specific purposes and are to be expended within the terms.

13. **CONTINGENT ASSET/LIABILITY**

At the date of this report, management is not aware of any contingent liability or claim that is likely to become enforceable within the period of twelve months after the end of the financial year.

14. **FINANCIAL RISK MANAGEMENT**

(a) Interest Rate Risk

The economic entity has no material exposure to interest rate risk on its financial instruments.

(b) Credit Risk Exposure

The economic entity's maximum exposure to credit risk at balance date in relation to each class of financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

**HARM REDUCTION VICTORIA INC.
(REG. NO: A14792P)**

STATEMENT BY BOARD MEMBERS

The Board has determined that Harm Reduction Victoria Inc. is not a reporting entity, and therefore there is no requirement to apply all the Australian Accounting Standards. The Board Members have determined that this general purpose financial report (reduced disclosure) should be prepared in accordance with the *Australian Accounting Standards* and the accounting policies to the extent outlined in Note 1 to the Financial Statements.

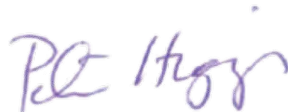
In the opinion of the Board of Harm Reduction Victoria Inc.:

- (a) the financial statements give a true and fair view of the financial position as at 30th June 2023 and of the performance as represented by the results of its operations, and the cash flows for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the economic entity will be able to pay its debts as and when they fall due.

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



Robyn Dwyer
President



Peter Higgs
Treasurer

Dated at Melbourne: 29 November 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HARM REDUCTION VICTORIA INC.
(Reg No. A147921P)**

Opinion

We have audited the general purpose financial report (reduced disclosure) of Harm Reduction Victoria Inc. which comprises the statement of financial position as at 30th June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity, cash flow statement for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

In our opinion, the accompanying financial report of Harm Reduction Victoria Inc. is in accordance with the *Associations Incorporation Reform Act (2012)*, including:

- (i) giving a true and fair view of the entity's financial position as at 30th June 2023, its financial performance and cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent outlined in Note 1 of the Notes to the Financial Statements, and the Regulations.

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 entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Board members and management of Harm Reduction Victoria Inc. are responsible for the other information. The other information comprises the Statement By the Board Members, which we obtained prior to the date of this auditor's report.

Our opinion on the financial report does not cover the other information and 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 identified above 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 that we 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, however, nothing to report in this regard.

Responsibilities of the Board and Management for the Financial Report

The members of the Board and management are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Associations Incorporation Reform Act (2012)*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board and management are responsible for assessing the ability of Harm Reduction Victoria Inc. to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate Harm Reduction Victoria Inc. or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we have exercised professional judgement and maintain professional scepticism throughout the audit.

CSB Accountants



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Dr Chooi S. Beh, CA

Dated at Melbourne:

29th November 2023

HARM REDUCTION VICTORIA INC.
(REG. NO: A14792P)

DETAILED MANAGEMENT PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
<u>INCOME</u>		
Service grant-- DHHS	1,416,807	1,547,368
Levy income	844,780	232,347
Donations received	50	427
Dosing fee income	1,321	4,753
Gia income	860,342	40,000
Promotor income	54,825	78,124
Project income	43,100	8,041
Reporting Fee Income-PABN incomes PAMS	11,000	11,000
Sublet income	45,738	-
Miscellaneous income	68,631	89,678
Interest received	2,187	8,946
	<u>3,348,781</u>	<u>2,020,684</u>
<u>OPERATING EXPENSES</u>		
Accounting fee	25,698	24,258
Advertising and promotion	18,279	1,554
Levy expenses	844,780	232,347
Asset purchased	67,749	17,273
Audit fee	2,200	2,000
Bad debt	-	3,650
Bank charges	199	196
Cleaning and supplies	13,192	5,842
Computer expenses	75,051	74,486
Consultancy	184,133	142,321
Council rates	7,769	7,970
Client support consumables	8,998	20,644
Depreciation and amortization	76,124	13,373
Events and programs	63,913	5,019
Equipment hire and purchase	2,580	2,580
Human resources and governance	2,657	5,477
Insurance	19,051	3,804
Interest expense	1,210	90
Legal and consultancy fees	2,368	2,800
Meeting expense	3,531	857
Motor vehicle expenses	24,368	18,183
Outreach support	6,221	6,490
Postage and courier	8,271	7,383
Provision for staff entitlements	67,885	(11,537)
Publications	18,074	17,730
Rent	145,326	60,186
Repair and maintenance	40,618	3,967
Salary and on-costs	1,423,398	1,097,912
Staff training	34,829	18,596
Security and inspection	3,379	2,577
Staff amenities	6,972	8,080
Stationery, printing and office supplies	4,338	3,734
Subscriptions and membership	3,441	3,311
Telephone and internet expenses	27,909	13,346
Travel and accommodation expenses	72,791	22,050
Utilities expense	8,369	5,168
Volunteer cost	1,130	-
Volunteer reimbursements	57,284	21,342
Volunteer meeting cost	4,051	1,543
Workers' compensation	18,892	8,702
	<u>3,397,028</u>	<u>1,875,304</u>
Operating Surplus/(Deficit) For The Year	<u>(48,247)</u>	<u>145,380</u>