Australian Healthcare and Hospitals Association.

ABN: 49 008 528 470

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

AUSTRALIAN HEALTHCARE AND HOSPITALS ASSOCIATION

30 JUNE 2021

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CMPITT&CO

Chartered Accountants

TELEPHONE: (02) 9715 1555
FACSIMILE: (02) 9715 1566

CHARLES M PITT B.BUS FCA
ABN: 73 591 425 854

6/2 PHILIP STREET
STRATHFJELD NSW 2135
POBOX580
E-MAIL cpitt@cmpitt.com.au

AUDITOR'S INDEPENDENCE DECLARATION

AUSTRALIAN HEALTHCARE AND HOSPITALS ASSOCIATION.

As lead auditor for the audit of the Australian Healthcare and Hospitals Association for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as required by Chartered Accountants Australia & New Zealand; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Charles M Pitt
CM Pitt & Co
Units 6, 2 Philip Street
STRATHFIELD NSW 2135

Dated: 14 September 2021

AUSTRALIAN HEALTHCARE AND HOSPITALS ASSOCIATION
ABN 49 008 528 470
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021	2020
		$_	$_
REVENUE	**5**	2,836,434	2,702,819
EXPENSES			
Employee benefits expense		1,603,223	1,788,855
Depreciation and amortisation expense		46,977	109,838
Travel Expenses		8,314	15,873
Admin and Other Expenses		281,982	360,613
Consultants		458,361	333,111
Publications and Printing		133,318	88,372
Event Expenses		134,722	34,417
Auditors remuneration		20,705	30,371
TOTAL EXPENSES		2,687,603	2,761,450
PROFIT (LOSS) FOR THE YEAR		148,831	(58,631)
OTHER COMPREHENSIVE INCOME			
Revaluation of building		169,180	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**318,011**	**(58,631)**

The accompanying notes form part of these accounts.

AUSTRALIAN HEALTHCARE AND HOSPITALS ASSOCIATION
ABN 49 008 528 470
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021	2020
		$_	$_
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	841,104	347,627
Trade and Other Receivables	7	600,458	697,723
Other Assets	8	66,085	84,600
TOTAL CURRENT ASSETS		1,507,647	1,129,950
NON-CURRENT ASSETS			
Right-of-use assets	9	27,404	74,381
Property, plant and equipment	JO	985,443	806,173
Intangible Assets	11	907,939	871,213
TOTAL NON- CURRENT ASSETS		1,920,786	1,751,767
TOTAL ASSETS		3,428,433	2,881,717
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	12	318,839	219,056
Provisions	13	230,897	161,546
Other Liabilities	14	765,123	619,772
Borrowings	15	51,188	5I, I88
TOTAL CURRENT LIABILITIES		1,366,046	1,051,562
NON-CURRENT LIABILITIES			
Lease liability	9	26,998	77,502
Borrowings	15	255,744	291,019
TOTAI NON-Cl TRRFNT I IARH ITIFS		282,7 1	368,521
TOTAL LIABILITIES		1,648,788	1,420,08[illegible]
NET ASSETS		**1,779,645**	**1,461,634**
EQUITY			
Reserves	16	149,522	149,522
Retained earnings		1,630,123	1,312,112
TOTAL EQUITY		**1,779,645**	**1,461,634**

The accompanying notes form part of these accounts.

AUSTRALIAN HEALTHCARE AND HOSPITALS ASSOCIATION
ABN 49 008 528 470
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	Retained Earnings	Asset Replacement Reserve	Branch Member Reserve	Asset revaluation Reserve	Total Equity
		$	$	$	$	$
Balance at 1 July 2019		1,370,743	80,000	30,000	39,522	1,520,265
Profit/(loss) for the year		(58,631)				(58,631)
Balance at 30 June 2020		1,312,112	80,000	30,000	39,522	1,461,634
Profit/(loss) for the year		318,011				318,011
Balance at 30 June 2021		1,630,123	80,000	30,000	39,522	1,779,645

The accompanying notes form part of these accounts.

AUSTRALIAN HEALTHCARE AND HOSPITALS ASSOCIATION
ABN 49 008 528 470
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021	2020
		$_	$_
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		2,915,183	2,566,253
Payments to suppliers and employees		(2,313,917)	(2,906,786)
Interest received		306	3,444
Finance costs		(12,225)	(17,245)
Net cash provided by/(used in) operating activities		589,347	(354,334)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(10,090)	(139,089)
Net cash used by investing activities		(10,090)	(139,089)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		(35,275)	(33,987)
Lease payments (Principal and interest)		(50,504)	(44,787)
Net cash used by financing activities		(85,779)	(78,774)
Net increase/(decrease) in cash held and cash equivalents held		493,477	(572,197)
Cash and cash equivalents at beginning of year		347,627	919,824
Cash and cash equivalents at end of financial year financial year		841,104	347,627

The accompanying notes form part of these accounts.

The financial report covers Australian Healthcare and Hospitals Association as an individual entity. Australian Healthcare and Hospitals Association is a not-for-profit Company, registered and domiciled in Australia.

1 Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards (including Australian Interpretations) - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB)

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

The financial statements 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 liabilities.

2 Changes in Accounting Policies

The Association has adopted all new and revised accounting standards and interpretations issued by the AASB that are relevant to its operations, and which became mandatory for the current financial reporting period. These accounting standards and interpretations did not have any significant impact on the financial performance or position of the Association.

3 Summary Significant Accounting Policies

(a) Income Tax

The Australian Healthcare and Hospitals Association is a Health Promotion Charity under section 50-5 of the Income Tax Assessment Act 1997 and is exemrt from inrnme tax

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment
Freehold land and buildings are brought to account at cost or at directors' valuation.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are perfonned whenever there is a material movement in the value of an asset under the revaluation model,

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Continued

Artwork

Artwork is measured using the revaluation method.

Land and buildings

Land and buildings are measured using the cost model method or at valuation.

Plant and equipment

Plant and equipment are measured using the cost model method

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 estimated useful life for each class of depreciable asset are:

Buildings	40 years
Plant and Equipment	5 years
Furniture, Fixtures and Fittings	10 years
Computer Equipment	2 to 10 years

(c) Leases

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

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.

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.

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 oflow-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Lessor accounting

When the Company is a lessor, the lease is classified as either an operating or finance lease at inception date based on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

Wlrn11 the Co111µa11y has awl, lease ove1 all asset all(] is the i11te1111ediute lesso1 the11 the heutl lease and sub lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.
The lease income from operating leases is recognised on a straight line basis over the lease term. Finance income under a finance lease is recorded on a basis to reflect a constant periodic rate of return on the Company's net investment in the lease.

(d) **Financial instruments**

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

Continued

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 categories, those measnred 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.

I111pairme11t of fi11a11cial 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.

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).

Continued

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 flow 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 payables, bank and other loans and finance lease liabilities.

(e) Intangibles

Research and developmellt
Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Continued

Capitalised development costs are not subject to amortisation and are assessed for impairment at least on an annual basis, or whenever an indication of impairment arises. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of an asset is the higher of its fair value less cost of disposal and its value in use. Impairment losses are recognised in the income statement in the reporting period when the carrying amount of the asset exceeds the recoverable amount.

Software

Intangible assets are recorded at cost and are recognised when their initial cost is greater than $1,000.

Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software is amortised on a straight line basis over an estimated useful life of five years, commencing from the time the asset is held ready for use.

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

(f) Impairment of non-financial assets

At each reporting date, the company reviews the carrying values of its tangible 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. As a not-for-profit entity, value in use, according to AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is recognised in the statement of comprehensive income as an impairment loss.

In the case ofloans and receivables, a loss event' may indicate that a debtor(s) is experiencing financial difficulty and will default on payment. After having undertaken all economically viable possible measures of recovery, and it is established that the carrying amount cannot be recovered by any means, the amount will be written off. The amount will be charged to either a separate allowance account used to reduce the carrying amount of financial assets impaired by credit losses, or if no impairment account was previously recognised, directly against the carrying amount of the financial asset

(g) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Continued

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods
Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant revenue
Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Interest revenue
Interest is recognised using the effective interest method.

Rendering of services
Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable,

Rental income
Rental revenue is recognised in the period in which it occurs.

Subscriptions
Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year. Income received as membership and subscriptions for the subsequent financial year has been recognised as income in advance.

Sponsorships
Funding for special purpose projects via sponsorships is recognised as revenue to the extent that the monies have been applied in accordance with the conditions of the funding. Funding for special purpose projects received prior to year end, but unexpended at that date, are recognised as income in advance.

Other income
Other income is recognised on an accruals basis when the Company is entitled to it.

Continued

Revenue from contracts with customers

For current year

The core principle of AASE 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.

(h) 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.

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

Employee benefits

Provision is made for the Company'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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Continued

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

5 Revenue and Other Income

	2021	2020
	$_	$_
Sponsorship revenue	285,756	94,409
Conference income	5,455	81,465
Member subscriptions	477,266	608,939
Palliative care income	159,234	166,762
Royalties	3,122	25,768
Rent and consultancy	96,212	18,000
Publications	21,422	50,172
JustHealth consultancy revenue	578,238	253,441
Education & Training	31,378	
Other income	1,178,351	1,403,863
Total revenue	**2,836,434**	**2,702,819**

6 Cash and Cash Equivalents

Cash at bank and cash in hand	841,104	347,627
	841,104	**347,627**

7 Trade and Other Receivables

CURRENT		
Trade receivables	87,839	136,940
Other receivables	512,619	560,783
	600,458	**697,723**

8 Other Assets

CURRENT		
Prepayments	56,694	75,209
Accreditation costs	9,391	9,391
	66,085	**84,600**

Continued

9 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

Company as a Jessee
The Company has leases over a range of assets including land and buildings, vehicles, machinery and IT equipment.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

Right-of-use assets

		Total
Gross carrying amount	$_	$_
Balance as at 1 July 2020	121,358	121,358
Depreciation and impairment	(93,954)	(93,954)
Balance at 30 June 2021	**27,404**	**27,404**
Gross carrying amount		
Balance as at 1 July 2019	121,358	121,358
Depreciation and impairment	(46,977)	(46,977)
Balance at 30 June 2020	**74,381**	**74,381**

Lease liability
T .ease T .iahilitv is cakulate<l using the present value 0fthe lease payments 0ver the lease term discounted using the lessee's incremental borrowing rate.

	2021	2020
	$_	$_
Non current	26,998	77,502

Extension options
The lease for the office unit contain an extension option which allow the Company to extend the lease term by another two-years after the expiry of the original non-cancellable period of the lease.

Company as a lessor
The Company leases out office units to various not-for-profit organisations. These leases have been classified as operating leases for financial reporting purposes.

Continued

	2021	2020
	$_	$_
10 Property, plant and equipment		
Building		
At cost	814,445	814,445
Revaluation increase	25,555	
Accumulated depreciation		(143,625)
	840,000	**670,820**
Plant and equipment		
At cost	32,190	31,464
Accumulated depreciation	(23,143)	(23,143)
	9,047	**8,321**
Furniture, fixtures and fittings		
At cost	146,526	146,526
Accumulated depreciation	(92,357)	(92,357)
	54,169	**54,169**
Computer equipment		
At cost	156,477	148,171
Accumulated depreciation	(141,896)	(141,896)
	14,581	**6,275**
Computer software		
At cost	28,040	28,040
Accumulated depreciation	(15,159)	(15,159)
	12,881	**12,881**
Leasehold improvements		
At cost	16,925	15,867
Accumulated amortisation	(2,838)	(2,838)
	14,087	**I l,Olll**
Artworks		
At fair value	40,678	40,678
	40,678	**40,678**
Total property, plant and equipment	**985,443**	**806,173**

Conanued

10 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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

	Buildings	**Plant and Equipment**	Furniture, Fixtures and Fittings	**Computer Equipment**	**Computer Licenses**	**Leasehold Improvements**	**Art Works**	**Total**
	$_	$_	$_	$_	$_	$_	$_	$_
Year ended 30 June 2020								
Balance at the beginning of year	670,820	8,321	54,169	6,275	12,881	13,029	40,678	806,173
Revaluation increase	169,180							169,180
Additions at cost		726		8,306		1,058		10,090
Depreciation Expense								
Balance at the end of the year	**840,000**	**9,047**	**54,169**	**14,581**	**12,881**	**14,087**	**40,678**	**985,443**

Continued

	2021	2020
	$	$

Buildings.

The building a commercial strata unit situated at 8/2 Phipps Close Deakin ACT 2600. The valuation has been amended in accordance with the Valuation by Mr Tigran Amiyants, Certified Practicing Valuer, dated 19 April, 2019. Based on this information the Directors have updated the valuation, effective from 30 June, 2021, to be $840,000.

The useful life of building remains at 40 years.

Other property, plant and equipment

The useful life of other property, plant and equipment has been assessed at the end of the financial year, for impairment, and no depreciation provided for 2021 year.

11 Intangible Assets

	2021	2020
Web design		
At cost	237,367	237,367
Accumulated amortisation and impairment	(172,573)	(172,573)
Net Carrying value	**64,794**	**64,794**
Value Based Health Care		
At cost	843,145	806,419
Net Carrying value	**843,145**	**806,419**
Total Intangibles	**907,939**	**871,213**

(a) Movements in carrying amounts of intangible assets

	Web Design	**Value Based Health Care**	**Total**
Gross carrying amount	$	$	$
Balance as at I July 2020	64,794.00	806,419	871,213
Additions		36,726	36,726
Transfers			
Depreciation and impairment			
Balance at 30 June 2021	**64,794**	**843,145**	**907,939**

The web page is constantly updated, and the costs expensed. The useful life of the web site has been assessed at the end of the financial year, for impairment, and no amortization provided for 2021 year.

Value Based Health Care has indefinite useful life and not subject to amortisation. It is assessed for impairment at least on an annual basis, or whenever an indication of impairment arises.

Continued

	2021	2020
12 Trade and Other Payables		
CURRENT		
Trade payable	247,401	197,628
Accrued expenses	71,438	21,428
	318,839	**219,056**
13 Provisions		
CURRENT		
Annual leave	153,566	148,575
Long service leave	77,331	12,971
	230,897	**161,546**
14 Other Liabilities		
CURRENT		
Membership subscriptions received in advance	588,641	503,496
Deferred income for events	176,482	116,276
	765,123	**619,772**
15 Borrowings		
CURRENT		
Secured liabilities:		
Banlc Loans	51,188	51,188
	51,188	**51,188**
NON-CURRENT		
Secured liabilities:		
Banlc Loans	255,744	291,019
	255,744	**291,019**
16 Reserves		
Asset Replacement Reserve (a)		
Opening Balance	80,000	80,000
Closing Balance	**80,000**	80,000
Asset Revaluation Reserve (b)		
Opening Balance	39,522	39,522
Closing Balance	**39,522**	39,522

Continued

Branch Member Development Reserve (c)		
Opening Balance	30,000	30,000
Closing Balance	**30,000**	30,000
Total Reserve	**149,522**	**149,522**

(a) Asset Replacement Reserves

The asset replacement reserve is monies set aside for future capital expenses.

(b) Asset Revaluation Reserve

The reserve records the revaluations of non-current assets.

(c) Branch Member Reserve

The branch member reserve is for the development of membership in Queensland.

17 Members' Guarantee

The company is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 and is a company limited by guarantee. If the company is wound up, the Memorandum of Association States that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the company.

18 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:
Artworks
Value Dased Ifoalllwa1e

19 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2021 (30 June 2020:None).

20 Related Parties and related-party transactions

(a) The Company's main related parties are as follows:

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Continued

Board of Directors

The names of persons who comprised the Board of Directors as at 30 June 2021 are:

- Jillian Skinner
- Chris Kane
- Lynelle Hales
- Susan McKee
- Keith McDonald
- Michael Brydon
- Yasmin King
- Wendy Moyle
- Joy Savage

No Director, or parties related to them, received any remuneration from the Company during the year other than for reimbursement of expenses incurred.

(b) Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is $499,992 (2020: $1,187,131).

22 Event Snbsequent to Balance Date: COVID - 19

The Impact of COVID - 19 cannot be reasonably estimated nor predicted. There may be material change in the participants in events and conditions due to COVID - 19, subsequent to balance date. Other than the impact of COVID -19, no other events have occurred and no facts have been discovered since balance date which would make the financial statements for the period materially inaccurate or misleading, nor are any matters pending which might have such an effect, which have not already been disclosed.

23 Statutory Information

The registered office of the company is:

Australian Healthcare and Hospitals Association
Unit 8
2 Phipps Close
Deakin ACT 2600

Responsible persons' declaration

The responsible persons declare that in the responsible persons' opinion:

- There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due payable; and
- The financial statements and notes satisfy the requirements of Australian Charities and Not-for-profit Commission Act 2012

Signed in accordance with subsection 60. 15(2) of the Australian Charities and Not-for-profit Commission Act 2013.

The Hon Jillian Skinner

Director

Yasmin King

Director

Dated: 14 September 202I

CMPITT&CO

Chartered Accountants

TELEPHONE: (02) 9715 1555
FACSIMILE: (02) 9715 1566

CHARLES M PITT B.BUS FCA

6/2 PHILIP STREET
STRATHFIELD NSW 2135
POBOX580
E-MAIL cpitt@cmpitt.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN HEALTHCARE AND HOSPITALS ASSOCIATION AUSTRALIA

Report on the Audit of the Financial Report

We have audited the financial report of Australian Healthcare and Hospitals Association Australia (AHHA), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

In our opinion, the financial report of AHHA, has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

(a) giving a true and fair view of the registered entity's financial position as at 30 June 2021 and of its financial performance for the year ended; and

(b) complying with Australian Accounting Standards to the extent described in Note I, and division 60 the Australian Charities and Not-for-profits Commission Regulation 2013. basis for opinion.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

Directors' Responsibility for the Financial Report

The directors of the AHHA, are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities & Not for Profits Commission Act 20I2. The directors' responsibility also includes such internal control as to determine the directors necessary to enable the preparation of a 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 directors is responsible for assessing the AHHA, ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made bv responsible entities.

- Conclude on the appropriateness of responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Charles M PiW
CMPITT&CO
CHARTERED ACCOUNTANTS

CAANZ Membership No. 20180
Registered Company Auditor No. 2944
Unit 6 & 7, 2 Philip Street Strathfield

Dated this 14th day of September 2021