

Queensland Positive People Inc.

ABN 89 010 040 914

Financial Statements

For the Year Ended 30 June 2023

Queensland Positive People Inc.

ABN 89 010 040 914

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For the Year Ended 30 June 2023

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INDEPENDENT AUDIT SERVICES

www.independentauditservices.com.au

T 07 3905 9430
Level 1, Suite 1a
33 Queen Street
BRISBANE QLD 4000

Queensland Positive People Inc.

ABN 89 010 040 914

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Queensland Positive People Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

INDEPENDENT AUDIT SERVICES Chartered Accountants

A handwritten signature in black ink, appearing to read 'Jiahui Thum', with a stylized flourish at the end.

Jiahui (Jeremiah) Thum
Director
Brisbane, QLD

Dated: 9th September 2023

Queensland Positive People Inc.

ABN 89 010 040 914

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

| | | 2023 | 2022 |
|--|------|------------------|--------------|
| | Note | \$ | \$ |
| Revenue | 4 | 4,600,306 | 4,237,303 |
| Finance income | 5 | 71,269 | 25,315 |
| Other income | 4 | 90,494 | 25,189 |
| Employee benefits expense | | (3,324,452) | (2,942,205) |
| Depreciation and amortisation expense | | (334,823) | (298,913) |
| Other operating expenses | | (669,160) | (638,731) |
| Fixed assets purchased <\$1,000 | | (55,112) | (28,926) |
| Property related expenses | | (136,463) | (118,354) |
| Hope fund related expenses | | (19,635) | (14,237) |
| Consultant & facilitator fees | | (218,906) | (134,707) |
| IT support | | (85,777) | (88,433) |
| Other expenses | | (11,112) | (13,700) |
| Finance expenses | | (34,834) | (10,532) |
| Surplus before income tax | | (128,205) | (931) |
| Income tax expense | | - | - |
| Surplus for the year | | (128,205) | (931) |
| Other comprehensive income, net of income tax | | | |
| Items that will not be reclassified subsequently to profit or loss | | - | - |
| Items that will be reclassified to profit or loss when specific conditions are met | | - | - |
| Total comprehensive income for the year | | (128,205) | (931) |

The accompanying notes form part of these financial statements.

Queensland Positive People Inc.

ABN 89 010 040 914

Statement of Financial Position

As At 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|-------------------------------|------|-------------------------|-------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 2,256,403 | 2,075,978 |
| Trade and other receivables | 7 | 671 | - |
| Other assets | 9 | 241,814 | 26,504 |
| TOTAL CURRENT ASSETS | | <u>2,498,888</u> | <u>2,102,482</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 1,893,857 | 1,924,791 |
| Right-of-use assets | 11 | 554,928 | 847,461 |
| TOTAL NON-CURRENT ASSETS | | <u>2,448,785</u> | <u>2,772,252</u> |
| TOTAL ASSETS | | <u><u>4,947,673</u></u> | <u><u>4,874,734</u></u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 336,849 | 310,351 |
| Contract liabilities | 8 | 437,331 | 75,806 |
| Lease liabilities | 11 | 297,980 | 536,484 |
| Employee benefits | 14 | 274,108 | 215,231 |
| TOTAL CURRENT LIABILITIES | | <u>1,346,268</u> | <u>1,137,872</u> |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 71,007 | 71,007 |
| Borrowings | 13 | 2,000,000 | 2,000,000 |
| Lease liabilities | 11 | 301,424 | 293,876 |
| Employee benefits | 14 | 42,690 | 57,490 |
| TOTAL NON-CURRENT LIABILITIES | | <u>2,415,121</u> | <u>2,422,373</u> |
| TOTAL LIABILITIES | | <u>3,761,389</u> | <u>3,560,245</u> |
| NET ASSETS | | <u><u>1,186,284</u></u> | <u><u>1,314,489</u></u> |
| EQUITY | | | |
| Reserves | | 253,030 | 253,030 |
| Retained earnings | | 933,254 | 1,061,459 |
| TOTAL EQUITY | | <u><u>1,186,284</u></u> | <u><u>1,314,489</u></u> |

The accompanying notes form part of these financial statements.

Queensland Positive People Inc.

ABN 89 010 040 914

Statement of Changes in Equity For the Year Ended 30 June 2023

2023

| | Retained Earnings | Asset Revaluation Surplus | Total |
|---|-------------------|---------------------------|------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2022 | 1,061,459 | 253,030 | 1,314,489 |
| Surplus for the year | (128,205) | - | (128,205) |
| Total other comprehensive income for the period | - | - | - |
| Balance at 30 June 2023 | 933,254 | 253,030 | 1,186,284 |

2022

| | Retained Earnings | Asset Revaluation Surplus | Total |
|---|-------------------|---------------------------|------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2021 | 1,062,390 | 253,030 | 1,315,420 |
| Deficit for the year | (931) | - | (931) |
| Total other comprehensive income for the period | - | - | - |
| Balance at 30 June 2022 | 1,061,459 | 253,030 | 1,314,489 |

The accompanying notes form part of these financial statements.

Queensland Positive People Inc.

ABN 89 010 040 914

Statement of Cash Flows For the Year Ended 30 June 2023

| | 2023 | 2022 |
|---|---------------------------|-------------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 4,944,151 | 4,677,806 |
| Payments to suppliers and employees | (4,557,849) | (4,246,778) |
| Interest received | 71,269 | 25,315 |
| Interest paid | - | (10,532) |
| Net cash provided by/(used in) operating activities | <u>457,571</u> | <u>445,811</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property, plant and equipment | (11,356) | - |
| Net cash provided by/(used in) investing activities | <u>(11,356)</u> | <u>-</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Payment of lease liabilities | (265,790) | (300,666) |
| Net cash provided by/(used in) financing activities | <u>(265,790)</u> | <u>(300,666)</u> |
| Net increase/(decrease) in cash and cash equivalents held | 180,425 | 145,145 |
| Cash and cash equivalents at beginning of year | <u>2,075,978</u> | <u>1,930,833</u> |
| Cash and cash equivalents at end of financial year | 6 <u><u>2,256,403</u></u> | <u><u>2,075,978</u></u> |

The accompanying notes form part of these financial statements.

Queensland Positive People Inc.

ABN 89 010 040 914

Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers Queensland Positive People Inc. as an individual entity. Queensland Positive People Inc. is a not-for-profit Association, registered and domiciled in Australia.

The principal activities of the Association for the year ended 30 June 2023 were offering the following services to improve the lives of all people living with HIV across Queensland.

- Peer-led HIV & other STI point of care testing, prevention and education
- Online HIV home testing kits
- Community development and peer support
- Peer navigation to navigate the complex environment of HIV diagnosis, treatment and care
- Practical assistance with accessing medications, clinical services, food, housing and other essential support services
- Legal support and referral for stigma, discrimination, migration and the law
- Emergency funding support
- Advocacy and policy development
- Research
- World AIDS Day awareness campaign

The functional and presentation currency of Queensland Positive People Inc. is Australian dollars.

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 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) 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 Association expects to receive in exchange for those goods or services.

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 Association 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 Association are:

Grant income - Queensland Health

Queensland Health has provided the Association with a funding agreement for period commencing 1 July 2021 through to 30 June 2026. There are very specific reporting requirements within the funding agreement for the Association to follow and report back to Queensland Health in order for the funding to continue. Revenue recognition for the grant monies received will therefore be recognised over time when the corresponding expenses have been incurred and spent. Remaining unspent funds will be classified as contract liabilities on the liability section of the balance sheet until corresponding expenses are incurred. Where funding period is expired and Queensland Health requests for the unspent funds to be refunded, this will then be reversed from contract liability and go into accounts payable. Where approval from Queensland Health is sought to use the unspent funds for other purposes, it will remain in contract liabilities until spent.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations

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

Other Grant Income

The Association receives various other grants from private organisations throughout the year. Although some grants have specified the purpose of the grant, there is no specific performance obligations entail in the grant. In addition, if the grant is not spent fully, the remaining funds do not need to be refunded back to the grantor. In this instance, the Association will apply AASB 1058 and recognise the income in the year that it was received.

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

(a) Revenue and other income

Statement of financial position balances relating to revenue recognition

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 Association presents the contract as a contract asset, unless the Association's rights to that amount of consideration are unconditional, in which case the Association 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 Association presents the contract as a contract liability.

Contract cost assets

The Association recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Costs to obtain a contract

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a straight line basis over the expected life of the contract.

Set-up / mobilisation costs

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Association if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

Costs to fulfil a contract

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Association that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

Provisions relating to contracts with customers

There are no provisions relating to contracts with customers during the year.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Statement of financial position balances relating to revenue recognition

Financing component of contracts with customers

There are no significant financing component of contracts with customers during the year.

Rental income

The Association has subleased a leased property to external entities and earned an income from the rent. The rental income is recognised on a monthly basis when the rent is due and payable by the tenant.

Other income

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

(b) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) 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 payable 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.

(d) 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.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association, 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 lives used for each class of depreciable asset are shown below:

| Fixed asset class | Useful life |
|--------------------------|--------------------|
| Freehold improvements | 15 years |
| Buildings | 40 years |
| Plant and Equipment | 3 - 7 years |
| Motor Vehicles | 5 - 7 years |
| Office Equipment | 3 - 5 years |

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.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Association 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).

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 Association classifies its financial assets into the following categories, those measured at:

- amortised cost

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Amortised cost

The Association'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 Association 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 Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

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

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association 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 Association 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 Association 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Where the Association 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 Association 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 Association comprise trade payables, other loans and lease liabilities.

(f) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for 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.

(g) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(h) Leases

At inception of a contract, the Association assesses whether a lease exists.

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 Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association 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 Association'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 Association'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 Association 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 Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Association's liability for employee benefits, those 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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(i) Employee benefits

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

3 Critical Accounting Estimates and Judgments

Those charged with governance 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 - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

There are no indicators of impairment during the year.

Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 04 September 2020. Those charged with governance have reviewed this valuation and updated it accordingly in the books. The valuation is an estimation which would only be realised if the property is sold. The land and the building is split out in the process. The land value was obtained from the Brisbane City Council Rates Notice. The building value was determined by subtracting the independent valuation and the land value obtained.

The building value is then depreciated over 40 years.

Key judgments - borrowing rate

The Association has considered the current and future market conditions when determining the rate of borrowing to be used when computing the Leased Liability amount under AASB 16. In addition, consultation with business mortgage brokers were held to gather the current and future market rates. The short term average rates as at 30 June 2022 is between 5% to 6%. The Committee, having regards to the rates being presented to them as well as taking into consideration of the risk profile of the Association, it is determined that the Association is considered low risk. As result, the lower range rate was chosen which is 5%.

Queensland Positive People Inc.

ABN 89 010 040 914

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

4 Revenue and Other Income

Revenue from continuing operations

| | 2023 | 2022 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Revenue from contracts with customers (AASB 15) | | |
| - Queensland Health - over time | 4,414,237 | 4,099,601 |
| - Other grants - over time | 110,310 | 89,633 |
| - Rental income - over time | 75,759 | 48,069 |
| | <u>4,600,306</u> | <u>4,237,303</u> |
| Total Revenue | <u>4,600,306</u> | <u>4,237,303</u> |

| | 2023 | 2022 |
|----------------|---------------|---------------|
| | \$ | \$ |
| Other Income | | |
| - other income | 79,078 | 13,208 |
| - donations | 11,416 | 11,981 |
| | <u>90,494</u> | <u>25,189</u> |

5 Finance Income and Expenses

Finance income

| | 2023 | 2022 |
|-----------------------------|----------------------|----------------------|
| | \$ | \$ |
| Interest income | | |
| Bank deposits | 71,269 | 25,315 |
| | <u>71,269</u> | <u>25,315</u> |
| Total finance income | <u>71,269</u> | <u>25,315</u> |

6 Cash and Cash Equivalents

| | 2023 | 2022 |
|---------------------------------|------------------|------------------|
| | \$ | \$ |
| Cash at bank and in hand | 819,062 | 704,991 |
| Deposits at call | 71,007 | 71,007 |
| Other cash and cash equivalents | 1,366,334 | 1,299,980 |
| | <u>2,256,403</u> | <u>2,075,978</u> |

Queensland Positive People Inc.

ABN 89 010 040 914

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

7 Trade and Other Receivables

| | 2023 | 2022 |
|--|-------------------|-----------------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 671 | - |
| | <u>671</u> | <u>-</u> |
| Total current trade and other receivables | <u>671</u> | <u>-</u> |

8 Contract Liabilities

| | 2023 | 2022 |
|---|-----------------------|----------------------|
| | \$ | \$ |
| CURRENT | | |
| Grants from Other Sources | 395,189 | - |
| Grant for CCF & ETF | 42,142 | 30,678 |
| Grant for HSQS | - | 8,115 |
| Grant for Syphilis Awareness | - | 37,013 |
| | <u>437,331</u> | <u>75,806</u> |
| Total current contract liabilities | <u>437,331</u> | <u>75,806</u> |

9 Other non-financial assets

| | 2023 | 2022 |
|-------------|----------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 241,814 | 26,504 |
| | <u>241,814</u> | <u>26,504</u> |

10 Property, plant and equipment

| | 2023 | 2022 |
|--------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| LAND AND BUILDINGS | | |
| Freehold land | | |
| At cost | 1,104,000 | 1,104,000 |
| Total Land | <u>1,104,000</u> | <u>1,104,000</u> |
| Buildings | | |
| At cost | 807,355 | 796,000 |
| Accumulated depreciation | (59,716) | (39,800) |
| Total buildings | <u>747,639</u> | <u>756,200</u> |
| Total land and buildings | <u>1,851,639</u> | <u>1,860,200</u> |

Queensland Positive People Inc.

ABN 89 010 040 914

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

10 Property, plant and equipment

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Plant and equipment | | |
| At cost | 109,340 | 109,340 |
| Accumulated depreciation | (67,122) | (44,960) |
| Total plant and equipment | 42,218 | 64,380 |
| Leasehold Improvements | | |
| At cost | 10,128 | 10,128 |
| Accumulated depreciation | (10,128) | (9,917) |
| Total leasehold improvements | - | 211 |
| Total plant and equipment | 42,218 | 64,591 |
| Total property, plant and equipment | 1,893,857 | 1,924,791 |

(a) 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:

| | Land | Buildings | Plant and Equipment | Leasehold Improvements |
|---------------------------------------|------------------|----------------|---------------------|------------------------|
| | \$ | \$ | \$ | \$ |
| Year ended 30 June 2023 | | | | |
| Balance at the beginning of year | 1,104,000 | 756,200 | 64,380 | 211 |
| Additions | - | 11,355 | - | - |
| Depreciation expense | - | (19,916) | (22,162) | (211) |
| Balance at the end of the year | 1,104,000 | 747,639 | 42,218 | - |
| | | | | Total |
| | | | | \$ |
| Year ended 30 June 2023 | | | | |
| Balance at the beginning of year | | | | 1,924,791 |
| Additions | | | | 11,355 |
| Depreciation expense | | | | (42,289) |
| Balance at the end of the year | | | | 1,893,857 |

Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Leases

Association as a lessee

The Association has leases over a range of assets including land and buildings, vehicles, and IT equipment.

Terms and conditions of leases

Office Premises

The Association enters into an office lease at Ann Street Lot 14 on PR 194644. The lease term commences from 1 June 2022 to 31 May 2025 which is a 3 year term. There is no option to extend. There is a fixed rent increase of 4% within the lease agreement. There is a make good clause within the lease agreement and it is agreed that the Association will pay \$60,000 to the landlord upon exit from the premises.

Motor Vehicles

The Association enters into various leases with Qfleet for 5 vehicles. The lease term is for 3 years and no options to renew. Commencement and end dates varies and are as follows:

- Commences from 23 November 2021 to 23 November 2024
- Commences from 29 November 2021 to 29 November 2024
- Commences from 3 December 2021 to 3 December 2024
- Commences from 10 February 2022 to 10 February 2025.
- Commences from 27 February 2022 to 27 February 2025

Office Equipment

The Association enters into an equipment lease with Canon for 2 printers. The lease term is for 4 years and no options to renew. Commencement date is from 12 April 2022 to 12 April 2026.

Concessionary leases

There are no concessionary leases noted during the year.

Right-of-use assets

| | Buildings | Motor Vehicles | Office Equipment | Total |
|--------------------------------|----------------|----------------|------------------|----------------|
| | \$ | \$ | \$ | \$ |
| Year ended 30 June 2023 | | | | |
| Balance at beginning of year | 750,060 | 69,647 | 27,754 | 847,461 |
| Depreciation charge | (257,163) | (28,035) | (7,335) | (292,533) |
| Balance at end of year | 492,897 | 41,612 | 20,419 | 554,928 |

Queensland Positive People Inc.

ABN 89 010 040 914

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

12 Trade and Other Payables

| | 2023 | 2022 |
|--------------------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Trade payables | 121,809 | 65,016 |
| GST payable | 115,074 | 133,999 |
| Sundry payables and accrued expenses | 92,629 | 103,780 |
| Other payables | 7,337 | 7,556 |
| | <u>336,849</u> | <u>310,351</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.

| | 2023 | 2022 |
|-------------|---------------|---------------|
| | \$ | \$ |
| NON-CURRENT | | |
| Deposits | 71,007 | 71,007 |
| | <u>71,007</u> | <u>71,007</u> |

13 Borrowings

| | 2023 | 2022 |
|-------------------------------------|------------------|------------------|
| | \$ | \$ |
| NON-CURRENT | | |
| Secured liabilities: | | |
| Mortgage State of Queensland | 2,000,000 | 2,000,000 |
| Total non-current borrowings | <u>2,000,000</u> | <u>2,000,000</u> |
| Total borrowings | <u>2,000,000</u> | <u>2,000,000</u> |

Summary of borrowings

The registered mortgage is in favour of the State of Queensland on behalf of Queensland Health over Lot 1, Survey Plan 130882, Local Government: Brisbane City. Under the registered Mortgage if the Association defaults on the agreements or if the Association fails to comply with its obligations under the Capital Funding Agreement, then the State of Queensland may exist their rights under the mortgage.

The State of Queensland will not make any demands for Moneys secured during any period that the Association is not in default under this Mortgage.

The Association may at any time during the continuance of this Mortgage, redeem the Mortgaged Premises by paying to the State of Queensland the Moneys secured. The Association with then be entitled to obtain a formal release of this Mortgage from the State of Queensland.

Under the Capital Funding Agreement dated the 22 June 2006 the amount of the registered mortgage in favour of the State of Queensland is two million dollars. This registered mortgage is interest free.

Notes to the Financial Statements

For the Year Ended 30 June 2023

13 Borrowings

Summary of borrowings

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

14 Employee Benefits

| | 2023 | 2022 |
|-------------------------|----------------|----------------|
| | \$ | \$ |
| Current liabilities | | |
| Long service leave | 95,890 | 64,560 |
| Annual leave | 178,218 | 150,671 |
| | <u>274,108</u> | <u>215,231</u> |
| Non-current liabilities | | |
| Long service leave | 42,690 | 57,490 |
| | <u>42,690</u> | <u>57,490</u> |

15 Reserves

Asset revaluation reserve

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

16 Financial Risk Management

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Financial assets | | |
| Held at amortised cost | | |
| Cash and cash equivalents | 2,256,403 | 2,075,978 |
| Trade and other receivables | 671 | - |
| Total financial assets | <u>2,257,074</u> | <u>2,075,978</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>2,721,213</u> | 2,895,376 |
| Total financial liabilities | <u>2,721,213</u> | 2,895,376 |

17 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Association is \$ 522,287 (2022: \$ 499,317).

Queensland Positive People Inc.

ABN 89 010 040 914

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

18 Auditors' Remuneration

| | 2023 | 2022 |
|--|--------------|--------------|
| | \$ | \$ |
| Remuneration of the auditor for: | | |
| - auditing or reviewing the financial statements | 5,500 | 4,800 |
| Total | 5,500 | 4,800 |

19 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2023 (30 June 2022: None).

20 Related Parties

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

Key management personnel - refer to Note 17.

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.

(b) Transactions with related parties

There are no related party transactions or loans during the year.

21 Events after the end of the Reporting Period

The financial report was authorised for issue on 9th September 2023 by those charged with governance.

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

22 Statutory Information

The registered office and principal place of business of the company is:

Queensland Positive People Inc.
21 Manilla St
EAST BRISBANE QLD 4169

Queensland Positive People Inc.

ABN 89 010 040 914

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 and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Responsible person



Responsible person

Dated 9 September 2023



INDEPENDENT AUDIT SERVICES

www.independentauditservices.com.au

T 07 3905 9430
Level 1, Suite 1a
33 Queen Street
BRISBANE QLD 4000

Queensland Positive People Inc.

ABN 89 010 040 914

Independent Audit Report to the members of Queensland Positive People Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Queensland Positive People Inc., which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Queensland Positive People Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism 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 by the responsible entities.
- Conclude on the appropriateness of the 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.

INDEPENDENT AUDIT SERVICES

Chartered Accountants



Jiahui (Jeremiah) Thum

Director

Brisbane, QLD

Dated: 9th September 2023