FINANCIALS

Financial Report

For the year ended 30 June 2020

ACON Health Limited

ABN38136883915

These financial statements are the consolidated financial statements of the consolidated entity consisting of ACON Health Limited and its subsidiary, AIDS Council of New South Wales Incorporated. The financial statements are presented in the Australian currency.

ACON Health Limited is a public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

414 Elizabeth Street Surry Hills NSW 2010 Australia

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report on pages 80 to 83 which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 16 September 2020.
The directors have the power to amend and reissue the financial statement.

The directors present their report on the consolidated entity (referred to hereafter as the group) consisting of ACON Health Limited and its controlled entity, the AIDS Council of New South Wales Incorporated, for the year ended 30 June 2020.

Directors

The following persons were directors of ACON Health Limited during the whole of the financial year and up to the date of this report:

- Justin Koonin
- Andrew Purchas
- Atari Metcalf
- Benjamin Bavinton
- Christian Dunk
- Julie Mooney-Somers
- Louisa Degenhardt
- Somali Cerise
- Steven Berveling

Kim Gates resigned from the ACON Health Ltd Board on 12 July 2019.
Somali Cerise was appointed to the Board on 3 July 2019.

Anne-Marie Eades was appointed to the Board on 3 July 2019 and was granted six months Leave of Absence (from 3 September 2019 to 3 March 2020). Anne-Marie resigned from the Board on 3 March 2020.

ACON Board

Meetings of Directors

The number of meetings of the Company's board of directors during the year, and the number of meetings attended by each director were:

From 1 July 2019 - 30 June 2020		
Board member	**Meetings Held**	**Meetings Attended**
Justin Koonin	6	6
Andrew Purchas	6	6
Anne-Marie Eades	4	-
Atari Metcalf	6	3
Benjamin Bavinton	6	5
Christian Dunk	6	5
Julie Mooney-Somers	6	6
Louisa Degenhardt	6	6
Somali Cerise	6	4
Steven Berveling	6	6

Principal activities and objectives

From our revised strategic plan, our purpose is to create opportunities for people in our communities to live their healthiest lives, we achieve this through:

Ending HIV transmission among gay men and other homosexually active men by:

- Increasing the knowledge of gay men and other men who have sex with men about when to seek a HIV and STI test.
- Using innovative, targeted engagement strategies to motivate gay men and other men who have sex with men to test more regularly.
- Increasing the number of HIV positive gay men who understand the benefits of accessing treatment earlier.
- Sustaining the safe sex knowledge of gay men and men who have sex with men utilising both condom and non- condom based risk reduction strategies.
- Advocating for better access to home-based or self-administered HIV testing and access to Pre-Exposure Prophylaxis for those who would most benefit.
- Reducing psycho social barriers to testing and treatment uptake for people who are newly diagnosed through education, counselling and peer support.
- Ensure the range of HIV Health Promotion programs continues to relevant and useful for people with HIV.
- Developing a HIV Health Promotion Strategy focusing on post diagnosis support, living well with HIV and planning for healthy ageing.
- We create opportunities for people in our communities to live their healthiest lives.

Promoting the health throughout life of sexuality and gender diverse people and people with HIV by:

- Providing HIV Care and Support services including:
  - Counselling
  - Enhanced Primary Care
  - Community Support Network
  - Newly Diagnosed Service
- Reviewing our current care and support programs to ensure they continue to meet the needs of people with HIV.
- Intensifying our focus on immediate post diagnosis care and support to prevent infection rates and improve the health outcomes for newly diagnosed
- Enhancing our intake and case management processes to ensure person centred, tailored responses.
- Enhancing our treatments advice and adherence support capacity to educate people with HIV about the benefits of earlier and increased treatment uptake.
- Developing programs to address the health areas that have the most negative health impact on people living with HIV, e.g Enhanced Primary Care.
- Addressing substance support use co-morbidities through counselling from the substance use service, Needle Syringe Programs, harm minimisation support and referrals to drug and alcohol treatment services.
- Addressing the health disparities experienced by the sexuality and gender diverse community and to reduce the impacts of negative health determinants including:
  - Alcohol and Other Drugs
  - Mental Health & Wellbeing
  - Smoking
  - Homophobic & Transphobic Violence
  - Healthy Ageing
  - Aged Care
  - Domestic & Family Violence

Continuing to strengthen organisational capacity and sustainability by:

- Ensuring our infrastructure and systems enable staff to effectively deliver programs and services to rural and remote NSW.
- Investigating and implementing new partnerships, fee for service models and social enterprise approaches to diversify our funding base.
- Exploring opportunities to grow discretionary revenue through fundraising, new grants and fee for service.
- Continuing to invest in building our data collection, analysis evaluation and knowledge management capacity.
- Building the research capacity of our staff through seeding grants and partnerships with academic institutions.
- Continuing to build our presence, capacity and effectiveness in the digital space to increase reach and impact.
- Advocating and Promoting Social Inclusion by:
- Providing sexuality and gender diverse employees within Australian workplaces targeted initiatives via education and benchmarking and through the Pride in Diversity Program.
- Establishing Partnerships with government, other NGO's, healthcare providers, researchers and affected communities
- Ensuring all direct sexuality and gender diverse services are sensitive to the needs of and available to all of our communities,
- Ensuring all of our training packages for service providers are inclusive of our populations,
- Ensuring our advocacy work in the areas of discrimination and human rights are inclusive of the needs and views of all our communities and is conducted in consultation with relevant stakeholders,
- Developing strategies, in collaboration with key partners to maximise inclusiveness and reach of health promotion strategies.
- Developing 'population specific' communication strategies to ensure our programs are visible to all of the communities they are intended to reach,
- Performance measures (key performance indicators)
- A decrease in HIV infections among gay men and other MSM in NSW
- An increase in reported levels of health and wellbeing by people with HIV
- A reduction in the number of people in our communities who experience negative health and other outcomes as a result drug and alcohol use
- An increase in reported levels of health and wellbeing by women in our communities
- An increase in reported levels of health and wellbeing by older people in our communities
- An increase in ACON's involvement with sexuality and gender diverse health and HIV/AIDS policy and programs delivery at the local, national and international levels.
- Increase the capacity of ACON to effectively use and manage its resources

Review of operations

Operations for the year ended 30 June 2020 resulted in an operating surplus of $331,113 (30 June 2019: operating surplus of $875,440). During the year the organisation adopted AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts. This resulted in Government Grant revenue from incomplete contracts amounting to $2,158,008 being deferred and recognised as revenue as and when performance obligations are satisfied. The new Accounting Standard AASB 16 Leases was also adopted recognising a right-of-use asset and related lease liability. The new lease standard impacts on the net surplus for 2020 as follows:

	2020 $
Net surplus under old accounting standard AASB 117 Leases	502,230
Impact of new accounting standard AASB 16 Leases	(87,370)
Net surplus	414,860
Loss in fair value of investment	(83,747)
Operating surplus	**331,113**

2019/2020 has been a challenging year for ACON with the COVID-19 pandemic impacting on operations. Demand for ACON's services increased whilst at the same time it was necessary to adapt our service delivery mechanisms to ensure the safety of clients, staff and volunteers. Whilst there was a financial impact on Fundraising, Events and Membership, this was offset to some extent by Government Subsidies in relation to COVID.

Application of funds

The net surplus obtained from fundraising activities was applied to the purposes of ACON Health Limited as described under 'principal activities' above.

Winding Up

Each Member undertakes to contribute to the assets of ACON Health, if it is wound up while they are a Member, or within one year afterwards, an amount of money not exceeding the limit of liability of $2 at the time of winding up the debts and liabilities of ACON Health exceed its assets.

Matters subsequent to the end of the financial year

At the time of finalisation of the financial report, COVID-19 has restricted both the business from fundraising activity and had an effect on the overall economy. There is large uncertainty as to the impacts this may have on ACON, and what government assistance will be given.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

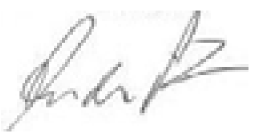
1) the Group's operations in future financial years,or
2) the results of those operations in future financial years,or
3) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this Directors' Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Signed in accordance with a resolution of the Board.
Dated at Sydney this 16 September 2020

Justin Koonin
President



Andrew Purchas
Vice President

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Notes	2020 $	2019 $
Income			
Grants:			
NSW Department of Health		12,020,116	11,916,636
Local Health Districts		439,703	418,573
Other grants		2,559,320	2,309,567
Fundraising	15(a)	720,972	861,650
Interest received/receivable		126,253	163,390
Membership		3,691	3,385
Fee for service		2,609,030	2,538,932
Rent received		264,441	267,489
Sale of vitamins		7,169	7,285
Sale of materials		52,153	122,684
Other Income		690,410	337,173
Total revenue from operations		**19,493,257**	**18,946,764**
Expenditure			
Salaries & associated costs		12,381,783	10,901,402
Campaigns & Education		1,378,341	1,600,087
Rent and rates		432,858	1,908,868
Depreciation - plant & equipment		1,969,803	293,904
Amortisation - lease incentive		-	150,500
Finance expense - lease		144,816	-
Building maintenance		294,401	293,315
Communications		178,830	173,302
Travel and representation		358,817	481,095
Donations given		84,093	65,016
Events and activities		336,082	526,710
Administrative costs		1,471,363	1,626,937
Cost of goods sold		47,210	50,178
Total expenditure		**19,078,397**	**18,071,314**
Net Surplus (Deficit) for the year before tax		**414,860**	**875,450**
Gain/(Loss) in fair value of investment		(83,747)	-
Total comprehensive income for the year		**(83,747)**	**-**
Operating surplus (deficit) of ACON Health Limited		331,113	875,450

The above Consolidated Statement of profit and loss should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2020

	Notes	2020 $	2019 $
Current Assets			
Cash and cash equivalents	4	7,742,217	7,765,291
Receivables	5	488,282	1,436,048
Contract asset		434,708	20,743
Inventories		3,198	2,330
Prepayments		211,428	163,931
Total Current Assets		**8,879,833**	**9,366,857**
Non-Current Assets			
Other Financial Assets		1,357,769	24,454
Plant & equipment and lease incentive	6	904,660	893,951
Right-of-use asset	7	19,922,434	-
Total Non-Current Assets		**22,184,863**	**918,405**
Total Assets		**31,064,696**	**10,285,262**
Current Liabilities			
Trade and other payables	8	763,218	812,807
Grants and revenue in advance	9	3,708,194	1,018,434
Lease Liability	11	1,323,000	-
Employee entitlements	10	1,909,060	1,637,946
Total Current Liabilities		**7,703,472**	**3,469,187**
Non-current Liabilities			
Lease Liability	11	18,610,336	238,292
Total Non-current Liabilities		**18,610,336**	**238,292**
Total Liabilities		**26,313,808**	**3,707,279**
Net Assets		**4,750,888**	**6,577,783**
Accumulated Funds			
Retained surplus at the end of the year	17	3,317,543	5,060,691
Funds Reserve		1,485,272	1,485,272
Revaluation Reserve		(51,927)	31,820
Total Accumulated Funds		**4,750,888**	**6,577,783**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in stakeholders' funds

For the year ended 30 June 2020

	Retained Surplus	Revaluation Reserve	Funds Reserve	Total
Year ended 30 June 2020				
Total stakeholder funds at the beginning of the financial year	5,060,691	31,820	1,485,272	6,577,783
Adjustment for adoption of AASB 15 and AASB 1058	(2,158,008)	-	-	(2,158,008)
Balance at 1 July 2019 – restated	2,902,683	31,820	-	4,419,775
Transfer to funds reserve	-	-	-	-
Total comprehensive income for the year	414,860	(83,747)	-	331,113
Total stakeholder funds at the end of the financial year	**3,317,543**	**(51,927)**	**1,485,272**	**4,750,888**
Year ended 30 June 2019				
Total stakeholder funds at the beginning of the financial year	4,500,754	31,820	1,169,759	5,702,333
Transfer to funds reserve	(315,513)	-	315,513	-
Total comprehensive income for the year	875,450	-	-	875,450
Total stakeholder funds at the end of the financial year	**5,060,691**	**31,820**	**1,485,272**	**6,577,783**

The above Consolidated Statement of Changes in Stakeholders' Funds should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For The Year Ended 30 June 2020

	Notes	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers, granting bodies & fundraising (inclusive of goods & services tax)		22,347,771	19,705,118
Payments to suppliers and employees (inclusive of goods & services tax)		(18,897,992)	(19,118,552)
Interest received		126,253	163,390
Net cash inflow from operating activities		**3,576,032**	**749,986**
Cash flows from investing activities			
Payments for property, plant & equipment		(479,676)	(179,228)
Payment for investment		(1,400,000)	-
Net cash outflow from investing activities		**(1,879,676)**	**(179,228)**
Cash flows from financing activities			
Principle repayments for leases		(1,719,430)	-
Net cash outflow from financing activities		**(1,719,430)**	**-**
Net increase in cash held		**(23,074)**	**570,758**
Cash at the beginning of the year		7,765,291	7,194,533
Cash at the end of the year	4	**7,742,217**	**7,765,291**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of ACON Health Limited and its subsidiary, AIDS Council of New South Wales Incorporated.

A. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Australian Charities and Not-For-Profits Commission Act 2012. ACON Health Limited is a not-for-profit entity for the purpose of preparing the financial statements.

i) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The consolidated financial statements of the ACON Health Limited group comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

ii) New and amended standards adopted by the group

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

In the current year, the Group has applied AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers which is effective for an annual period that begins on or after 1 January 2019.

The date of initial application of AASB 1058 and AASB 15 for the Group is 1 July 2019. The Group has applied AASB 1058 and AASB 15 in accordance with the modified retrospective (cumulative catch-up) method where the comparative years are not restated. Instead, the Group has recognised the cumulative effect of initially applying AASB 1058 and AASB 15 for the first time for the year ending 30 June 2020 against retained earnings as at 1 July 2019. The Group has also elected to apply AASB 1058 and AASB 15 retrospectively only to contracts and transactions that are not 'completed contracts' as at 1 July 2019.

Overview of AASB 1058 and AASB 15 requirements

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements in AASB 1058 is that when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

An example of a 'related amount' is AASB 15 and in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to any excess above the related amounts that would be immediate income recognition under AASB 1058.

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118.

The Group has applied the new income requirements to its main revenue streams, as listed below:

- Government grants
- Donations and bequests
- Volunteer services

Government grants

AASB 1058 requires that in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction should be accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied, as opposed to immediate income recognition under AASB 1058.

The Group has conducted an analysis of the government grant contracts and analysed the terms of each contract to determine whether the arrangement meets the enforceability and the 'sufficiently specific' criteria under AASB 15. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise and recognised when (or as) the performance obligations are satisfied.

Based on an analysis of the Group's grant contracts as at 1 July 2019, the Group notes that government grant revenue related to incomplete contracts amounts to $2,158,008. This will be deferred and recognised as revenue as and when performance obligations are satisfied over the year to 30 June 2020.

Donations and bequests

Based on an analysis of the Group's underlying arrangements for donations and bequests as at 1 July 2019, the Group has assessed that the adoption of the new income requirements do not have a significant impact on the amounts recognised in the Group's consolidated financial statements as the majority of the donations and bequests do not meet the enforceability and the 'sufficiently specific' criteria under AASB 15 and would therefore be recognised as income once the Group controlled the relevant asset (assuming no other related amounts are applicable) under AASB 1058, which is in line with the current income recognition under AASB 1004.

Volunteer services

Under AASB 1058, private sector not-for-profit entities will have a policy option to account for donated services at fair value if the fair value can be reliably measured. No revenue for volunteer services has been recognised during the year.

Financial statement impacts

The Group's accounting policies for its revenue streams are disclosed in detail in note 3 below. Apart from providing more extensive disclosures for the Group's revenue transactions, the application of AASB 15 and AASB 1058 has not had a significant impact on the financial position and/or financial performance of the Group. The amount of adjustment for each financial statement line item affected by the application of AASB15 and AASB 1058 is illustrated below.

	As presented under AASB 1004 $'000	AASB 1058/AASB15 adjustments* $'000	As presented under AASB 1058/AASB15 $'000
Revenue			
Grants	17,397,698	(2,378,559)	15,019,139
Donations and bequests	720,972	-	720,972
Volunteer services	-	-	-
Liabilities			
Grants in advance	1,018,434	2,158,008	3,176,442
Equity			
Retained surplus	5,060,691	(2,158,008)	2,902,683

AASB 16 Leases

AASB 16 Leases replaces AASB 17 Leases. Adoption of this new Standard has resulted in the group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach and practical expedient, with the opening balance of right-of-use asset and lease liability matching for the current period. There have been no impact on the opening balance of retained earnings.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. The change to amortisation expense and interest expense resulted in an additional $87,370 recognised as expenses to the operating surplus for the year ended 30 June 2020.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 6.36%.

The following is a reconciliation of the financial statement line items from AASB 17 to AASB 16 at 1 July 2019:

	Carrying amount at 30 June 2019	Reclassification	Remeasurement	Carrying amount at 1 July 2019
Right-of-use asset	-	-	3,463,955	3,463,955
Lease liability	238,292	-	3,463,955	3,702,247

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised as 1 July 2019:

	$
Total operating lease commitments disclosed at 30 June 2019	3,825,075
Discounted using incremental borrowing rate	(361,120)
Operating lease liabilities	3,463,955
Other commitments	238,292
Total lease liabilities recognised at 1 July 2019	**3,702,247**

B. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of ACON Health Limited (''company'' or ''parent entity'') as at 30 June 2020 and the results of the subsidiary for the year then ended. ACON Health Limited and its subsidiary together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities(including special purpose entities)over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

C. Revenue

i) Government grants, donations and bequests

When the Group receives government grants, donations and bequests that are in the scope of AASB1058 (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the Group to further its objectives) , it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058 where the Group:

- Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards (e.g. AASB 9, AASB 16, AASB 116 and AASB138)
- Considers whether any other financial statement elements should be recognised ('related amounts') in accordance with the relevant applicable Australian Accounting Standard including:
- contributions by owners (AASB1004)
- a lease liability (AASB16)
- revenue, or a contract liability arising from a contract with a customer (AASB15)
- a financial instrument (AASB9)
- a provision (AASB137)
- Recognises income immediately in profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised.

ii) Volunteer services

The Group regularly receives volunteer services as part of its operations. Under AASB 1058, private sector not- for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured.

While the Group has assessed that the fair value of its volunteer services can be reliably measured, it has decided to adopt the policy option not to recognise volunteer services. Accordingly, no amounts are recognised in the financial statements for volunteer services.

Policy for 2019

Revenue was measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue were net of any rebates and amounts collected on behalf of third parties.

The group recognised revenue when the amount of revenue could be reliably measured, and it was probable that future economic benefits would flow to the entity and specific criteria had been met.

D. Leases

i) Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

ii) Lease liability

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate, being the rate that the company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Policy for 2019

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the group as lessee were classified as operating leases(note14).Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Incentives received on entering into operating leases were recognised as liabilities (note 16).

E. Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

F. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

G. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. The group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. A provision for impairment of trade receivables is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

H. Inventories

Inventories are represented by vitamin stock and are stated at the lower of cost or net realisable value on the basis of first in first out.

I. Investments and other financial assets

Classification

The group classifies its financial assets in the following categories: loans and receivables, held-to-maturity investments, financial assets at fair value through profit or loss and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets.

ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed through other comprehensive income.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

J. Plant & equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The Group is gifted works of art from time to time. Works gifted are valued at the time of the gift and are capitalised at that amount. Works of Art are valued at regular intervals at the Directors' discretion. Revaluations reflect independent assessments of the fair market value of works of art.

Depreciation is calculated using the straight-line method to allocate cost, net of residual values, over the estimated useful lives of assets as follows:

Furniture & Fittings:	2-5 years,
Office & IT Equipment:	2-5 years,
Leasehold improvements	10years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Leasehold improvements

The cost of fit out of ACON's head office leased at 414 Elizabeth St, Surry Hills, has been capitalised to leasehold improvement and is being amortised over the lease term of 10 years.

The cost of extensions to the Hunter branch on premises leased at 129 Maitland Road, Islington has been capitalised to Leasehold Improvements and is being amortised over the lease term of 10 years.

K. Trade and other creditors

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Included is the Pride in Diversity program includes annual membership paid by participating organisations. The revenue is recognised over the membership period and hence the deferred/(unearned) revenue represents that which is yet to meet the performance criteria.

L. Employee entitlements

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with the policy above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Superannuation

Contributions are made by the group to several employee superannuation funds of choice and are recognised as expenses as they become payable.

M. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

N. Parent entity financial information

The financial information for the parent entity, ACON Health Limited, disclosed in note 16 has been prepared on the same basis as the consolidated financial statements.

2. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Group has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Group has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties.

Income recognition from grants received by the Group has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service. The amount of these provisions would change should any of these factors change in the next 12 months.

3. Income tax

ACON Health Limited is a Health Promotion Charity and the AIDS Council of New South Wales Incorporated is a Public Benevolent Institution. As such, both are exempt from paying income tax.

4. Current assets – cash and cash equivalents

	2020 $	2019 $
Cash on hand	3,255	3,425
Cash at bank		
Cheque account – operations	7,738,962	7,761,866
	7,742,217	**7,765,291**

5. Current assets –receivables

	2020 $	2019 $
Trade receivables	508,282	1,456,048
Provision for doubtful debts	(20,000)	(20,000)
	488,282	**1,436,048**

The amount of the provision for doubtful debts was $20,000 (30 June 2019: $20,000). All of the group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of $nil (30 June 2019: $nil) has been recorded accordingly within other expenses.

The movement in the allowance for credit losses can be reconciled as follows:

	2020 $	2019 $
Reconciliation of allowance credit losses		
Balance 1 July	-	-
Amounts written off (uncollectable)	-	-
Impairment loss	20,000	20,000
Balance 30 June	-	-
	20,000	**20,000**

6. Non-current assets - plant & equipment and lease incentive

Reconciliations of the carrying amounts of each class of plant and equipment and lease incentives at the beginning and end of the current financial year are set out below:

	Furniture & fittings $	Office & IT Equipment $	Library Works of Art $	Leasehold improvements $	Lease Incentive $	Totals $
At 30 June 2019						
Cost or fair value	924,558	1,736,564	146,650	1,403,633	1,505,000	5,716,405
Accumulated depreciation	(884,997)	(1,534,811)	-	(1,135,937)	(1,266,709)	(4,822,454)
Net book value	**39,561**	**201,753**	**146,650**	**267,696**	**238,291**	**893,951**
Year ended 30 June 2020						
Opening net book value	39,561	201,753	146,650	267,696	238,291	893,951
Additions	92,468	188,246	-	188,664	-	469,378
Depreciation/ amortisation charge	(21,816)	(153,351)	-	(133,003)	(150,500)	(458,670)
Closing net book value	**110,213**	**236,648**	**146,650**	**323,360**	**87,791**	**904,660**
At 30 June 2020						
Cost or fair value	1,017,026	1,924,810	146,650	1,592,297	1,505,000	6,185,783
Accumulated depreciation	(906,813)	(1,688,162)	-	(1,268,940)	(1,417,209)	(5,281,124)
Net book value	**110,213**	**236,648**	**146,650**	**323,357**	**87,791**	**904,660**

7. Right of use asset

	2020 $	2019 $
Non-current assets		
Right-of-use assets	21,531,621	-
Less: Accumulated depreciation	(1,609,187)	-
Total	**19,922,434**	-

8. Current liabilities – trade and other payables

	2020 $	2019 $
Goods & Services Tax net payable	340,234	350,193
Trade creditors	3,953	162,218
Accrued expenses	419,031	300,396
Total	**763,218**	**812,807**

9. Current liabilities – grants and revenue in advance

	2020 $	2019 $
Grants in advance	2,662,014	-
Deferred revenue	1,046,180	1,018,434
Total	**3,708,194**	**1,018,434**

10. Current liabilities – employee entitlements

	2020 $	2019 $
Employee entitlements - annual and long service leave	1,909,060	1,637,946
Number of employees at reporting date (full time equivalent)	115	109

11. Lease liability

	2020 $	2019 $
Current liabilities		
Lease Liability	1,323,000	-
Non-current liabilities		
Lease Liability	18,610,336	238,292
Total	**19,933,336**	**238,292**

12. Remuneration of members of the board

Members of the Board, serve on the Board of the group in a voluntary capacity and receive no remuneration for this service to the group.

13. Related party transactions

During the year ACON Health Limited had no transactions with related parties.

14. Economic dependency

The major source of funding for the group is an annual grant from the NSW Ministry of Health. The NSW Ministry of Health has agreed to maintain current funding levels in the 2020/2021 financial year.

15. Charitable fundraising act 1991

Charitable Fundraising Act 1991 (the Act) prescribes the manner in which fundraising appeals are conducted, controlled and reported. ACON Health Limited was issued with an authority to fundraise by the Office of Charities to fundraise for the period 4 May 2017 to 3 May 2022.

The Entity has disclosed the income statement, balance sheet and related notes below in respect of fundraising appeals it conducted during the year. These disclosures have been made in accordance with Section 6 of the Charitable Fundraising Authority Conditions, which have been issued to the Entity under section 19 of the Act.

Information and declarations to be furnished under the Charitable Fundraising Act 1991.

The information disclosed below is in relation to fundraising activities undertaken by ACON Health Limited.

a) Income Statement

	2020 Total	2019 Total
Gross income received from fundraising	720,972	861,650
Cost of fundraising	246,929	287,306
Net proceeds from fundraising	**474,042**	**574,344**
Application of net proceeds	474,042	574,344
Net surplus from fundraising	-	-

	Red Ribbon $	Vivid $	General $
Gross income received from fundraising	78,350	-	564,199
Cost of fundraising	26,071	-	220,858
Net proceeds from fundraising	**52,279**	-	**343,341**
Application of net proceeds	52,279	-	343,341
Net surplus from fundraising	-	-	-

Forms of general fundraising activities conducted during the year covered by these financial statements were: Concerts, Appeals, Bingo, Dinners and Special Nights at Venues.

The net proceeds from the Red Ribbon Appeal, Vivid Appeal and General Appeal were used for general purposes throughout the year as part of ACON Health Limited's daily operation.

b) Balance Sheet

	2020 Total	2019 Total
Cash at bank	-	-
Total assets	-	-
Other payables	-	-
Total liabilities	-	-
Net assets	-	-

16. Commitments for expenditure

Lease commitments

The group leases the head office building under a non-cancellable operating lease expiring within 3 years. Excess building space is sub-let to third parties under operating leases.

Non-cancellable Operating Leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2020 $	2019 $
Within one year	-	1,984,656
Later than one year but not later than 5 years	-	1,840,419
Later than 5 years	-	-
	-	**3,825,075**

17. Retained surplus

	2020 $	2019 $
Retained surplus at the beginning of the year	5,060,691	4,500,754
Adjustment for adoption of AASB 15 and AASB 1058	(2,158,008)	-
Transfer to funds reserve	-	(315,513)
Current year surplus	**414,860**	**875,451**
Retained surplus at the end of the year	**3,317,543**	**5,060,691**

18. Parent entity financial information (ACON Health Limited excluding AIDs Council of NSW Inc)

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

Balance sheet	2020 $	2019 $
Current assets	10,195,929	9,377,489
Total assets	31,055,376	10,295,895
Current liabilities	(26,226,015)	(3,489,187)
Total liabilities	**(26,313,807)**	**(3,727,479)**
Stakeholders' Funds		
Total Accumulated Funds	**4,410,408**	**6,568,416**
Other comprehensive income	87,633	-
Operating surplus/(deficit) for the year	331,161	875,332

b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2020 (30 June 2019 $nil).

19. Matters subsequent to the end of the financial year

At the time of finalisation of the financial report, COVID-19 has restricted both the business from fundraising activity and had an effect on the overall economy. There is large uncertainty as to the impacts this may have on ACON, and what government assistance will be given.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

1. the Group's operations in future financial years,or
2. the results of those operations in future financial years,or
3. the Group's state of affairs in future financial years.

Director's Declaration

In the directors' opinion:

1. The consolidated financial statements and notes set out on pages 7 to 26 are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012,including:
   a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;and
   b) comply with Australian Accounting Standards (including Australian Accounting Interpretations) and the Australian Charities and Not-for-profit Commission Regulation 2012; and
   c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2.
   a) the financial statements and notes are in accordance with the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulations 1993 (NSW);
   b) the provisions of the Charitable Fundraising Act 1991 (NSW) and the regulations under this Act and the conditions attached to the authority to fundraise have been complied with; and
   c) The internal controls exercised by the group are appropriate and effective in accounting for all income received.

This declaration is made in accordance with a resolution of the board, and is signed for and on behalf of the board by:

Justin Koonin
President

Andrew Purchas
Vice President

Dated at Sydney this 16 September 2020.

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Auditor's Independence Declaration

To the Directors of ACON Health Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of ACON Health Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A G Rigele
Partner – Audit & Assurance

Sydney, 16 September 2020

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Independent Auditor's Report

To the Members of ACON Health Limited

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report of ACON Health Limited (the "Registered Entity") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of ACON Health Limited 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 2020 and of its financial performance for the year then ended; and

b complying with Australian Accounting Standards 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 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 audit opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Registered Entity are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the ACNC Act. The Directors' responsibility also includes such internal control as the Directors 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 Directors 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 Directors either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors 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 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 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 Directors.
- Conclude on the appropriateness of the Directors' 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.

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- 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.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2015

We have audited the compliance of ACON Health Limited (the "Registered Entity") and its subsidiaries ("the Group") with the requirements of Section 24(2) of the Charitable Fundraising Act 1991 for the year ended 30 June 2020.

Our Opinion

In our opinion:

a ACON Health Limited has properly kept the accounts and associated records during the year ended 30 June 2020 in accordance with the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulations 2015 (section 24(2)(b) of the Act);

b ACON Health Limited, has, in all material respects, properly accounted for and applied money received as a result of fundraising appeals conducted during the year ended 30 June 2020 in accordance with section 24(2)(c) of the Act; and

c there are reasonable grounds to believe that ACON Health Limited will be able to pay its debts as and when they fall due over the 12 month period from the date of this report (section 24(2)(d) of the Act).

Responsibilities of the Directors under the Charitable Fundraising Act 1991

The Directors of the Registered Entity are responsible for compliance with the requirements and conditions of the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulation 2015 and for such internal control as the Directors determine is necessary for compliance with the Act and the Regulation. This responsibility includes establishing and maintaining internal control over the conduct of all fundraising appeals; ensuring all assets obtained during, or as a result of, a fundraising appeal are safeguarded and properly accounted for; and maintaining proper books of account and records.
The Directors are also responsible for ensuring the Registered Entity will be able to pay its debts as and when they fall due.

Auditor's Responsibility

Our responsibility is to form and express an opinion on the Registered Entity's compliance, in all material respects, with the requirements of the Act and Regulation, as specified in section 24(2)(b), 24(2)(c) and 24(2)(d) of the Charitable Fundraising Act 1991.

Our audit has been conducted in accordance with the applicable Standards on Assurance Engagements (ASAE 3100 Compliance Engagements), issued by the Auditing and Assurance Standards Board. Our audit has been conducted to provide reasonable assurance that ACON Health Limited has complied with specific requirements of the Charitable Fundraising Act 1991 and Charitable Fundraising Regulation 2015, and whether there are reasonable grounds to believe the Registered Entity will be able to pay its debts as and when they fall due over the 12 month period from the date of this independent auditor's report (future debts).

Audit procedures selected depend on the auditor's judgement. The auditor designs procedures that are appropriate in the circumstances and incorporate the audit scope requirements set out in the Act. The audit procedures have been undertaken to form an opinion on compliance of ACON Health Limited with the Act and Regulations and its ability to pay future debts. Audit procedures include obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting the Registered Entity's compliance with specific requirements of the Act and Regulation, and assessing the reasonableness and appropriateness of the Registered Entity's assessment regarding the Registered Entity's ability to pay future debts.

Inherent Limitations

Because of the inherent limitations of any compliance procedures, it is possible that fraud, error or noncompliance may occur and not be detected. An audit is not designed to detect all instances of noncompliance with the requirements of the Act and Regulation, as the audit procedures are not performed continuously throughout the year and are undertaken on a test basis. Whilst evidence is available to support the Registered Entity's ability to pay future debts, such evidence is future orientated and speculative in nature. As a consequence, actual results are likely to be different from the information on which the opinion is based, since anticipated events frequently do not occur as expected or assumed and the variations between the prospective opinion and the actual outcome may be significant.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A G Rigele
Partner – Audit & Assurance

Sydney, 16 September 2020