



scleroderma
victoria

Annual Report

2019-20

Scleroderma Victoria Incorporated

Registration Incorporation No.A0017798A

ABN/ACNC - 45 674 166 348

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40th Annual General Meeting

2pm Saturday 21 November 2020

AGENDA

1. Welcome and Apologies
2. Confirmation of minutes of the 39th AGM held on 16 November 2019
3. President's and Treasurer's Reports
4. Receive, consider and adopt the 30 June 2020 Financial Statements
5. Election of Office Bearers and Committee Members for 2020/21
6. Appointment of Auditors for the year ending 30 June 2021
7. Other business without notice

2.30pm Guest Speaker – Dr Wendy Stevens

Minutes – 39th Annual General Meeting of Scleroderma Victoria Inc.

Saturday 16th November 2019



Time 9.30am – 10.00am

Venue Pavilion room, RACV Club, Bourke St, Melbourne.

Attendees Amanda Lawrie-Jones (President), Belinda McMaster (Vice-President), Iain Pizzey (Treasurer), Jennene Caton (Secretary), Jane Rhyder, Gene Swinstead, Bruce Mannion, Judy Browning, Louise Inglese, Shirley and Bob Hess, Connie and John Koger, Bridget Naughton, Matt Hollway, Tom and Maree Venten, Margaret Hayes, Brenda Condon, Ian Grenda, Sally Westbury, Maria McGill, Raffy Snell, Robert Sward and all members who were registered as attending the meeting.

Apologies Nil received

Minutes Jennene Caton

Chairperson Amanda Lawrie-Jones

Meeting opened 9.35am

1. Confirmation of Minutes

Amanda welcomed everyone to the AGM, and introduced all the existing Committee members.

It was moved that the minutes from the 38th AGM dated 24th November 2018 were confirmed as a true and accurate record of proceedings and were signed by the President.

Moved: Margaret Hayes Seconded: Brenda Condon

2. Presidents Report - Amanda

Amanda summarised her Presidents report to the meeting which reviewed the achievements of Scleroderma Victoria for the 2018 – 2019 financial year. In particular, the C4S change boxes (Change for Scleroderma) which has raised \$782.00 to date. New membership flyers and a new campaign #Target 400, to increase our membership base. The World Scleroderma Day function at The Grand Hotel, which raised \$6,855. We would like to thank Dr Wendy Stevens for being a guest speaker at this event. Thanks also to Felicity from Actelion for getting our books printed (Understanding and Managing Scleroderma). The 3rd *More than Skin Deep* Fashion Parade at the Collingwood Town Hall in October raised over \$19,000. A student from Norwood Secondary College conducted a fundraising event which raised \$1,900. Our Ambassador; Dyson Heppell and Harrison Pennicott were guests at this event. Thanks also to Belinda for organising today's Conference and AGM.

It was moved that the Presidents Report be accepted;

Moved: Ian Grenda Seconded: Sally Westbury

3. Receive, consider and adopt the 30 June 2019 Financial Statements

Iain Pizzey presented audited 30th June 2019 Financial Statements along with his report on financial matters. Income for the year was \$155,523 and expenses were \$96,108 which resulted in a surplus of \$59,415. This was mainly due to the extra publicity we were able to generate through our Ambassador; Dyson Heppell. We were able to donate \$10,000 to Scleroderma Australia for research projects, and \$30,000 was allocated to two hospitals with Scleroderma Clinics (St Vincent's Hospital and the Monash Medical Centre). We received the second half of a grant from the Dept. of Health and Human Services to maintain and replace our stock of oxygen concentrators (\$3,000). We received a grant of \$5,000 from the RACV, which has enabled us to hold our conference at this location. We also received a donation of \$5,000 from the Pethard Tarax Trust and \$2,000 from the William Angliss Trust.

Iain informed the meeting that Scleroderma Victoria was registered with Consumer Affairs Victoria (CAV) as a Fundraiser, with Everyday Hero and with the Australian Charities and Not-for-profits Commission (ACNC).

Iain also informed the meeting that in accordance with the requirements of the Associations Incorporation Reform Act 2012, he and the President declared that the 30 June 2019 Financial Statements presented at the meeting, give a true and fair view of the financial performance and position of Scleroderma Victoria Incorporated during and at the end of year ended 30 June 2019.

There being no questions, it was moved that the President and Treasurers Reports, including the audited 30 June 2019 Financial Statements be accepted;

Moved: Maria McGill Seconded: Matt Hollway

4. Election of Office Bearers and Committee Members

The President declared all positions on the Committee were vacant and called for new nominations. All persons nominated were elected.

The meeting was informed that the results of the election were;

President: Amanda Lawrie-Jones	Nominated: Jennene Caton Seconded: Belinda McMaster	Carried
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Vice President: Belinda McMaster	Nominated: Jennene Caton Seconded: Iain Pizzey	Carried
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Treasurer: Iain Pizzey	Nominated: Amanda Lawrie-Jones Seconded: Jennene Caton	Carried
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Secretary: Jennene Caton	Nominated: Jane Rhyder Seconded: Belinda McMaster	Carried
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Ordinary Committee Members:

Gene Swinstead	Nominated: Belinda McMaster Seconded: Bruce Mannion	Carried
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Jane Rhyder	Nominated: Amanda Lawrie-Jones Seconded: Iain Pizzey	Carried
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Bridget Naughton	Nominated: Belinda McMaster Seconded: Louise Inglese	Carried
Judy Browning	Nominated: Louise Inglese Seconded: Jane Rhyder	Carried
Bruce Mannion	Nominated: Bridget Naughton Seconded: Jennene Caton	Carried
Louise Inglese	Nominated: Iain Pizzey Seconded: Belinda McMaster	Carried

The meeting congratulated the successful candidates on their election and wished them well for the forthcoming year.

5. Appointment of Auditors for the year ending 30 June 2019

Mr Pizzey moved that the existing Auditors, Pitcher Partners, who had completed the Audit of the 30 June 2019 Financial Statements pro bono, should be re-elected as the Auditors for the year ending 30 June 2020. The meeting supported his recommendation.

Moved: Iain Pizzey Seconded: Robert Sward

There being no further business Amanda thanked all attendees and declared the meeting closed at 10.00am.

Raffy Snell stood up and spoke on behalf of the members. She thanked the committee members for all the hard work they do to support all members of Scleroderma Victoria.

The meeting was followed by a break and then the 2019 conference with guest speakers commenced, as per the program for the day.

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Amanda Lawrie-Jones
President

Date:

Presidents Report

At the beginning of 2020, we could never have imagined that we would be where we are today. It has been a long, hard year and there have been many impacts on our society ranging from social, economic and psychological challenges. It began with devastating bushfires, and then the unprecedented Covid19. We have all come a long way in this time, and I am sure like most, we are all looking forward to a much better 2021.

Our year started positive with welcoming a new member onto our Committee, Mark Langhorn, and another new addition by proxy Willow - the daughter of our Committee Member Bridget Naughton.

We had a year planned of the usual events, including our World Scleroderma Day Lunch, the Monash Fundraising Stall as well as the More Thank Skin Deep Fashion Parade. Like the rest of the community, once Covid19 hit, all face to face events needed to be cancelled and unfortunately this included our Support Group meetings and Coffee catchups. Other events which were also put on hold were the USA Scleroderma Foundation National Patient Education Conference in Seattle WA and the World Congress to be held in Prague. Both of these events have been rescheduled to 2021 – and we hope to be part of them as planned in the future.

It has been a year of reflection, and as an innovative and progressive team, the Scleroderma Victoria Committee once again demonstrated their passionate values in making a difference and created opportunities to do things differently. We ran some online fundraising for the month of June – World Scleroderma Awareness Month, and promoted some great videos made by Professor Mandana Nikpour and Dr Jason Teh.

The connection we have made with the Canadian Scleroderma Patient Intervention Network (SPIN) has been highly valuable and we provided funding to assist in their Covid19 and Scleroderma research, as well as been involved in their training program for Support Group Leaders (SPIN-SSLED). This training has provided leaders some valuable tools and resources – with the added knowledge of how to support people who are unable to leave their homes, travel long distance or live in remote areas. Very relevant to our current circumstances and times.

In having this knowledge, we shifted our Support Groups to online sessions and had some incredible and memorable guest speakers and topics. These sessions were so successful that we will continue the Virtual Education Sessions on a monthly basis to bring you further knowledge and information from our network of experts. It is also a great opportunity to connect with others, including people outside your usual support group area.



Scleroderma Victoria have used this time wisely and continued with some important items such as growing our social media presence to create awareness, adding to our merchandise with the new scented candles, updating the Sunflower Hero website and information.

As President, I am committed to the cause of getting awareness of scleroderma in our broader community. Due to health reasons, and an unavoidable surgery to have a brain tumor removed, I took the opportunity not only to raise funds to shave my head, but to explain the difference of what both the national association and our state's do to achieve their goals. A great time lapse video was made to show the shave and it was pleasing to see that \$7,490 was raised – with 50% going to Scleroderma Australia and 50% going to Scleroderma Victoria.

One of our greatest achievements for the year was the introduction of the Family and Friends membership discount. So far, we have increased our membership base by 65 and we would like to thank all of our new and loyal members for helping us do what we do. Without memberships we would not be able to support our community of people with scleroderma. Not only does your membership fee contribute to our administration and operational costs, it provides the opportunity to advocate for funding and grants with increased membership numbers. We will also continue to look at how we can support and educate your family and friends on the complexities of scleroderma – as well as creating greater awareness among the broader community.

Together we can make a difference.

Amanda Lawrie-Jones

President – Scleroderma Victoria

SCLERODERMA VICTORIA INCORPORATED
TREASURER'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

I am pleased to present the Treasurer's Report for the year ended 30 June 2020, incorporating the 30 June 2020 Financial Statements.

The major impact on Scleroderma Victoria's results for FY2020 was COVID-19. On 11 March 2020, the World Health Organisation declared an ongoing global outbreak of a novel coronavirus, known as COVID-19, as a pandemic. The broader economy has been impacted significantly, and Scleroderma Victoria has also experienced operational impacts from the COVID-19 pandemic on our profitability and trading over the foreseeable future.

Any further sustained impact is yet to be identified; however, the Committee of Management remains vigilant of changing conditions and will respond as required.

Income

Our income for the year was \$68,012 (2019: \$155,523), decrease of \$87,511 or 56% from FY2019. Included in our income for the year was:

- Membership Subscriptions of \$5,350 (2019: \$5,450).
- General and Memorial Donations of \$20,910 (2019: \$72,169).
- Fundraising activities raised \$31,162 (2019: \$41,594).
- DHHS Health Condition Support Grant Band 1 of \$4,426 (2019: \$2,750).
- Distribution from Pethard Tarax Trust of \$3,000 (2019: \$5,000).
- Distribution from William Angliss (Victoria) Charitable Fund of \$2,000 (2019: \$2,000) and
- Unrealised Investment gains of \$1,112 (2019: \$21,560).

Expenses

Our expenses for the year amounted to \$114,820 (2019: \$96,108), an increase of \$18,712 or 20% from FY2019 and included the following major items for the year:

- Funding to St Vincent's Hospital of \$15,000 (2019: \$15,000).
- Funding to Monash Medical Hospital of \$15,000 (2019: \$15,000).
- Funding the Harrison Pennicott PhD Scholarship at the University of Melbourne for \$30,000 with the purpose for PhD students conducting research into systemic sclerosis.
- Seminar and Fundraising expenses of \$22,733 (2019: \$15,258), and
- Various expenses recorded as Office Expenses of \$23,880 (2019: \$33,792).

Overall Result

- The overall result for the Foundation was a deficit of \$46,808 (2019: surplus of \$59,415). This result was mainly due to Scleroderma Victoria continuing to fund the scleroderma nurses at St Vincent's and Monash Medical centre and establishing the Harrison Pennicott PhD Scholarship at the University Melbourne for \$30,000.

We have continued to increase our Social Media exposure and platforms and linking in with World Scleroderma Day on 29 June. Louise Inglese is our Event organiser who arranged her third Fashion Parades for us on 20 October 2019 which again was a very impressive and successful event, raising \$21,301.

Expenses

Scleroderma Victoria contributed \$30,000 to assist the Scleroderma nurses at St Vincent's Hospital and Monash Medical Centre. Membership numbers as at 30 June 2020 was 291 (2019: 295), a slight decrease from 2019 which was impacted by COVID-19. We worked hard in our 40th year towards our membership target of 400 which included a family and friends membership offering.

Recent Funding applications

In June 2020, the Foundation again applied to be considered for funding from The William Angliss (Victoria) Charitable Fund. We have yet to hear if we were successful in 2020 but we have been successful on all previous occasions and in December 2019 we received \$2,000. On 7 September 2019, the Committee agreed to support and fund a University of Melbourne PhD Scholarship Programme into systemic sclerosis (scleroderma) for 3.5 years. We paid \$30,000 of the committed \$105,000 to support this important research work in December 2019.

Investments

In conjunction with our Investment Advisers, Planning Partners, the Foundation invests as a cautious investor. Planning Partners, our Investment Advisers, work with us to ensure we have the most appropriate Asset allocation for our Investment Portfolio.

Whilst our financial position remains sound, we continue to apply for Grants and seek to increase our fundraising initiatives to increase our financial strength to enable us to continue to support the excellent work of scleroderma nurses in Victoria and Tasmania and to continue our contributions to Scleroderma Australia to assist with funding medical research. Our investments have been 'set aside' to be used to fund appropriate medical research regarding scleroderma in the future and therefore should not be used to pay for administration expenses.

Thank you

I would like to thank Kylee Byrne from Pitcher Partners, our Auditors, who has continued to support us and audited the 30 June 2020 Financial Statements pro bono.

I would also like to thank our President Amanda Lawrie-Jones, all Members of the Committee, our office volunteers and our Office Administrator, Jennene Caton, for their efforts and the time they have given to the Foundation.

I look forward to the next 12 months.

Iain Pizzey CA, FCSA
Honorary Treasurer

12 November 2020

SCLERODERMA VICTORIA INCORPORATED

ABN AND ACNC - 45 674 166 348

CAV Registration Number - A0017798A

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2020**

SCLERODERMA VICTORIA INCORPORATED

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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SCLERODERMA VICTORIA INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Revenue	2	68,012	155,523
Expenses	2	<u>(114,820)</u>	<u>(96,108)</u>
Total Comprehensive Income for the year		(46,808)	59,415
Accumulated funds at the beginning of the year		421,964	362,549
Accumulated funds at the end of the year	8	<u>375,156</u>	<u>421,964</u>

The above Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements as set out on pages 5 to 15.

SCLERODERMA VICTORIA INCORPORATED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash assets	3	51,960	71,904
Receivables	4	415	5,174
Investments	5	355,239	373,869
Prepayments		-	7,215
TOTAL CURRENT ASSETS		407,614	458,162
NON CURRENT ASSETS			
Fixed Assets	6	1,107	2,770
Intangible Assets		162	162
TOTAL NON CURRENT ASSETS		1,269	2,932
TOTAL ASSETS		408,883	461,094
CURRENT LIABILITIES			
Payables	7	1,243	6,646
TOTAL CURRENT LIABILITIES		1,243	6,646
TOTAL LIABILITIES		1,243	6,646
NET ASSETS		407,640	454,448
GENERAL FUNDS			
Accumulated Funds	8	375,156	421,964
Specific Fund	9	32,484	32,484
TOTAL GENERAL FUNDS		407,640	454,448

The above Statement of Financial Position should be read in conjunction with the notes to the financial statements as set out on pages 5 to 15.

SCLERODERMA VICTORIA INCORPORATED

SCLERODERMA VICTORIA INCORPORATED

STATEMENT OF CHANGES IN GENERAL FUNDS FOR THE YEAR ENDED 30 JUNE 2020

	NOTES	2020 \$	2019 \$
General Funds			
Opening Balance		421,964	362,549
Result for the year		(46,808)	59,415
Closing Balance	8	<u>375,156</u>	<u>421,964</u>

The above Statement of Changes in General Funds should be read in conjunction with the notes to the financial Statements as set out on pages 5 to 15.

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

In the opinion of the Committee, Scleroderma Victoria Incorporated ("Scleroderma Victoria") is not a reporting entity. The financial statements of Scleroderma Victoria have been prepared as a special purpose financial report in order to satisfy the financial reporting requirements of the *Victorian Associations Incorporation Reform Act 2012* (and its associated Regulations) and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report has been prepared in accordance with the requirements of the *Victorian Associations Incorporation Reform Act 2012* (and its associated Regulations), the *Australian Charities and Not-for-profit Commission Act 2012* and applicable Accounting Standards, with the exception of:

AASB 7: Financial Instruments: Disclosure
AASB 101 Presentation of Financial Statements
AASB 107: Cashflow Statements
AASB 124: Related Party Disclosures

The financial report has been prepared on the basis of historical costs, modified by valuing investments at fair value.

The accounting policies have been consistently applied and are consistent with those of the previous year.

COVID-19

The operational reduction as a consequence of COVID-19 on restrictions and working conditions are likely to impact the timing and level of the Association's profitability and trading over the foreseeable future.

The impact of the pandemic on the Association has been moderate but will not be fully quantifiable for some time, however, in the short term, the Committee of Management remain vigilant of changing conditions and will respond accordingly.

(b) Revenue

Scleroderma Victoria recognises membership fees, donations and other income when received.

Interest, dividends and other distributions from investments are recognised as income when received.

(c) Trade and Other Receivables

Trade and other receivables are recognised and carried at original invoice amount.

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Trade and Other Payables

Trade and other payables are included at cost and represent liabilities for goods and services provided to Scleroderma Victoria prior to the end of the financial year.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank.

(f) Investments

Investments are held through unlisted managed funds that are recorded at fair value. If the underlying investments of the fund are traded in active markets, fair value is determined with reference to quoted market prices at the end of the reporting period. If the underlying investments are not traded in active markets, fair value is determined at close of business as at the reporting date.

Investments are to be used to fund appropriate and approved medical research.

(g) Intangible Assets

Intangible Assets relates to the registration of the business names Sunflower Hero and Get Behind the Beard with ASIC.

(h) Taxes

(i) Income Tax

Scleroderma Victoria Incorporated has been endorsed as a Charitable Institution by the Australian Taxation Office and is income tax exempt.

(ii) Goods and Services Tax (GST)

Revenues and expenses 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.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) New and revised Accounting Standards effective at 30 June 2020

The Association has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15: *Revenue from Contracts with Customers* (AASB 15).

AASB 1058: Income for not-for-profit entities and AASB 15: Revenue from contracts with customers

AASB 1058 replaces the income recognition requirements in AASB 1004: Contributions applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: Revenue from Contracts with Customers. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

- (a) creates enforceable rights and obligations between the parties; and
- (b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

- (a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;
- (b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and

SCLERODERMA VICTORIA INCORPORATED

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income.

However, amending standard AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirement to right-of-use assets arising under leases with significantly below-market terms and conditions. This enables not-for-profit entities to elect to initially measure such right-of-use assets at cost rather than fair value, which has the corresponding effect of reducing the amount of income recognised under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

AASB 1058 also has specific recognition criteria in relation to transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. The obligation to acquire or construct the non-financial asset is accounted for similarly to a performance obligation under AASB 15.

In accordance with the transition requirements of AASB 1058 and AASB 15, the company has elected to apply AASB 1058 and AASB 15 retrospectively, with the cumulative effect, if any, of initially applying the new standards recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers.

Further details of the Association's accounting policy in relation to accounting for income under AASB 1058 and revenue from contracts with customers under AASB 15 are contained in Note 1(b).

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when Scleroderma Victoria becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that Scleroderma Victoria commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by Scleroderma Victoria are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether Scleroderma Victoria irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) Scleroderma Victoria's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by Scleroderma Victoria for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value. All other financial liabilities recognised by Scleroderma Victoria are subsequently measured at amortised cost.

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade and other receivables arise from Scleroderma Victoria's transactions with its customers and are normally settled within 30 days.

Consistent with both Scleroderma Victoria's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers and contract assets.

Scleroderma Victoria applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, Scleroderma Victoria determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Scleroderma Victoria considers a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

Scleroderma Victoria assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. Scleroderma Victoria considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by Scleroderma Victoria to have a strong financial position and no history of past due amounts from previous transactions with Scleroderma Victoria.

Scleroderma Victoria assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Scleroderma Victoria determines expected credit losses using a provision matrix based on historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

Scleroderma Victoria has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on Scleroderma Victoria's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, Scleroderma Victoria applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects Scleroderma Victoria's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on Scleroderma Victoria's exposure at default, discounted at the financial asset's original effective interest rate.

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and Scleroderma Victoria has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by Scleroderma Victoria. Recoveries, if any, are recognised in profit or loss.

2 RESULT FOR THE YEAR

The result has been determined after:

	2020	2019
	\$	\$
(i) Crediting as Revenue:		
Membership	5,340	5,450
Donations	20,910	72,169
Fundraising activities	31,162	31,162
Actelion support	-	3,577
World Scleroderma Day Activities	-	6,855
Distribution from William Angliss	2,000	2,000
RACV Good Citizen Grant	-	5,000
Distribution from Pethard Tarax Trust	3,000	5,000
Investment Income - Net	1,112	21,560
Grant from Department of Health & Human Services	4,426	2,750
	<u>68,012</u>	<u>155,523</u>

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2 RESULT FOR THE YEAR (Continued)

(ii) Charging as an Expense:

Depreciation of Fixed Assets	1,662	3,078
Funding Scleroderma Australia for Research Projects	2,500	10,000
Funding to Hospitals for Health Care	30,000	30,000
Funding of Harrison Pennicott PhD Scholarship	30,000	-
Seminar and Fundraising Expenses	22,733	15,258
Office Expenses	23,880	33,792
Scleroderma Australia Membership	1,475	1,355
Investment Adviser Expenses	2,570	2,625
	114,820	96,108

3 CASH ASSETS

The balance of cash at bank consists of the following Bank Accounts.

	2020 \$	2019 \$
Operating Bank Account	16,316	36,384
Kerry McDonald Equipment Fund	3,160	3,036
Brett Johnson Memorial Account	32,484	32,484
	51,960	71,904

4 RECEIVABLE

Other Debtors	-	3,850
GST Receivable	415	1,324
	415	5,174

5 INVESTMENTS

Managed Funds and Listed Trusts	269,060	269,681
Cash Holdings and Term deposits	86,179	104,188
	355,239	373,869

6 FIXED ASSETS

Equipment	24,380	24,380
Accumulated Depreciation	(23,273)	(21,610)
	1,107	2,770

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7	PAYABLES		
	Creditors	-	5,391
	Security Deposits	900	900
	GST Payable	343	355
		<u>1,243</u>	<u>6,646</u>
8	GENERAL FUNDS		
	Retained surplus at the beginning of the financial year	421,964	362,549
	Net result for the year	<u>(46,808)</u>	<u>59,415</u>
	Retained surplus at the end of the financial year	<u>375,156</u>	<u>421,964</u>
9	SPECIFIC FUND		
	Brett Johnson Memorial Account	<u>32,484</u>	<u>32,484</u>

This Fund was established in October 2016 to assist Tasmanian families that had been impacted by Scleroderma. The spending of the funds raised is managed by Ms Annette Johnson.

10 REMUNERATION OF AUDITORS

Pitcher Partners, the Auditors of Scleroderma Victoria, audited the 30 June 2020 Financial Statements pro bono.

11 SCLERODERMA VICTORIA INCORPORATED INFORMATION

Scleroderma Victoria is incorporated under the *Victorian Associations Incorporation Reform Act 2012* (and its associated regulations) and its registered address and principal place of business is St Vincent's Hospital, 41 Victoria Parade Fitzroy, Victoria 3065.

As at 30 June 2020, Scleroderma Victoria had 291 Members.

12 SUBSEQUENT EVENTS

There has been no matter or circumstance, which has arisen since 30 June 2020 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2020 of Scleroderma Victoria,
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2020, of Scleroderma Victoria.

SCLERODERMA VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13 RELATED PARTY DISCLOSURES

The transactions between Members of the Committee and Scleroderma Victoria related to the paying of yearly Membership Subscriptions by the Committee or Scleroderma Victoria reimbursing Members for costs they had incurred on behalf of Scleroderma Victoria. All Committee Members are volunteers and received no remuneration for their services to Scleroderma Victoria.

SCLERODERMA VICTORIA INCORPORATED

DECLARATION BY THE

COMMITTEE OF MANAGEMENT

30 JUNE 2020

We, Amanda Lawrie-Jones, being the Honorary President, and Iain Pizzey being the Honorary Treasurer of Scleroderma Victoria Incorporated, ("Scleroderma Victoria ") do state on behalf of the Committee that:

- (i) Scleroderma Victoria is not a reporting entity.
- (ii) As is common for organisations of this type, it is not practicable for the Committee to maintain effective independent controls over donations and other fundraising activities prior to their entry in the accounting records. Accordingly, the amounts detailed in relation to receipts were limited to amounts recorded in the books of account.
- (iii) In the opinion of the Committee, the attached financial report shows a true and fair view of the financial position of Scleroderma Victoria as at 30 June 2020 and the results of its operations for the year ended on that date in accordance with Australian Accounting Standards, the *Victorian Associations Incorporation Reform Act 2012* (and its associated Regulations) and the *Australian Charities and Not-for-profits Commission Act 2012*;
- (iv) In the opinion of the Committee, meetings of the Committee of Management were held during the year ended 30 June 2020 in accordance with the rules of Scleroderma Victoria
- (v) The Committee is of the opinion that Scleroderma Victoria will be able to pay its debts as and when they fall due.



Amanda Lawrie-Jones
Honorary President

10 November 2020



Iain Pizzey
Honorary Treasurer

10 November 2020

SCLERODERMA VICTORIA INCORPORATED

45 674 166 348

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCLERODERMA VICTORIA INCORPORATED

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the special purpose financial report of Scleroderma Victoria Incorporated, "the Registered Entity", which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management declaration.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of our report, the accompanying financial report of Scleroderma Victoria Incorporated is 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 ended, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis of Qualified Opinion

Cash donations are a significant source of fundraising revenue for the Registered Entity. The Registered Entity has determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding from this source was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether the recorded cash donations of the Registered Entity are complete.

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" ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* "the code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

SCLERODERMA VICTORIA INCORPORATED

45 674 166 348

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCLERODERMA VICTORIA INCORPORATED

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling in the Registered Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Association's Committee of Management

The responsible entities of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act, the Associations Incorporation Reform Act 2012 (and its associated regulations) and the needs of the members. The responsible entities responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matter relating to the going concern and using the going concern basis of accounting unless the responsible entities neither intend to liquidate the Registered Entity or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

SCLERODERMA VICTORIA INCORPORATED

**45 674 166 348
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SCLERODERMA VICTORIA INCORPORATED**

As part of an audit in accordance with 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 my 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.

P Jose
Partner

PITCHER PARTNERS
Melbourne

November 2020

SCLERODERMA VICTORIA INCORPORATED

UNAUDITED DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
INCOME		
Donations	13,553	51,854
Memorial Donations	4,357	18,315
Distribution from William Angliss	2,000	2,000
RACV Good Citizen Grant	-	5,000
Donation - Pethard Tarax Charitable Trust	3,000	5,000
World Scleroderma Day Lunch	-	6,855
Grant - Department of Health and Human Services	4,426	2,750
Seminar at 40 th AGM	2,734	-
Donation - All Souls' Opportunity Shop	2,000	2,000
Donation - Brunswick United Lodge	1,000	-
Actelion Support	-	3,577
Fashion Parade	20,595	21,301
Fundraising Income	7,885	9,861
Membership Income	5,350	5,450
Investment Income	1,112	21,560
Total Income	68,012	155,523
EXPENDITURE		
Administration Support	6,900	6,900
Business Names	77	-
Bus Hire	-	207
Bank, PayPal, Merchant & Everyday Hero charges	557	2,502
Depreciation of Oxygen Concentrator	1,662	3,078
Funding paid Scleroderma Australia Inc.	2,500	10,000
Funding paid Hospitals for Health Care	30,000	30,000
Funding Harrison Pennicott PhD Scholarship	30,000	-
Fashion Parade	13,836	13,159
Awareness month activities	-	395
Insurances	1,181	1,158
AGM Expenses	235	1,226
Office Supplies/Expenses	740	527
Postage	1,764	1,316
Printing of office supplies	1,343	2,835
Printing Newsletter	7,554	6,756
Balance carried forward	98,349	80,059

SCLERODERMA VICTORIA INCORPORATED

UNAUDITED DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Balance brought forward	98,349	80,059
Meeting Expenses	147	-
Oxygen Concentrator servicing	776	1,071
Promotion and Marketing	1,657	5,185
Scleroderma Australia Membership	1,475	1,355
Seminars	8,519	1,695
Scleroderma Nat. Education Conference	-	1,993
Support Group meeting costs	903	693
Sunflower Hero's – website	-	140
Website Hosting – Everyday Hero	424	514
Website Hosting and upgrades	-	650
Teleconferencing Meeting Costs	-	128
Investment Adviser Expenses	2,570	2,625
Total Expenditure	114,820	96,108
Net Operating Result for the year	(46,808)	59,415