



ABN: 90 058 632 943

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

Peer Based Harm Reduction WA Inc.

ABN: 90 058 632 943

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Peer Based Harm Reduction WA Inc.

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Chairperson's and Chief Executive Officer's Address

Dear Member

It is our privilege to present the Chairperson and Chief Executive Officer's ("CEO") report on behalf of Peer Based Harm Reduction WA's Committee of Management (the "COM"), and on behalf of the volunteers and staff of Peer Based Harm Reduction WA (the "Association").

The Association is the state's only peer-based Alcohol & Other Drug service-delivery organisation, providing a range of innovative and consumer-driven health and harm reduction services. The Association was originally established by, and all of our programs are run by and for, people who use or have used drugs. As such, the Association is uniquely positioned to provide a voice for people who use drugs, to represent their needs and concerns, and to support their rights as health consumers. We aim to bring the insights and perspectives of our peers into all of our work, to our partnerships with other organisations, and to the advice and advocacy that we provide to governments and policy makers.

The 2022 - 2023 financial year has seen the retirement of our long-serving CEO Angela Corry. We would like to thank Angela and acknowledge her years of dedicated service to the Association. On behalf of the COM we welcomed Paul Dessauer into the role of CEO from February 2023. Paul has a wealth of experience in peer based initiatives and a sound commitment to the values of the Association.

Our programs continue to evolve and expand to better support the health and human rights of people who use drugs and to contribute to Australia's hepatitis C elimination goals. Our core funding from Sexual Health and Blood Borne Virus Programs at the Health Department of WA has allowed us to continue providing the largest needle & syringe program in the state and to deliver person-centred health services for people who inject drugs. During the months of March to June we conducted community engagement work in the South West Region thanks to a small additional grant from the Health Department of WA, and this work will inform the planned expansion of our Mobile Health Clinic activities in the region. The Association is also the largest provider of take home naloxone in the state. Our Overdose Prevention and Peer Naloxone contract with the Mental Health Commission concluded in June, with a new Community Take Home Naloxone Peer Delivery and Outreach Service commencing in its place, further increasing our capacity to provide naloxone anywhere in the community to anyone who might suffer or witness an overdose. We would like to acknowledge these funding bodies, which enable the Association to continue providing a range of unique services which increase the health equity of our consumers.

This year we welcomed three new COM members: Professor Simon Lenton, Dr Stephen Bright, and Dr Jessamine Soderstrom. We would like to take this opportunity to thank the long standing and new COM members for their support and for their diligent oversight of the Association. Our COM has ensured that the Association continues to work within its Strategic Plan, meet its obligations, manage its finances, and operate transparently, while maintaining its quality certification under the Alcohol and other Drug and Human Services Standard.

On behalf of the COM and the management we would like to sincerely thank our Finance Manager, Sai Thia, and our Finance Officer, Stevie Davies, for their diligent commitment to ensuring the positive financial outcomes and systems improvements that have been achieved over the 2022 - 2023 financial year. We also extend our appreciation to all staff members for their significant contributions to the important work that the Association does.



Jill Rundle
Chairperson
Perth, Western Australia

28 September 2023



Paul Dessauer
Chief Executive Officer
Perth, Western Australia

28 September 2023

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Committee of Management's Report

The COM presents its report on the Association for the financial year ended 30 June 2023.

Committee of Management

The COM is comprised of the following members, who held office throughout the year and to the date of this report except where stated otherwise as set out below.

Name	Appointed	Roles as at September 2023
Jill Rundle	2013 nominated and accepted at AGM	Chairperson Member – COM CEO Review CEO Selection
Razif Ismail	2020 nominated and accepted at AGM	Deputy Chairperson Member - COM
Hamish Dobie	2019 nominated and accepted at AGM	Treasurer Member – COM
Kara Hopa	2021 nominated and accepted at AGM	Secretary Member - COM
Roanna Lobo	2014 nominated and accepted at AGM	Member - COM
Simon Lenton	2023 invited and accepted at COM meeting 2023	Member - COM
Stephen Bright	2023 invited and accepted at COM meeting 2023	Member - COM
Jessamine Soderstrom	2023 invited and accepted at COM meeting 2023	Member - COM

The CEO of the Association attends the COM meetings.

The Secretary authorised Stevie-Marie to be the Association's delegate. Ms Stevie-Marie ensures that proper records of all the COM and Sub-Committee meetings are kept and maintained including the register of members.

The Association's financial statements must be and are audited by Nexia Perth Audit Services Pty Ltd.

A General Meeting is held annually to present the annual financial statements to the Members.

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Principal activities

The principal activities of the Association during the financial year were providing support, education, and advocacy and to reduce transmission of Blood Borne Viruses and the harms and hazards associated with substance use amongst people in Western Australia. We constantly strive to improve the health and social circumstances of substance users, utilising a framework underpinned by harm reduction and peer education. The Association is a registered charity.

Review of operations

The net surplus for the financial year ended 30 June 2023 amounted to \$76,037 (2022: \$142,073). The surplus in 2023 remains fairly consistent as compared to prior year, with grant funding remaining the largest income contributor representing 85% of the total revenue in 2023. The Association's service programs largest funding stakeholders by size are the Department of Health WA (90%) and the Mental Health Commission (10%).

Changes in state of affairs

During the financial year there were no significant changes in the state of affairs of the Association.

Subsequent events

There has not been any matter or circumstance, other than referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

Environmental regulations

The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification and insurance of officers and auditors

No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer of the Association. Insurance premiums were paid during the financial year to cover for officers of the Association.

To the extent permitted by law, the Association has agreed to indemnify its auditors, Nexia Perth Audit Services Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Nexia Perth Audit Services Pty Ltd during and/or since the year ended 30 June 2023.

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Proceedings on behalf of Association

No person has applied for leave of Court to bring proceedings on behalf of the Association or intervene in any proceedings to which the Association is a party for the purpose of taking responsibility on behalf of the Association for all or any part of these proceedings. The Association was not a party to any such proceedings during the year.

On behalf of the Committee of Management



Jill Rundle
Chairperson
Perth, Western Australia

28 September 2023

To the Committee Members of Peer Based Harm Reduction WA Inc

Auditor's independence declaration under Subdivision 60-40 of the *Australian Charities and Not for Profit Commission Act 2012*

As lead auditor for the audit of the financial statements of Peer Based Harm Reduction WA Inc for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of under Subdivision 60-40 of the *Australian Charities and Not for Profit Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

NPAS

Nexia Perth Audit Services Pty Ltd

Michael Fay

Michael Fay

Director

Perth

28 September 2023

Advisory. Tax. Audit.

ACN 145 447 105

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Independent Auditor's Report to the Members of the Committee of Management of Peer Based Harm Reduction WA Inc.**Report on the Audit of the Financial Report****Opinion**

We have audited the financial report, being a special purpose financial report, of Peer Based Harm Reduction WA Inc. (the "Association"), which comprises the statement of financial position as at 30 June 2023, 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 statement by the Members of the Committee of Managements' declaration.

In our opinion, the accompanying financial report of the Association, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (WA) 2015*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022* and the *Associations Incorporation Act (WA) 2015*.

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

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

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 the Members of the Committee of Managements' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (WA) 2015*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Advisory. Tax. Audit.

ACN 145 447 105

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Other Information

The Members of the Committee of Management are responsible for the other information. The other information comprises the information in the Association's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information 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 the other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Members of the Committee of Management for the Financial Report

The Members of the Committee of Management of the Association 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 statements is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (WA) 2015*. The Members of the Committee of Managements' responsibility also includes such internal control as they 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 Members of the Committee of Managements are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Members of the Committee of Managements either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Members of the Committee of Management are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

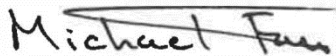
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members of the Committee of Management.
- Conclude on the appropriateness of the Members of the Committee of Managements' 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 Association'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 Association 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 the Members of the Committee of Management 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.

NPAS

Nexia Perth Audit Services Pty Ltd



Michael Fay
Director

Perth
28 September 2023

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Statement by the Members of the Committee of Management

The COM has determined that the Association is not a reporting entity because in the opinion of the COM there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the annual financial requirements of the Association's Rule of Association, the *Australian Charities and Not-for-profits Commission Act 2012*, and the *Associations Incorporation Act 2015 (WA)*.

In the opinion of the COM:

- (a) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and
- (b) the attached financial statements for the year ended 30 June 2023 and notes thereto satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* as well as Divisions 5, 6 and 7 of the *Associations Incorporation Act (WA) 2015*, including giving a true and fair view of the financial position at 30 June 2023 and performance of the Association for the year then ended in accordance with the accounting policies described in Notes 1 - 4 to the financial statements.

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



Jill Rundle
Chairperson
Perth, Western Australia



Hamish Dobie
Treasurer
Perth, Western Australia

28 September 2023

28 September 2023

Peer Based Harm Reduction WA Inc.

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Statement of Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Continuing operations			
Grant funding	9	1,804,862	2,048,332
Amount transferred to grant funding in advance	9	-	(76,581)
Total grant revenue		1,804,862	1,971,751
Bank interest		43,722	6,644
Donations		1,500	1,263
Other income		189,801	37,718
NSEP HDWA		31,406	24,772
NSEP PBHRWA		32,687	31,708
Profit on disposal of non-current assets		8,061	6,152
Other revenue		307,177	108,257
Total revenue		2,112,039	2,080,008
Cost of sales		60,917	68,032
Advertising and promotion		2,451	7,244
Accounting and audit fees	5	16,338	16,500
Bank charges		1,588	1,996
Campaign events		20,246	-
Clinic stock		7,824	14,675
Community and resource development		14,624	28,013
Amortisation and depreciation		209,523	204,536
General administrative expenses		50,396	44,118
Information technology		22,761	14,161
Insurance		53,410	50,615
Interest and finance expenses		11,588	12,632
Motor vehicle		30,799	22,799
Parking		16,303	8,065
Postage, printing and stationery		22,732	22,098
Rent and outgoings		14,185	17,753
Salaries, benefits and associated expenses		1,455,215	1,383,347
Travel and accommodation		8,947	3,600
Utilities and security		15,595	16,795
Volunteer expenses		560	956
Total expenses		2,036,002	1,937,935
Net surplus for the year		76,037	142,073
Other comprehensive income		-	-
Total comprehensive income for the year		76,037	142,073

This statement should be read in conjunction with the accompanying notes to the financial statements.

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Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	2,346,647	2,234,610
Account receivable		9,755	11,015
Prepayments		7,766	67,839
Inventory		12,702	20,968
Total current assets		2,376,870	2,334,432
Non-current assets			
Rental bond		5,000	5,000
Plant and equipment	7	701,124	512,926
Total non-current assets		706,124	517,926
TOTAL ASSETS		3,082,994	2,852,358
LIABILITIES			
Current liabilities			
Grants received in advance	9	-	76,581
Trade and other payables	10	90,918	102,255
Amounts due to ATO	11	51,647	43,641
Provisions	12	192,684	187,370
Lease liabilities	13	145,249	145,036
Total current liabilities		480,498	554,883
Non-current liabilities			
Lease liabilities	13	406,023	177,039
Total non-current liabilities		406,023	177,039
TOTAL LIABILITIES		886,521	731,922
NET ASSETS		2,196,473	2,120,436
MEMBERS FUNDS			
Reserves		162,750	162,750
Accumulated funds		1,957,686	1,815,613
Current year surplus		76,037	142,073
TOTAL EQUITY		2,196,473	2,120,436

This statement should be read in conjunction with the accompanying notes to the financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
OPERATING ACTIVITIES			
Receipts from funding and other income		1,992,995	1,920,414
Receipts from interest		43,722	6,644
Payments for interest		(11,588)	(12,632)
Payments to suppliers and employees		(1,752,629)	(1,777,630)
Net cash inflows from operating activities	8	272,500	136,796
INVESTING ACTIVITIES			
Payments for property, plant and equipment		(42,409)	(131,154)
Proceeds from disposal of property, plant and equipment		26,982	20,164
Net cash outflows from investing activities		(15,427)	(110,990)
FINANCING ACTIVITIES			
Net lease payments		(145,036)	(141,887)
Net cash outflows from financing activities		(145,036)	(141,887)
Net increase/(decrease) in cash and cash equivalents		112,037	(116,081)
Cash and cash equivalents at the beginning of the year		2,234,610	2,350,691
Cash and cash equivalents at the end of the year	6	2,346,647	2,234,610

This statement should be read in conjunction with the accompanying notes to the financial statements.

Peer Based Harm Reduction WA Inc.

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Statement of Changes in Members Funds

For the Year Ended 30 June 2023

	Reserves	Accumulated	Total
	\$	Funds	Members
	\$	\$	Funds
Balance at 1 July 2021	162,750	1,815,613	1,978,363
Net surplus for the year	-	142,073	142,073
Other comprehensive income	-	-	-
Total comprehensive income	-	142,073	142,073
Balance at 30 June 2022	162,750	1,957,686	2,120,436
Balance at 1 July 2022	162,750	1,957,686	2,120,436
Net surplus for the year	-	76,037	76,037
Other comprehensive income	-	-	-
Total comprehensive income	-	76,037	76,037
Balance at 30 June 2023	162,750	2,033,723	2,196,473

This statement should be read in conjunction with the accompanying notes to the financial statements.

Peer Based Harm Reduction WA Inc.

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Notes to Accounts

For the Year Ended 30 June 2023

1. Basis of Preparation

Association Information and Statement of compliance

The Special Purpose Financial Report of the Association was authorised for issue in accordance with a resolution of the COM on the date of the Statement by the Members of the Committee of Management. This special purpose financial report has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, the *Associations Incorporation Act (WA) 2015* and the recognition and measurement aspects of all applicable Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB").

The COM has determined that the Association is not a reporting entity. The Association complies with all recognition and measurement aspects of AASBs and the disclosure requirements of:

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Cash Flow Statements*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1048 *Interpretation of Standards*
- AASB 1054 *Australian Additional Disclosures*

Basis of Measurement

The financial report has been prepared on an accruals basis and is based on historic costs.

Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Association's functional currency.

Use of Estimates and Judgement

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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2. Financial Position

- The Association's primary source of funding comprises grants from State Government agencies with whom the Association enters into funding agreements for periods ranging from one to five years. The Association has received confirmation that it is the preferred service supplier for the Department of Health Contract. Based on a cash flow forecast and the working capital surplus position at the reporting date the Board deem the application of the going concern basis of preparation as appropriate.

3. Significant Accounting Judgments, Estimates and Assumptions

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, as discussed below in Note 4(f) (ii). The amount of these provisions would change should any of these factors change in the next 12 months.

4. Significant Accounting Policies

The following accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

(a) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Association 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 comprehensive income.

Classification of financial assets

Financial assets recognised by the Association are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Association 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 Instruments*.

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

Trade and other receivables

Trade and other receivables arise from the Association's transactions with third parties and are normally settled within 30 days.

Consistent with both the Association'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.

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Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the Association for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Association are subsequently measured at amortised cost.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

b) Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than the estimated recoverable amount.

Cost includes all expenditure that is directly attributable to the acquisition of the asset. The cost of self purchased software that is integral to the function of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in the income statement.

(i) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in the income statement as incurred.

(ii) Depreciation

Depreciation is recognised in the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the short of the lease term and their useful lives unless it is reasonably certain that the Association will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative period are as follows:

Motor Vehicles	4 years
Leasehold Improvements (Term of Lease)	5 years
Furniture and Fittings	5 years

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

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(c) Leased Assets

At inception of a contract, the Association assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Association the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the Association recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Association's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments and incorporate the expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$5,000 or less) are recognised as incurred as an expense in the income statement.

(d) Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated based on expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Association uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

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(ii) Non-financial Assets

The carrying amounts of the Association's non financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Association would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset. Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Inventories

Inventories comprise goods for resale and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Where inventories are acquired at no cost, or for nominal consideration, cost is determined as the current replacement cost as at the date of acquisition.

(f) Employee Benefits

(i) Other Long-term Employee Benefits

The Association's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Association's obligations.

(ii) Short-term Benefits

Liabilities for employee benefits for wages, salaries, annual leave expected to be taken within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the

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Association expects to pay as at reporting date including related on-costs, such as workers compensation insurance.

(g) Provisions

A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Revenue

Revenue recognition

Revenue recognised under AASB 15 *Revenue from contracts with customers* is measured at the amount which the Association receive from contracts with customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

Government Funding

The Association's activities are supported by grants received from the state and local governments. Grants received on the condition that specified services are delivered, or conditions are fulfilled are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from other non-reciprocal grants is recognised when received.

Donations

Donations usually have no specific performance conditions attached and hence are recognised when received.

Investment Income

Investment income comprises interest and dividends. Interest income is recognised as it accrues, taking into account the effective yield on the financial asset. Dividends from listed entities are recognised when the right to receive a dividend has been established.

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Asset Sales

The gain or loss on disposal of all non-current assets and is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

In-Kind Donations

Facilities and other assets donated by third parties are recognised as revenue at the fair value to the Association where this can be quantified and the third party has borne the cost. No amounts are included in the financial statements for services donated by volunteers. Goods donated for resale are included as income when they are sold.

(j) Income tax

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

(k) New or amended Accounting Standards and Interpretations adopted

The Association has adopted all of the new or amended Accounting Standards and Interpretations that apply to annual reporting periods beginning on or after 1 July 2022. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Association in either the current or prior financial reporting periods.

(l) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2023. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

5. Income and expenditure items

	2023	2022
Income and expenditure for the year includes:	\$	\$
Auditor remuneration to: Nexia Perth Audit Services Pty Ltd	16,338	16,500

6. Cash and cash equivalents

	2023	2022
	\$	\$
Cash and cash equivalents comprise of:		
Cheque account	908,632	826,767
Petty cash	1,122	1,177
Term deposit	1,436,893	1,406,666
	2,346,647	2,234,610

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7. Fixed Assets

	2023 \$	2022 \$
Office furniture and equipment at cost	250,641	249,322
Accumulated depreciation	(174,232)	(148,341)
Net carrying amounts	76,409	100,981
Motor vehicles at cost	189,423	180,769
Accumulated depreciation	(105,375)	(76,747)
Net carrying amounts	84,048	104,022
Leasehold improvements at cost	228,435	228,435
Accumulated depreciation	(227,798)	(227,075)
Net carrying amounts	637	1,360
Right-of-use Assets	1,111,260	737,027
Accumulated amortisation	(571,230)	(430,464)
Net carrying amounts	540,030	306,563
Total Fixed Assets	701,124	512,926

8. Cash flows

	2023 \$	2022 \$
<i>Reconciliation of operating surplus to operating cash flows:</i>		
Net surplus for the year	76,037	142,073
<i>Adjustments for:</i>		
Amortisation and depreciation	209,524	204,536
Profit on disposal of assets	(8,061)	(6,152)
<i>Operating surplus before changes in working capital</i>	277,500	340,457
<i>Movement in working capital items:</i>		
Change in grants received in advance	(76,581)	(191,878)
Change in trade and other receivables	1,259	38,928
Change in prepayments	60,073	(4,683)
Change in inventory	8,266	13,483
Change in provisions	5,315	778
Change in trade and other payables	(3,332)	(60,289)
<i>Total movement in working capital</i>	(5,000)	(203,661)
Net cash inflow from operating activities	272,500	136,796

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9. Grant funding

	2023	2022
	\$	\$
<i>Grant funding</i>		
Department of Health WA - C05935 Project	1,582,168	1,576,517
Department of Health WA – Short Term Pilot Projects	50,000	206,000
Mental Health Commission Naloxone 97 & OPAM 94	172,694	160,637
Burnet Institute – Short Term Community Projects	-	28,597
<i>Total grant funding received - recognised</i>	1,804,862	1,971,751
<i>Grants received in advance</i>		
Burnet Institute – Short Term Community Projects	-	49,120
AIVL – Short Term Community Projects	-	27,461
<i>Total grant received in advance</i>	-	76,581

10. Trade and other payables

	2023	2022
	\$	\$
Trade and other payables	90,918	102,255
	90,918	102,255

11. Tax amounts due to ATO

	2023	2022
	\$	\$
PAYG liability	24,808	11,214
GST payable	136,315	138,706
GST receivable	(109,476)	(106,279)
	51,647	43,641

12. Provisions

	2023	2022
	\$	\$
Current		
Provision for annual leave	89,573	122,342
Provision for long service leave	103,111	65,028
	192,684	187,370

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13. Lease liabilities

	2023	2022
	\$	\$
Current	145,249	145,036
Non-current	406,023	177,039
	551,272	322,075
Balance at 1 July	322,075	320,505
Lease additions	374,233	143,456
Lease payments	(156,624)	(154,518)
Interest expense	11,588	12,632
Balance as at 30 June	551,272	322,075

14. Related party disclosures

Key management personnel remuneration

The key management personnel of the Association are the COM members identified in the Committee of Management's Report.

The COM serves on an honorary basis.

15. Commitments and Contingent Liabilities

The Association did not have any committed obligations or contingent liabilities at 30 June 2023 (2022: Nil).

16. Subsequent events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.