



Shannon's Bridge Limited

ABN 68 615 831 742

Financial Statements

For the Year Ended 30 June 2020

Shannon's Bridge Limited

ABN 68 615 831 742

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For the Year Ended 30 June 2020

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Shannon's Bridge Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Government funding and other income	4	612,114	567,790
Client services - consumables		(35,984)	(34,330)
Client services - purchases		(12,606)	(34,096)
Consultancy		(127,458)	(60,558)
Depreciation		(37,921)	(8,160)
Employee benefits expense		(216,033)	(172,598)
Other operating expenses		(67,441)	(135,722)
Finance expenses		(3,750)	-
Profit before income tax		110,921	122,326
Income tax expense	2(a)	-	-
Profit for the year		110,921	122,326
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		110,921	122,326

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,807,177	2,226,341
Trade and other receivables	6	10,690	10,066
TOTAL CURRENT ASSETS		<u>1,817,867</u>	<u>2,236,407</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	22,489	20,438
Right-of-use assets	8	85,833	-
TOTAL NON-CURRENT ASSETS		<u>108,322</u>	<u>20,438</u>
TOTAL ASSETS		<u>1,926,189</u>	<u>2,256,845</u>
LIABILITIES			
CURRENT LIABILITIES			
Lease liabilities	8	28,266	-
Trade and other payables	9	17,608	22,509
Other financial liabilities	10	1,498,439	2,031,015
Employee benefits	11	10,229	3,191
TOTAL CURRENT LIABILITIES		<u>1,554,542</u>	<u>2,056,715</u>
NON-CURRENT LIABILITIES			
Lease liabilities	8	59,719	-
Employee benefits	11	1,494	617
TOTAL NON-CURRENT LIABILITIES		<u>61,213</u>	<u>617</u>
TOTAL LIABILITIES		<u>1,615,755</u>	<u>2,057,332</u>
NET ASSETS		<u>310,434</u>	<u>199,513</u>
EQUITY			
Retained earnings		<u>310,434</u>	<u>199,513</u>
TOTAL EQUITY		<u>310,434</u>	<u>199,513</u>

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	<u>199,513</u>	<u>199,513</u>
Total comprehensive income for the year	<u>110,921</u>	<u>110,921</u>
Balance at 30 June 2020	<u><u>310,434</u></u>	<u><u>310,434</u></u>

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	<u>77,187</u>	<u>77,187</u>
Total comprehensive income for the year	<u>122,326</u>	<u>122,326</u>
Balance at 30 June 2019	<u><u>199,513</u></u>	<u><u>199,513</u></u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	35,587	7,063
Payments to suppliers and employees	(458,698)	(682,240)
Donations received	24,587	51,315
Interest received	20,929	44,823
Net cash used in operating activities	18 <u>(377,595)</u>	<u>(579,039)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(11,361)</u>	<u>(15,468)</u>
Net cash used in investing activities	<u>(11,361)</u>	<u>(15,468)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	<u>(30,208)</u>	-
Net cash used in financing activities	<u>(30,208)</u>	-
Net decrease in cash and cash equivalents held	(419,164)	(594,507)
Cash and cash equivalents at beginning of year	<u>2,226,341</u>	<u>2,820,848</u>
Cash and cash equivalents at end of financial year	5 <u><u>1,807,177</u></u>	<u><u>2,226,341</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2020

The financial report covers Shannon's Bridge Limited as an individual entity. Shannon's Bridge Limited is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2020 were the provision of palliative care services to 'bridge' the gap if no formal services exist to support end of life care in the preferred place of care, connecting patients and families with training volunteers to provide practical help, arranging equipment to enable them to remain home, improving death literacy in the community and assisting with advance care planning.

The functional and presentation currency of Shannon's Bridge Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 28 October 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

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

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

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company incurs a performance obligation to deliver services in accordance with the prevailing service agreement and related undertakings the grant revenue is recognised in the statement of financial position as a liability until the performance obligations have been satisfied, otherwise the grant is recognised as income on receipt.

Shannon's Bridge Limited from time-to-time receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Other income

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

Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Asset class	Depreciation rate
Plant and Equipment	20% - 40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

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

(i) Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(e) Leases (continued)

(i) Right-of-use asset (continued)

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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

(g) Economic dependence

Shannon's Bridge Limited is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Department of Health and Human Services will not continue to support Shannon's Bridge Limited.

(h) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(i) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers.

Key estimates - employee benefits provision

The liability for employee benefits expected to be settled later than 12 months from the reporting date are measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of employee attrition rates and salary increases have been considered.

Key estimates - deferred government grant funding

The Company has assessed the extent to which its principal source of funding, the Department of Health and Human Services (Note 2(g)), is subject to performance obligations in calculating how much of the funding to recognise during the reporting period and how much to defer (refer also Note 2(b)). It has considered budgetary commitments made to the Department of Health and Human Services during the process of procuring the funding as substantially giving rise to performance obligations in future reporting periods, and so has deferred the majority of the funding. The Directors will continue to keep these assumptions under review.

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Notes to the Financial Statements For the Year Ended 30 June 2020

4 Revenue and Other Income

	2020	2019
	\$	\$
Government Funding and Other Income		
Donations	24,587	51,315
Fundraising	6,322	650
Government grants	542,576	466,295
Government stimulus	10,000	-
Job Keeper reimbursements	6,000	-
Interest received	20,929	44,823
Rental income	1,700	4,100
Training & service fees	-	607
	<u>612,114</u>	<u>567,790</u>

5 Cash and Cash Equivalents

Cash on hand	209	200
Cash at bank	206,968	2,226,141
Short-term deposits	1,600,000	-
	<u>1,807,177</u>	<u>2,226,341</u>

6 Trade and Other Receivables

CURRENT		
Trade receivables	-	310
GST receivable	4,926	6,477
Prepayments	5,764	3,279
	<u>10,690</u>	<u>10,066</u>

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Notes to the Financial Statements For the Year Ended 30 June 2020

7 Property, plant and equipment

	2020	2019
	\$	\$
Plant and equipment		
At cost	43,387	32,026
Accumulated depreciation	(20,898)	(11,588)
Total property, plant and equipment	22,489	20,438

(a) Movements in Carrying Amounts

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

	Plant and Equipment	Total
	\$	\$
Year ended 30 June 2020		
Balance at the beginning of year	20,438	20,438
Additions	11,361	11,361
Depreciation expense	(9,310)	(9,310)
Balance at the end of the year	22,489	22,489

8 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative effect) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 (Note 12) and related Interpretations.

(a) Right-of-use assets

	Buildings	Office Equipment	Total
	\$	\$	\$
Year ended 30 June 2020			
Balance at beginning of year	-	-	-
Additions to right-of-use assets	106,238	8,206	114,444
Depreciation charge	(26,559)	(2,052)	(28,611)
Balance at end of year	79,679	6,154	85,833

(b) Lease liabilities

	2020	2019
	\$	\$
Current lease liabilities	28,266	-
Non-current lease liabilities	59,719	-
Total lease liabilities	87,985	-

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Notes to the Financial Statements For the Year Ended 30 June 2020

9 Trade and Other Payables

	Note	2020 \$	2019 \$
CURRENT			
Trade payables		1,042	3,919
Sundry payables and accrued expenses		16,566	18,590
		<u>17,608</u>	<u>22,509</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

10 Other Financial Liabilities

	Note	2020 \$	2019 \$
CURRENT			
Government grants	2(b)	1,498,439	2,031,015
		<u>1,498,439</u>	<u>2,031,015</u>

11 Employee Benefits

	Note	2020 \$	2019 \$
CURRENT			
Annual leave		10,229	3,191
		<u>10,229</u>	<u>3,191</u>
NON-CURRENT			
Long service leave		1,494	617
		<u>1,494</u>	<u>617</u>

12 Leasing Commitments

Operating leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	-	24,000
- between one year and five years	-	70,000
	-	<u>94,000</u>

The Company has applied AASB 16 for the current financial year as detailed in Note 8. Accordingly, comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

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Notes to the Financial Statements For the Year Ended 30 June 2020

13 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 4 (2019: 5).

14 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 302,441 (2019: \$ 193,243).

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019:None).

16 Related Parties

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

Key management personnel - refer to Note 14.

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

(b) Transactions with related parties

The Company has entered into a long term lease agreement commencing 1 June 2018 in relation to premises at 94 Albert Street, Creswick, the landlord being the parent of a director of the Company. The Directors are of the view that the lease is on commercial terms when compared to normal commercial arrangements.

17 Events after the end of the Reporting Period

The financial report was authorised for issue on 28 October 2020 by the Directors.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not been financially negative for the Company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

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Notes to the Financial Statements For the Year Ended 30 June 2020

18 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit for the year	110,921	122,326
<i>Cash flows excluded from profit attributable to operating activities</i>		
<u><i>Non-cash flows in profit:</i></u>		
- depreciation of plant and equipment	9,310	8,160
- depreciation of right-of-use assets	28,611	-
- interest on right-of-use lease liability	3,749	-
<u><i>Changes in assets and liabilities:</i></u>		
- (increase)/decrease in trade and other receivables	310	(310)
- (increase)/decrease in prepayments	(2,485)	157
- increase/(decrease) in trade and other payables	(4,901)	10,416
- increase/(decrease) in GST payable	1,551	(257,079)
- (decrease) in deferred income	(532,576)	(466,295)
- increase in employee benefits	7,915	3,586
Cashflows from operations	<u>(377,595)</u>	<u>(579,039)</u>

19 Statutory Information

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

Shannon's Bridge Limited
94 Albert Street
Creswick Vic 3363

Shannon's Bridge Limited


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Responsible Persons' Declaration

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

- 1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- 2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements ; and
 - (b) give a true and fair view of Shannon's Bridge Limited's financial position as at 30 June 2020 and of its financial performance for the year ended on that date.

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

Responsible person

Claire Hepper

Responsible person

Jeremy McKnight

Dated 28 October 2020

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Independent Assurance Practitioner's Review Report to the members of Shannon's Bridge Limited

We have reviewed the accompanying financial statements of Shannon's Bridge Limited, which comprises the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2400, *Reviews of Financial Reports Performed by an Assurance Practitioner Who is Not the Auditor of the Entity*. ASRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ASRE 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Australian Auditing Standards. Accordingly, we do not express an audit opinion on these financial statements.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not give a true and fair view of the financial position of Shannon's Bridge Limited as at 30 June 2020, of its financial performance and its cash flows for the year then ended, in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the basis of preparation detailed in Note 1.

Cooper Audit and Accounting Pty Ltd

Grant L Cooper
Director

Signed at Ballarat Victoria
Dated 28 October 2020