
Castlemaine District Community Health Limited

ABN: 43 136 516 991

Financial Report

For the Year Ended 30 June 2020

Castlemaine District Community Health Limited

30 June 2020

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Castlemaine District Community Health Limited Directors' Report

Your Directors present their report of the Castlemaine District Community Health Limited (CDCH) for the year ended 30 June 2020.

Directors

The names of each person who has been a Director during the year and to the date of this report are:

Ms Alexandra Randall-L'Estrange
Chairperson

Ms Rebecca Edwards
Deputy Chairperson

Mr Jon Anstey
Treasurer

Ms Margaret Bainbridge

Dr Ian Patrick (Appointed 23 August 2019)

Ms Sharon Fraser (appointed 30 January 2020)

Mr Glenn Brown (Resigned 23 July 2019)

Mr Simon Fitzgerald (Resigned 30 November 2019)

Ms Veronica Budnikas (Resigned 31 December 2019) Ms Natalie McCarthy (Resigned 31 December 2019)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year.

Dianne Couch

Qualifications: Bachelor of Science in Speech Pathology, Post graduate qualifications in Community Counselling and Organisational Change.

Experience: Dianne is an experienced executive in the Community Health sector. Her previous experience has included leadership within the primary care partnership strategy and leadership within Australian hospital systems

Principal Activities

The principal activity of the company during the course of the financial year was the provision of health and wellbeing services to residents of Mt Alexander Shire. The primary target group for these services are people experiencing disadvantage. The focus of these services is to address the barriers to accessing health and wellbeing services for people in the rural context.

The Board of Directors have developed Key Performance Indicators for the purpose of monitoring progress against long and short term objectives of the organisation. As part of the annual review the Board received reports that indicated that all Key Performance Indicators had been met to the standard required.

Significant Changes

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including CDCH.

Castlemaine District Community Health Limited

Directors' Report

Significant Changes (continued)

In response, CDCH introduced telehealth services for medical appointments and Allied Health services where possible; with limited face to face services remaining open for emergency and essential services throughout the period of restrictions. CDCH has purchased additional protective personal equipment, performed COVID-19 testing on behalf of government and purchased additional hardware to implement work from home arrangements. In addition to working from home, staff have been redeployed where able, to assist with COVID-19 testing and provide front entrance screening to limit the risk of COVID-19 entering our sites.

No further significant changes in the company's state of affairs occurred during the financial year.

New Accounting Standards Implemented

The company has implemented three new Accounting Standards which have come into effect and are included in the results. AASB 15: *Revenue from Contracts with Customers*, AASB 16: *Leases* and AASB 1058: *Income of Not-for-profit Entities* were applicable from 1 July 2019.

AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-profit Entities* have been applied using the modified retrospective method; that is, by recognising the cumulative effect of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019.

Therefore, the comparative information has not been restated and continues to be reported under AASB 118: *Revenue* and AASB 1004: *Contributions*.

The adoption of AASB 16: *Leases* did not have a material impact on the company.

Operating Result

The deficit of the company for the financial year was:

Year ended 30 June 2020	Year ended 30 June 2019
\$ (103,667)	\$ (100,061)

Non recurring items that impacted on the operating result for the year ended 30 June 2020 included the adjustment of \$80,000 of DHHS project funding from revenue to retained earnings due to the adoption of AASB 15 (refer Note 1(a) for further information on this change in accounting standard) with the corresponding expenditure remaining in the current year's results. Additionally, the organisation also experienced a cyber attack which gave rise to an insurance claim to cover the cost of implementing new infrastructure and software, as well as re-establishing organisational documents and templates. The net impact on the operating result for the year ended 30 June 2020 was \$38,554, with the insurance proceeds and some additional costs being recognised during the following financial year ended 30 June 2021.

Castlemaine District Community Health Limited

Directors' Report

After Balance Date Events

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by CDCH at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on CDCH, its operations, its future results and financial position. The state of emergency in Victoria was extended on 11 October 2020 until 8 November 2020 and the state of disaster is still in place.

The board of CDCH and Castlemaine Health announced on 28 September 2020, they are developing a plan for the integration of community services to ensure the continued provision of accessible and responsive community health services for local communities to ensure the future sustainability of the services. From 28 September 2020 to 6 November 2020 community and staff consultation will take place, with a number of community focus groups being held throughout this time. This process will help inform decision making ensuring the integration of community services enhances access to community health services across the Mount Alexander Shire.

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

Environmental Issues

The Company is not subject to any significant environmental regulation.

Directors' Benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest except as disclosed in Note 17 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Indemnification and Insurance of Directors and Officers

The company has indemnified all Directors and the Chief Executive Officer in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as Directors or Chief Executive Officer of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

Castlemaine District Community Health Limited

Directors' Report

Information on Directors

Ms Alexandra Randall-L'Estrange

Qualifications:	Bachelor of Environmental Engineering (Hons), MBA (Social Impact), Graduate of the Australian Institute of Company Directors (GAICD)
Experience:	Project and Operations Manager of Research Path since 2013, providing software and health data management solutions for public-good clinical research (trials and registries) that aim to improve patient outcomes and cost effectiveness of care. Prior to Research Path, Lexi worked across environmental and social impact, social enterprise, engineering, and international development. She has over four years' experience as a Board Director having previously retired from the Board of Engineers Without Borders Australia, where she was the Chair of the Strategy and Governance Committee. Lexi has broad skills in governance, business and project management, stakeholder and community engagement, and social innovation. She is involved in local projects centred around strengthening democracy, localisation, and economic development.
Special Responsibilities:	Chair

Ms Rebecca Edwards

Qualifications:	Bachelor of Arts (Linguistics) , Bachelor of Laws (Honours), Master of Laws, Graduate of the Australian Institute of Company Directors, current PhD Candidate.
Experience:	A lawyer with a passion for social justice, Rebecca has over 10 years' experience in practice in rural and regional Australia and is currently Principal Lawyer at Seniors' Rights Victoria. She has also sought to impart a passion for empowering the disadvantaged and vulnerable to the next generation of lawyers over the last 10 years as a lecturer at LaTrobe University. Her significant governance experience was recognised in 2017 with an appointment to the Victorian Fisheries Authority as a Director. Rebecca was brought up and educated in Castlemaine, and now runs a small-scale ethical farm with her family in Harcourt.
Special Responsibilities:	Deputy chair

Mr Jon Anstey

Qualifications:	Masters of Law, Masters of Social Sciences in International Relations, Graduate Diploma, Applied Finance and Investment, Graduate Diploma, Law, Bachelor of Law, Bachelor of Arts.
Experience:	Jon is a systems thinker, thought leader, connector, entrepreneur, speaker and panellist. He loves creating value in complex systems, by bringing creativity and agility to governance. Jon is a Graduate of the Australian Institute of Company Directors, with 20+ years governance experience in environment, resources, health, digital, art and sport. Professionally, he has 20+ years global experience in law, finance, strategy, innovation and culture in 20+ countries, in the government, corporate, professional, international, for-purpose and academic sectors. Since 2010, Jon has worked on national, state and regional water and energy issues in the Victorian State Government. From 2000, he worked with the United Nations in Geneva on natural resource aspects of conflict, disaster and development, then with Shell in The Hague on global sustainability partnerships with NGOs. From 1995, Jon advised on energy, resource and banking/finance matters, as a solicitor at Clayton Utz. He holds two masters degrees and two graduate diplomas, in finance, investment, law and international relations, including from Seoul National University.
Special Responsibilities:	Treasurer

Castlemaine District Community Health Limited

Directors' Report

Information on Directors (continued)

Margaret Bainbridge

Qualifications:	Bachelor of Arts, Graduate Diploma in Educational Administration and Special Education, Graduate Diploma of Special Education, Diploma of Education
Experience:	Fifteen years' experience working as a Senior Executive for the Department of Education and Training. Margaret works with schools and their leaders assisting them to take the most effective evidence based approaches to improvement and has recently worked with schools in the Mt Alexander Shire with Castlemaine Community Connect. She currently works as a consultant offering coaching to senior executives and has qualifications in corporate investigations. She was a member of the Board of West Ed and advises School Councils and Boards on governance, strategy and finance. Margaret enjoys living in both Castlemaine and Melbourne.
Special Responsibilities:	Member of Risk & Clinical Governance Committee

Dr Ian Patrick (appointed 23 August 2019)

Qualifications:	Bachelor of Education, Master of Public Health (Hons.), PhD
Experience:	Ian is a self-employed consultant with more than 20 years' experience in the evaluation, design and management of initiatives in areas such a health, education, governance, community development, human rights and Indigenous issues. He works in both Australia and within the Asia-Pacific region. Ian's previous experience includes work as the Evaluation focal point at the International NGO Training and Research Centre in the UK, and teaching and training roles across a range of contexts. Ian is an Honorary Senior Fellow in the School of Social and Political Sciences, University of Melbourne where he contributes to the teaching of subjects related to evaluation for international development programs. He regularly conducts training on behalf of the Australasian Evaluation Society.
Special Responsibilities:	Member of the Risk and Clinical Governance Committee

Ms Sharon Fraser (appointed 30 January 2020)

Qualifications:	Bachelor of Applied Science (Speech Pathology), Masters Business (Management), Graduate Australian Institute of Company Directors, Fellow of Salzburg Global Seminar
Experience:	For more than 30 years Sharon has been supporting people to work together to achieve progress in health and complex social areas through collaboration. Sharon's experience, on the ground in health, community health, local government and consulting has had an international, national, state and local community focus. The connecting theme for this work is a drive for equity, to build shared understanding and ways forward in complexity including people with diverse options and world views. Sharon has supported collaborations across government, service sector, business, researchers and community. This has been possible through her roles in executive positions, as a senior associate, as a core team member for two national social change intermediaries, and leadership roles on the Castlemaine Health Board including roles as Vice Chair and Chair. Sharon's current focus is on supporting collaborations for system change. This grew out of years working in programmatic responses to needs and finding that although individuals did benefit there were always more coming through the door. The story of inequity and disadvantage continued. In exploring what could be done about this Sharon has found collective impact and systems change as approaches showing promise in changing the lives of those who are not receiving the benefits that our safe, wealthy society offers in Australia.
Special Responsibilities:	Executive/Member of the Audit Committee

Castlemaine District Community Health Limited

Directors' Report

Information on Directors (continued)

Mr Glenn Brown (resigned 23 July 2019)

Qualifications:	Master of Business, Graduate Diploma of Management, Graduate Certificate of Applied Management (Police Studies), Diploma Engineering (Mining), Graduate of the Australian Institute of Company Directors, Member of the Australasian Institute of Mining & Metallurgy, Member of the Institution of Fire Engineers.
Experience:	Glenn left the MFB to start a consultancy business in emergency management, risk and recovery. His emergency management career spanned over 33 years at the MFB, operating at the Senior Operational level for over 18 of those years. He had over ten years' experience on the Victorian, then Australian Boards of the Institution of Fire Engineers and was instrumental in the move from a colonial system of governance to a modern Australian framework of governance. Glenn lives locally with his family. He completed 10 years as the CFA Captain at the Redesdale Brigade, now a Deputy Group Officer for the Eppalock Group and is a past President of the Redesdale Primary School.

Mr Simon Fitzgerald (resigned 30 November 2019)

Qualifications:	Diploma in Management Practices, Diploma in Training & Assessment.
Experience:	Simon spent nine years as the Chief Executive Officer of a not-for-profit organisation and has been a Director on two Boards. He has had extensive senior management experience in Marketing, Human Resources, Industrial Relations and training and has also undertaken Directors and Officers Liability training presented by the AIM. He is now semi-retired and lives in Taradale. Simon has a keen interest in music and theatre, gardening, and home renovation projects.

Ms Veronica Budnikas (resigned 31 December 2019)

Qualifications:	Bachelor's Degree – Legal Translation, Masters Online Education, Certificate IV in Training and Assessment.
Experience:	Veronica is a digital learning professional with over 20 years' experience. She runs her own digital learning consultancy, working with clients from the corporate, not-for-profit and education sectors. Veronica lives locally with her family. She is the Harcourt Valley Primary School Council president and regularly contributes to multiple community projects.

Ms Natalie McCarthy (resigned 31 December 2019)

Qualifications:	Bachelor of Environmental Engineering
Experience:	Natalie is an engineer who started her career leading resource recovery projects within the minerals industry. After many years in this field, she moved into managing production process and leading organisation transformations using her qualifications in Lean Production and as a Six Sigma Black Belt. She has extensive International Management experience and worked for three years as Rio Tinto Aluminium Lean Deployment Manager for Europe, the Middle East and Africa. Natalie moved to Central Victoria eight years ago and now splits her time between three passions; raising her three young children, running a sheep farm with her husband and using her business skills to drive local community projects. Natalie is a Director for the Loddon Mallee Waste Resource and Recovery Board, a school council member at Harcourt Valley Primary School and is on the Parent Advisory Group for the Harcourt Preschool. Natalie is an Alumni of the London Business School.

Castlemaine District Community Health Limited Directors' Report

Meeting of Directors

During the financial year, 11 meetings of Directors were held. Attendances by each Director were as follows:

	Directors' Meetings	
	Eligible	Attended
Alexandra Randall-L'Estrange	11	9
Rebecca Edwards	11	11
Jon Anstey	11	8
Margaret Bainbridge	11	10
Dr Ian Patrick (Appointed 23 August 2019)	10	10
Sharon Fraser (Appointed 30 January 2020)	6	6
Glenn Brown (Resigned 23 July 2019)	-	-
Simon Fitzgerald (Resigned 30 November 2019)	4	4
Veronica Budnikas (Resigned 31 December 2019)	5	3
Natalie McCarthy (Resigned 31 December 2019)	5	3

Members' Guarantee

The Entity 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 \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2020 the number of members was 129 (2019: 87).

Auditors' Independence Declaration

The Lead Auditor's Independence Declaration for the year ended 30 June 2020 has been received and can be found on page eight of the financial reports.

The Directors' Report is signed in accordance with a resolution of the Board of Directors.



Ms Alexandra Randall-L'Estrange, Chairperson



Ms Rebecca Edwards, Deputy Chair

Dated this 29th day of October 2020

Lead auditor's independence declaration under *section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012* to the directors of Castlemaine District Community Health Limited

As lead auditor for the audit of Castlemaine District Community Health Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated this 29th day of October 2020



Brad Ead
Lead Auditor

Castlemaine District Community Health Limited

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Notes	2020 \$	2019 \$
Revenue	2	2,458,134	2,395,266
Other income	2	156,894	158,242
Employee benefits expense		(2,072,375)	(2,079,016)
Program expenses		(124,079)	(174,322)
Occupancy expenses		(144,841)	(146,874)
Depreciation and amortisation expenses	3	(32,159)	(21,202)
Technology expenses		(126,042)	(97,439)
Motor vehicle expenses		(27,493)	(25,298)
Administration expenses		(121,253)	(105,328)
Consultancy expenses		(70,453)	(4,090)
Deficit before income tax credit		(103,667)	(100,061)
Income tax credit	1(d)	-	-
Deficit after income tax credit		(103,667)	(100,061)
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		(103,667)	(100,061)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Castlemaine District Community Health Limited

Statement of Financial Position

As at 30 June 2020

	Notes	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	4	637,441	374,128
Trade and other receivables	5	7,311	16,611
Investments	6	492,769	764,420
Other assets	7	41,124	34,098
Total current assets		1,178,645	1,189,257
Non-current assets			
Property, plant and equipment	8	109,307	137,607
Total non-current assets		109,307	137,607
Total assets		1,287,952	1,326,864
Current liabilities			
Trade and other payables	9	137,994	224,068
Grants in advance	10	64,055	114,609
Employee benefits	11	410,739	347,329
Total current liabilities		612,788	686,006
Non-current liabilities			
Employee benefits	11	225,980	168,007
Total non-current liabilities		225,980	168,007
Total liabilities		838,768	854,013
Net assets		449,184	472,851
Equity			
Retained surplus		449,184	472,851
Total equity		449,184	472,851

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

Castlemaine District Community Health Limited

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Note	Retained Surplus \$	Total \$
Balance at 1 July 2018		572,912	572,912
Comprehensive income			
Deficit for the year		(100,061)	(100,061)
Total other comprehensive income for the year		-	-
Balance at 30 June 2019		472,851	472,851
Balance at 1 July 2019		472,851	472,851
Impact of adopting AASB 15	Note 1(a)	80,000	80,000
Balance at 1 July 2019 (restated)		552,851	552,851
Comprehensive income			
Deficit for the year		(103,667)	(103,667)
Total other comprehensive income for the year		-	-
Balance at 30 June 2020		449,184	449,184

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Castlemaine District Community Health Limited

Statement of Cash Flows

For the Year Ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers and government grants		2,789,935	2,756,975
Payments to suppliers and employees		(2,813,266)	(2,501,220)
Interest received		18,852	22,779
Net cash provided by / (used in) operating activities	13	(4,479)	278,534
Cash flows from investing activities			
Payments for property, plant and equipment		(3,922)	(99,161)
Proceeds from investments		287,769	-
Payments for investments		(16,055)	(404,682)
Net cash provided by / (used in) investing activities		267,792	(503,843)
Net increase / (decrease) in cash held		263,313	(225,309)
Cash and cash equivalents at the beginning of the financial year		374,128	599,437
Cash and cash equivalents at the end of the financial year	4	637,441	374,128

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

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

The financial statements cover Castlemaine District Community Health Limited as an individual entity, incorporated and domiciled in Australia. Castlemaine District Community Health Limited is a Company limited by guarantee.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not for Profits Commission Act 2012*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 29 October 2020 by the Directors of the Company.

Impact of global COVID-19 pandemic

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including CDCH.

In response, CDCH introduced telehealth services for medical appointments and Allied Health services where possible; with limited face to face services remaining open for emergency and essential services throughout the period of restrictions. CDCH has purchased additional protective personal equipment, performed COVID-19 testing on behalf of government and purchased additional hardware to implement work from home arrangements. In addition to working from home, staff have been redeployed where able to assist with COVID-19 testing and provide front entrance screening to limit the risk of COVID-19 entering our sites.

For further details refer to Note 16 Events After the Reporting Date.

(a) New and amended accounting policies adopted during the reporting period

The company has implemented three new Accounting Standards which have come into effect and are included in the results. AASB 15: *Revenue from Contracts with Customers*, AASB 16: *Leases* and AASB 1058: *Income of Not-for-profit Entities* were applicable from 1 July 2019.

Initial application of AASB 16: *Leases*

The adoption of AASB 16: *Leases* did not have a material impact on the company.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(a) New and amended accounting policies adopted during the reporting period (continued)

Initial application of AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-profit Entities*

AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-profit Entities* have been applied using the modified retrospective method; that is, by recognising the cumulative effect of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118: *Revenue* and AASB 1004: *Contributions*.

The company has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application. The adjustment to opening retained surplus on 1 July 2019 was an increase of \$80,000 with a corresponding decrease in the contract liabilities. This adjustment was required as the contract did not contain sufficiently specific performance obligations.

Practical expedients applied

The company has elected to apply AASB 15 only to contracts that are not complete contracts at the date of initial application, being 1 July 2019. Not complete contracts are those:

- where all goods/services have not been transferred; or
- where revenue has not previously all been recognised.

Impact of adoption at 1 July 2019

	Presented on 30 June 2019	Application impact	Recorded as at 1 July 2019
Statement of financial position	\$	\$	\$
Liabilities			
<i>CURRENT</i>			
Current liabilities - other liabilities	<u>114,609</u>	<u>(80,000)</u>	<u>34,609</u>
Equity			
Retained surplus	<u>472,851</u>	<u>80,000</u>	<u>552,851</u>

Impact of adoption for the year ended 30 June 2020

	Presented under previous Accounting Standards	Application impact	Presented under current Accounting Standards
Statement of Profit or Loss and Other Comprehensive Income	\$	\$	\$
Revenue	<u>2,538,134</u>	<u>(80,000)</u>	<u>2,458,134</u>
Deficit after income tax expense	<u>(23,667)</u>	<u>(80,000)</u>	<u>(103,667)</u>

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(b) Revenue

The company adopted AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-profit Entities* which came into effect from 1 July 2019. AASB 15 and AASB 1058 have been applied using the modified retrospective method; that is, by recognising the cumulative effect of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019.

Government grants

When the company receives revenue it assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the company:

- identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time of which services are rendered

When the contract is not enforceable or does not have sufficiently specific performance obligations, the company:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amount (being contributions by owners, lease liability, financial instrument, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the different between the initial carrying amount of the asset and the related amount

The types of government grants recognised under AASB 15: *Revenue from Contracts with Customers* includes:

- Department of Health and Human Services Community Health
- Department of Health and Human Services Individual, Child and Family Support
- Department of Health and Human Services Transition Support

The performance obligations for each of these government grants are:

- Community Health This program funds a comprehensive range of services. CDCH are required to deliver a set number of hours of service delivery. Revenue is recognised over time, as and when the services are provided.
- Individual, Child and Family Support This program funds a comprehensive range of family services. CDCH are required to deliver a set number of hours of service delivery. Revenue is recognised over time, as and when the services are provided.
- Transition Support This program funds a comprehensive range of homelessness accommodation and support services. CDCH are required to deliver a set number of support periods. Revenue is recognised over time, as and when the services are provided.

For other grants with performance obligations, CDCH exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

Interest income

Interest income is recognised using the effective interest method.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(b) Revenue (continued)

Donations

Donations are recognised when the payment is received.

Contributed assets

The company may receive assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the company recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The company recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amounts.

All revenue is stated net of the amount of goods and services tax.

In the comparative reporting period

Non-reciprocal grant revenue is recognised in profit or loss when the Entity obtains control of the grant and 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.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests were recognised as revenue when received.

Interest revenue was recognised using the effective interest rate method, which, for floating rate financial assets was the rate inherent in the instrument.

Client income is recognised upon the delivery of the service to the customers.

Revenue from the rendering of a service is recognised upon delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Expenses

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee benefits expense

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments)
- On-costs
- WorkCover premium.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(c) Expenses (continued)

Program expenses

Program expenses are incurred in the direct provision of client services.

Technology expenses

Technology expenses include IT support, software and hardware.

Other operating expenses

Other operating expenses include:

- Occupancy expenses
- Motor vehicles
- Administration expenses.

(d) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the ~~Income Tax Act 1997~~.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(f) Trade and Other Receivables

Trade and other receivables includes amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(g) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates are consistent with the prior year. For each class of depreciable assets, the depreciation rates are:

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	15%
Plant and Equipment	20-25%
Leased Assets	25%
Building Improvements	2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(h) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and Subsequent Measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

CDCH recognises trade and other payables in this category.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Financial assets

Financial assets are measured at amortised costs if both of the following criteria are met and the net assets are not designated at fair value through profit or loss.

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

These assets are initially recognised at fair value plus any other directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment.

CDCH recognises cash and cash equivalents, trade and other receivables and investments in this category.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the Statement of Financial Position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Recognition of expected credit losses in financial statements

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The company uses the simplified approach, as applicable under AASB 9. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. The approach is applicable to trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.).

At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in the Statement of Profit or Loss and Other Comprehensive Income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(i) Impairment of Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows - that is, they are specialised assets held for continuing use of their service capacity - the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(j) Employee Benefits

Short term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including salaries, wages, ADOs, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The entity's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the Statement of Financial Position.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(j) Employee Benefits (continued)

Long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its Statement of Financial Position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) 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 Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash flows are presented in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(n) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

(o) Critical Accounting Estimates and Judgements

The Director's evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

Impairment of assets

The company assesses impairment at each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amount of the relevant assets are reassessed using the value-in-use calculation which incorporates various key assumptions.

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

Identifying performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

Determination and timing of revenue recognition under AASB 15

For each revenue stream, the company applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation.

Annual leave

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(o) Critical Accounting Estimates and Judgements (continued)

Long service leave calculation

The company assesses the long service leave liability in accordance with the requirements of AASB 119: *Employee Benefits* and applies probability factors reducing the balance of the liability on employees' balances that have not reached their vesting period i.e. not entitled to be paid out as at 30 June 2020. The probability factors are increased as the respective employees' years of service increase and are provided for at 100% probability at vesting period (in accordance with employment conditions). The probability rates have been determined based historical employee attrition data.

(p) Economic Dependence

Castlemaine District Community Health Limited is dependent upon the State of Victoria, via the Department of Health & Human Services, for the funding of a significant proportion of its operations. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support Castlemaine District Community Health Limited.

(q) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value either on a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standards.

"Fair value" is the price the Company would sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of an observable market.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset and minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Entity's own equity instrument (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(r) Insurance

The Department of Health and Human Services (DHHS) advised Castlemaine District Community Health Limited that the total amount of insurance premiums paid by DHHS on its behalf to VMIA was \$1,798 for the 2020 financial year (2019: \$1,799).

(s) New Standards Applicable to Future Periods

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to CDCH and their potential impact on CDCH when adopted in future periods is discussed below:

- AASB 1060: *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities* and associated amending Standards (applicable for annual reporting periods commencing on or after 1 January 2021). Early adoption is permitted.

When effective, this Standard, which is a stand alone disclosure standard, will replace the current Reduced Disclosure Requirements (RDR) Framework. Adoption is expected to result in more simplified disclosures compared to the current RDR Framework.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatory to the company in future periods.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 2.	Revenue and Other Income	Note	2020 \$	2019 \$
	Revenue from contracts with customers	2(a)	2,458,134	-
	Funding and program revenue	2(b)	-	2,395,266
	Other sources of revenue	2(c)	156,894	158,242
	Total Revenue and Other Income		2,615,028	2,553,508
(a) Disaggregated revenue				
	The Company has disaggregated revenue by the nature of revenue and timing of revenue recognition.			
	Categories of disaggregation			
	State and Commonwealth government funding		2,236,517	-
	Program revenue		221,617	-
	Total disaggregated revenue from contracts with customers under AASB 15		2,458,134	-
	Timing of revenue recognition			
	Services transferred to customers:			
	- at a point in time		221,617	-
	- over time		2,236,517	-
			2,458,134	-
(b) Funding and program revenue				
	Operating grants		-	2,220,838
	Program income		-	174,428
	Total funding and program revenue		-	2,395,266
(c) Other sources of revenue				
	Other income		116,754	108,805
	Rental income		21,650	26,658
	Interest received		18,852	22,779
	Gain/(Loss) from sale of property, plant and equipment		(362)	-
	Total other sources of revenue		156,894	158,242

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

		2020	2019
		\$	\$
Note 3. Depreciation and amortisation expenses	Notes		
Motor vehicle		12,018	8,995
Furniture and fittings		17,815	9,505
Leasehold improvements		2,326	2,702
Total depreciation and amortisation expenses		32,159	21,202
Note 4. Cash and Cash Equivalents			
Cash on hand		590	660
Cash at bank		349,082	373,468
Term deposits		287,769	-
Total cash and cash equivalents	14	637,441	374,128
Note 5. Trade and Other Receivables			
Trade receivables		7,311	16,611
Total trade and other receivables	14	7,311	16,611

(a) Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or entity of counterparties other than those receivables specifically provided for and mentioned within this note. The main source of credit risk to the company is considered to relate to the class of assets described as trade and other receivables.

The company always measures the loss allowance for accounts receivables at an amount equal to lifetime expected credit loss. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

The company writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings) or when the trade receivables are over two years past due, whichever occurs earlier. None of the accounts receivable that have been written off are subject to enforcement activities.

		2020	2019
		\$	\$
Note 6. Investments	Notes		
Term deposits		492,769	764,420
Total investments	14	492,769	764,420

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 7. Other Assets	Notes	2020 \$	2019 \$
Prepayments		38,762	26,996
Accrued income		2,362	7,102
Total other assets		41,124	34,098
<i>(i) Financial assets classified as other assets (note 14)</i>			
Total other assets		41,124	34,098
Prepayments		(38,762)	(26,996)
Total financial assets classified as other assets	14	2,362	7,102
Note 8. Property, Plant and Equipment			
Furniture and fittings			
At cost		334,298	330,075
Less accumulated depreciation		(264,314)	(246,198)
		69,984	83,877
Motor vehicles			
At cost		131,447	158,117
Less accumulated depreciation		(96,295)	(110,884)
		35,152	47,233
Leasehold improvements			
At cost		195,083	195,083
Less accumulated depreciation		(190,912)	(188,586)
		4,171	6,497
Total property, plant and equipment		109,307	137,607

Movements in carrying amounts:

	Furniture and fittings	Motor vehicles	Leasehold improvements	Total
	\$	\$	\$	\$
Balance at 1 July 2018	27,914	26,306	5,428	59,648
Additions	65,468	29,922	3,771	99,161
Disposals	-	-	-	-
Depreciation expense	(9,505)	(8,995)	(2,702)	(21,202)
Balance at 1 July 2019	83,877	47,233	6,497	137,607
Additions	3,922	-	-	3,922
Disposals	-	(63)	-	(63)
Depreciation expense	(17,815)	(12,018)	(2,326)	(32,159)
Balance at 30 June 2020	69,984	35,152	4,171	109,307

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

			2020	2019
Note 9. Trade and Other Payables	Notes		\$	\$
<i>Current</i>				
Creditors			54,249	133,341
Net GST payable			31,494	46,112
Accrued expenses			40,173	27,498
Other payables			12,078	17,117
Total trade and other payables			<u>137,994</u>	<u>224,068</u>
<i>(i) Financial liabilities classified as trade and other payables (note 14)</i>				
Total trade and other payables			137,994	224,068
Net GST payable			(31,494)	(46,112)
Total financial liabilities classified as trade and other payables	14		<u>106,500</u>	<u>177,956</u>
<hr/>				
Note 10. Other Liabilities				
<hr/>				
Monies held in trust			21,655	-
Contract liabilities			42,400	-
Grants in advance			-	114,609
			<u>64,055</u>	<u>114,609</u>
<hr/>				
Note 11. Employee Benefits				
<hr/>				
<i>Current</i>				
Provision for annual leave			172,562	127,509
Provision for long service leave			238,177	219,820
			<u>410,739</u>	<u>347,329</u>
<i>Non-Current</i>				
Provision for long service leave			<u>225,980</u>	<u>168,007</u>
Total employee benefits			<u>636,719</u>	<u>515,336</u>

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(j).

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
Note 12. Capital and Leasing Commitments		
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
– no later than 12 months	-	6,130
– between 12 months and 5 years	-	-
– greater than 5 years	-	-
	-	6,130
(b) Low value lease commitments		
The company's lease commitments which relate to lease arrangements which meet the short-term lease exemption criteria of AASB 16 include:		
Payable - minimum lease payments		
– no later than 12 months	4,413	-
– between 12 months and 5 years	-	-
– greater than 5 years	-	-
	4,413	-
(c) Capital commitments		
No capital expenditure commitments existed at year end.		
Note 13. Cashflow Information		
Reconciliation of deficit to net cash provided by operating activities		
Deficit	(103,667)	(100,061)
Non cash items:		
– depreciation	32,159	21,202
– impact of adopting AASB 15	80,000	-
Changes in assets and liabilities:		
– Decrease in trade and other receivables	9,300	12,777
– (Increase)/decrease in prepayments	(7,026)	347
– Increase/(decrease) in trade and other payables	(136,628)	213,122
– Increase/(decrease) in provisions	121,383	131,147
Net cashflows provided by/(used in) operating activities	(4,479)	278,534

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 14. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments and accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020	2019
Financial assets		\$	\$
Cash and cash equivalents	4	637,441	374,128
Loans and receivables	5	7,311	16,611
Term deposits	6	492,769	764,420
Other assets	7(i)	2,362	7,102
Total financial assets		1,139,883	1,162,261
Financial liabilities			
Trade and other payables	9(i)	106,500	177,956
Total financial liabilities		106,500	177,956

Note 15. Contingent Liabilities and Contingent Assets

The Company's Directors are not aware of any contingent liabilities or assets as at the date of signing this financial report.

Note 16. Events after the Reporting Period

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by CDCH at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on CDCH, its operations, its future results and financial position. The state of emergency in Victoria was extended on 11 October 2020 until 8 November 2020 and the state of disaster is still in place.

The board of CDCH and Castlemaine Health announced on 28 September 2020, they are developing a plan for the integration of community services to ensure the continued provision of accessible and responsive community health services for local communities to ensure the future sustainability of the services. From 28 September 2020 to 6 November 2020 community and staff consultation will take place, with a number of community focus groups being held throughout this time. This process will help inform decision making ensuring the integration of community services enhances access to community health services across the Mount Alexander Shire.

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

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 17. Key Management Personnel and Related Party Disclosures

Key Management Personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of CDCH, directly or indirectly.

The KMP of CDCH are deemed to be the:

- Board of Directors
- Chief Executive Officer

The totals of remuneration paid to the key management personnel (including the Board of Directors) of CDCH during the year as follows:

	2020	2019
	\$	\$
Salary and fees	183,244	173,519
Superannuation	17,408	16,484
Non cash benefits	-	-
Total remuneration of KMP:	200,652	190,003

Outside of normal citizen type transactions with the company, there was no related party transactions that involve key management personnel, their close family members and their personnel business interests.

	2020	2019
	\$	\$
Note 18. Auditor's Remuneration		
Remuneration of the Auditors, Andrew Frewin Stewart for:		
- auditing or reviewing the financial report	12,650	9,450
- preparation of the financial statements	1,975	1,260
Total auditor's remuneration	14,625	10,710

Note 19. Registered Office/Principal Place of Business

The registered office of the company is:
13 Mostyn Street
CASTLEMAINE VICTORIA 3450

The principal place of business is:
13 Mostyn Street
CASTLEMAINE VICTORIA 3450

Castlemaine District Community Health Limited Directors' Declaration

In accordance with a resolution of the Directors of Castlemaine District Community Health Limited, the Directors of the Entity declare that:

- 1 The financial statements and notes, as set out on pages 9 to 31, are in accordance with 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 the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date.
- 2 In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2013*.



Ms Alexandra Randall-L'Estrange, Chairperson



Ms Rebecca Edwards, Deputy Chair

Dated this 29th day of October 2020

Independent auditor's report to the members of Castlemaine District Community Health Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial report of Castlemaine District Community Health Limited, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date and
- ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 2013*.

What we have audited

Castlemaine District Community Health Limited's (the company) financial report comprises the:

- ✓ Statement of financial position as at 30 June 2020
- ✓ Statement of profit or loss and other comprehensive income for the year then ended
- ✓ Statement of changes in equity for the year then ended
- ✓ Statement of cash flows for the year then ended
- ✓ Notes comprising a summary of significant accounting policies and other explanatory notes
- ✓ The directors' declaration of the entity.

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

Other information

The company may prepare an annual report that may include the financial statements, director's report and declaration and our audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairperson's report and reports covering governance and other matters.

The directors are responsible for the other information. An annual report has not been made available to us as of the date of this auditor's report.

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

Our responsibility is to read the other information identified above when it becomes available 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 we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 29th day of October 2020



Brad Ead
Lead Auditor

Independent Auditor's Report

To the Directors of Castlemaine District Community Health Limited

Opinion

I have audited the financial report of Castlemaine District Community Health Limited (the company) which comprises the:

- statement of financial position as at 30 June 2020
- statement of profit or loss and other comprehensive income for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- notes to the financial statements, including significant accounting policies
- directors' declaration.

In my opinion the financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the financial position of the company as at 30 June 2020 and of its financial performance and its cash flows for the year then ended
 - complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.
-

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Directors' responsibilities for the financial report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 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 company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
17 November 2020

Travis Derricott
as delegate for the Auditor-General of Victoria