
Castlemaine District Community Health Limited

ABN: 43 136 516 991

Financial Report

For the Year Ended 30 June 2021

Castlemaine District Community Health Limited

30 June 2021

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Castlemaine District Community Health Limited Directors' Report

Your directors present their report of the Castlemaine District Community Health Limited for the year ended 30 June 2021.

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

Ms Sharon Fraser

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

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, Castlemaine District Community Health Limited was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Castlemaine District Community Health Limited operates.

Castlemaine District Community Health Limited Directors' Report

Significant Changes (continued)

Castlemaine District Community Health Limited introduced a range of measures in both the prior and current year, including:

- greater utilisation of telehealth services
- performing COVID-19 testing
- implementing work from home arrangements where appropriate.

As restrictions eased towards the end of the financial year Castlemaine District Community Health Limited were able to revise some measures where appropriate. Subsequent to year end however, the Victorian Government issued further lockdown restrictions for regional Victoria commencing 21 August, with lockdown restrictions lifting in some local government areas from 10 September 2021. During this period of time Castlemaine District Community Health Limited have reintroduced such measures.

The boards of Castlemaine District Community Health Limited and Castlemaine Health announced on 28 September 2020, they were developing a plan for the integration of community services to ensure the continued provision of accessible and responsive community health services for local communities. From 28 September 2020 to 6 November 2020 community and staff consultation took place, with a number of community focus groups being held throughout this time. The amalgamation, which was approved by the Minister for Health, is effective from 1 October 2021. At the date of amalgamation the services, staff, assets, liabilities or other obligations of Castlemaine District Community Health transfer to Castlemaine Health. Castlemaine District Community Health Limited will take all necessary steps post the date of amalgamation to voluntarily deregister the company.

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

Operating Result

The surplus/(deficit) of the company for the financial year was:

Year ended 30 June 2021	Year ended 30 June 2020
\$ 289,282	\$ (103,667)

Non recurring items that impacted 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. 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 \$138,318 in insurance proceeds and some additional costs being recognised during the year ended 30 June 2021.

Castlemaine District Community Health Limited Directors' Report

Events After the Reporting Date

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 Castlemaine District Community Health Limited at the reporting date. 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 Castlemaine District Community Health Limited, its operations, its future results and financial position. The Victorian Government issued lockdown restrictions for regional Victoria commencing 21 August, with lockdown restrictions lifting in some local government areas from 10 September 2021. The state of emergency in Victoria was extended on 18 November 2021 until 15 December 2021.

The board of Castlemaine District Community Health Limited and Castlemaine Health announced on 28 September 2020, they were developing a plan for the integration of community services to ensure the continued provision of accessible and responsive community health services for local communities. From 28 September 2020 to 6 November 2020 community and staff consultation took place, with a number of community focus groups being held throughout this time. Prior to year end the board chairs of Castlemaine District Community Health Limited and Castlemaine Health sought approval from the Minister of Health for this amalgamation and approval was received subsequent to year end. The amalgamation of Castlemaine District Community Health Limited with Castlemaine Health will occur on 1 October 2021.

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 Castlemaine District Community Health Limited, 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 18 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 Company

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

Dr Ian Patrick

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.

Ms Sharon Fraser

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.

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		
	Board of Directors	
	<i>Eligible</i>	<i>Attended</i>
Alexandra Randall-L'Estrange	11	11
Rebecca Edwards	11	11
Jon Anstey	11	7
Margaret Bainbridge	11	9
Dr Ian Patrick	11	11
Sharon Fraser	11	8

The company's constitution requires attendance at 6 meetings as well as the Annual General Meeting (7 meetings). During 2020-2021 as a result of the planned integration with Castlemaine Health, 4 additional meetings were held.

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 \$1 each towards meeting any outstanding obligations of the company. At 30 June 2021 the number of members was 127 (2020: 129).

Auditors' Independence Declaration

The lead auditor's Independence Declaration for the year ended 30 June 2021 has been received and can be found on page seven 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 7th day of December 2021

Auditor-General's Independence Declaration

To the Board of Directors, Castlemaine District Community Health Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Castlemaine District Community Health Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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



MELBOURNE
13 December 2021

Travis Derricott
as delegate for the Auditor-General of Victoria

Castlemaine District Community Health Limited

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue	2	2,819,960	2,458,134
Income	2	465,814	156,894
Employee benefits expense		(2,277,224)	(2,072,375)
Program expenses		(98,637)	(124,079)
Occupancy expenses		(277,970)	(144,841)
Depreciation and amortisation expenses	3	(23,314)	(32,159)
Technology expenses		(117,205)	(126,042)
Motor vehicle expenses		(28,073)	(27,493)
Administration expenses		(167,319)	(121,253)
Consultancy expenses		(6,750)	(70,453)
Surplus / (deficit) after income tax credit		289,282	(103,667)
Income tax credit	1(d)	-	-
Surplus / (deficit) after income tax credit		289,282	(103,667)
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		289,282	(103,667)

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 2021

	Notes	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	4	1,591,339	637,441
Trade and other receivables	5	73,470	7,311
Investments	6	-	492,769
Other assets	7	37,643	41,124
Total current assets		1,702,452	1,178,645
Non-current assets			
Property, plant and equipment	8	77,648	109,307
Total non-current assets		77,648	109,307
Total assets		1,780,100	1,287,952
Current liabilities			
Trade and other payables	9	198,593	137,994
Grants in advance	10	100,816	64,055
Employee benefits	11	580,793	410,739
Provisions	12	120,000	-
Total current liabilities		1,000,202	612,788
Non-current liabilities			
Employee benefits	11	41,432	225,980
Total non-current liabilities		41,432	225,980
Total liabilities		1,041,634	838,768
Net assets		738,466	449,184
Equity			
Retained surplus		738,466	449,184
Total equity		738,466	449,184

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 2021

	Retained Surplus \$	Total \$
Balance at 1 July 2019	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
Balance at 1 July 2020	449,184	449,184
Comprehensive income		
Surplus for the year	289,282	289,282
Total other comprehensive income for the year	-	-
Balance at 30 June 2021	738,466	738,466

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 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers and government grants		3,023,083	2,789,935
Donations received		-	-
Payments to suppliers and employees		(2,563,322)	(2,802,674)
Interest received		11,960	18,852
Short term and low value lease payments		(10,592)	(10,592)
Net cash provided by / (used in) operating activities	14	461,129	(4,479)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(3,922)
Proceeds from investments		-	287,769
Payments for investments		-	(16,055)
Proceeds from investments		492,769	-
Net cash provided by investing activities		492,769	267,792
Net increase in cash held		953,898	263,313
Cash and cash equivalents at the beginning of the financial year		637,441	374,128
Cash and cash equivalents at the end of the financial year	4	1,591,339	637,441

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 2021

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 board has agreed to amalgamate Castlemaine District Community Health Limited with Castlemaine Health on 1 October 2021. At the date of the amalgamation Castlemaine District Community Health Limited will cease operations and take all necessary steps post the date of amalgamation to voluntarily deregister the company. As a result, the financial statements have not been prepared on a going concern basis. The board has carefully considered its individual circumstances and determined that a realisation basis is the appropriate basis on which these financial statements should be prepared. The non-current assets and liabilities haven't been reclassified as current at balance date as the services, staff and all assets and liabilities transfer to Castlemaine Health. The non-current assets, comprising plant and equipment have a useful life of greater than 12 months and will continue to be used by Castlemaine Health in the delivery of its services to the community. The non-current liabilities comprise leave entitlements and will be recorded as a non-current liability by Castlemaine Health as the leave entitlement is conditional until a specified period of service has been reached.

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 7 December 2021 by the directors of the company.

Impact of global COVID-19 pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, Castlemaine District Community Health Limited was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Castlemaine District Community Health Limited operates.

Castlemaine District Community Health Limited introduced a range of measures in both the prior and current year, including:

- greater utilisation of telehealth services
- performing COVID-19 testing
- implementing work from home arrangements where appropriate.

As restrictions eased towards the end of the financial year Castlemaine District Community Health Limited were able to revise some measures where appropriate. Subsequent to year end however, the Victorian Government issued further lockdown restrictions for regional Victoria commencing 21 August, with lockdown restrictions lifting in some local government areas from 10 September 2021. During this period of time Castlemaine District Community Health Limited have reintroduced such measures.

For further details refer to Note 17 Events After the Reporting Date.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 1. Summary of Significant Accounting Policies

(a) Revenue

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 in accordance with AASB 1058.

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

- Department of Health (State) - Community Health
- Department of Health (State) - Individual, Child and Family Support
- Department of Health (State) - Transition Support

The performance obligations for each of these government grants are:

- Community Health This program funds a comprehensive range of services. Castlemaine District Community Health Limited 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. Castlemaine District Community Health Limited 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. Castlemaine District Community Health Limited 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, Castlemaine District Community Health Limited 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 2021

Note 1. Summary of Significant Accounting Policies (continued)

(a) 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.

(b) 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.

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.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(c) 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 Assessment Act 1997*.

(d) 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.

(e) 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 their transaction price and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(f) 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 in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) 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 2021

Note 1. Summary of Significant Accounting Policies (continued)

(f) Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets 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.

(g) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company 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.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

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.

Castlemaine District Community Health Limited recognises trade and other payables in this category.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

Financial assets

Financial assets are measured at amortised costs if both of the following criteria are met:

- 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.

Castlemaine District Community Health Limited 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 company 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.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

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.

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 recognises a loss allowance for expected credit losses on trade receivables using the simplified approach, as applicable under AASB 9 where material. The expected credit losses were not considered material and therefore not brought to account.

(h) Impairment of Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible 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.

(i) 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 company'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 2021

Note 1. Summary of Significant Accounting Policies (continued)

(i) 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 company'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 company 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.

(j) 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.

(k) 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.

(l) 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 Statement of Cash Flows 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 2021

Note 1. Summary of Significant Accounting Policies (continued)

(m) 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.

(n) 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.

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.

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 2021

Note 1. Summary of Significant Accounting Policies (continued)

(n) 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 2021. 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.

Make good provision

A provision has been made for the present value of anticipated costs for future restoration of the company's leased premises at Mostyn Street, Castlemaine. The provision includes future cost estimates associated with vacating the premises, based on a per square metre rate of \$100. Changes to the estimated future costs are recognised in the Statement of Profit and Loss and Other Comprehensive Income.

(o) Economic Dependence

Castlemaine District Community Health Limited is dependent upon the State of Victoria, via the State Department of Health, for the funding of a significant proportion of its operations. At the date of this report the Board of Directors has reason to believe the Department will continue to support Castlemaine District Community Health Limited through the amalgamation with Castlemaine Health.

(p) Insurance

The State Department of Health advised Castlemaine District Community Health Limited that the total amount of insurance premiums paid by the Department on its behalf to VMIA was \$3,090 for the 2021 financial year (2020: \$1,798).

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 2.	Revenue and Income	Note	2021	2020
			\$	\$
	Revenue from contracts with customers	2(a)	2,819,960	2,458,134
	Other sources of income	2(b)	465,814	156,894
	Total revenue and income		3,285,774	2,615,028
(a) Disaggregated revenue				
The company has disaggregated revenue by the nature of revenue and timing of revenue recognition.				
Categories of disaggregation				
	State Government funding		2,478,310	2,169,309
	Commonwealth Government funding		170,095	67,208
	Program revenue		171,555	221,617
	Total disaggregated revenue from contracts with customers under AASB 15		2,819,960	2,458,134
Timing of revenue recognition				
Services transferred to customers:				
	- at a point in time		171,555	221,617
	- over time		2,648,405	2,236,517
			2,819,960	2,458,134
(b) Other sources of income				
	Other income		27,111	22,272
	Rental income		16,725	21,650
	Interest received		11,960	18,852
	Insurance proceeds		138,318	44,482
	JobKeeper income		221,700	-
	Cash flow boost income		50,000	50,000
	Gain/(loss) from sale of property, plant and equipment		-	(362)
	Total other sources of income		465,814	156,894

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 3. Depreciation and amortisation expenses	Notes	2021	2020
		\$	\$
Motor vehicle		8,788	12,018
Furniture and fittings		13,612	17,815
Leasehold improvements		914	2,326
Total depreciation and amortisation expenses		23,314	32,159
Note 4. Cash and Cash Equivalents			
Cash on hand		590	590
Cash at bank		800,227	349,082
Term deposits		790,522	287,769
Total cash and cash equivalents	15	1,591,339	637,441
Note 5. Trade and Other Receivables			
Trade receivables		73,470	7,311
Total trade and other receivables	15	73,470	7,311

(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.

Note 6. Investments	Notes	2021	2020
		\$	\$
Term deposits		-	492,769
Total investments	15	-	492,769
Note 7. Other Assets			
Prepayments		37,559	38,762
Accrued income		84	2,362
Total other assets		37,643	41,124
<i>(i) Financial assets classified as other assets (note 15)</i>			
Total other assets		37,643	41,124
Prepayments		(37,559)	(38,762)
Total financial assets classified as other assets	15	84	2,362

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 8. Property, Plant and Equipment	2021	2020
	\$	\$
Furniture and fittings		
At cost	90,187	334,298
Less accumulated depreciation	(40,821)	(264,314)
	<u>49,366</u>	<u>69,984</u>
Motor vehicles		
At cost	132,542	131,447
Less accumulated depreciation	(106,178)	(96,295)
	<u>26,364</u>	<u>35,152</u>
Leasehold improvements		
At cost	5,979	195,083
Less accumulated depreciation	(4,061)	(190,912)
	<u>1,918</u>	<u>4,171</u>
Total property, plant and equipment	<u><u>77,648</u></u>	<u><u>109,307</u></u>

Movements in carrying amounts:

	Furniture and fittings	Motor vehicles	Leasehold improvements	Total
	\$	\$	\$	\$
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	<u>69,984</u>	<u>35,152</u>	<u>4,171</u>	<u>109,307</u>
Additions	-	-	-	-
Disposals	(7,006)	-	(1,339)	(8,345)
Depreciation expense	(13,612)	(8,788)	(914)	(23,314)
Balance at 30 June 2021	<u>49,366</u>	<u>26,364</u>	<u>1,918</u>	<u>77,648</u>

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 9. Trade and Other Payables	Notes	2021	2020
		\$	\$
Creditors		63,560	54,249
Net GST payable		50,129	31,494
Accrued expenses		67,228	40,173
Other payables		17,676	12,078
Total trade and other payables		198,593	137,994
<i>(i) Financial liabilities classified as trade and other payables (note 15)</i>			
Total trade and other payables		198,593	137,994
Net GST payable		(50,129)	(31,494)
Total financial liabilities classified as trade and other payables	15	148,464	106,500
Note 10. Other Liabilities			
Monies held in trust		17,813	21,655
Contract liabilities		83,003	42,400
Total other liabilities		100,816	64,055
Note 11. Employee Benefits			
<i>Current</i>			
Provision for annual leave		197,858	172,562
Provision for long service leave		382,935	238,177
		580,793	410,739
<i>Non-Current</i>			
Provision for long service leave		41,432	225,980
Total employee benefits		622,225	636,719

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.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 11. Employee Benefits (continued)

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(i).

Note 12. Provisions	2021 \$	2020 \$
Make good provision	120,000	-
Total provisions	120,000	-

Provision for make good

The company is required to restore the leased premises of the Mostyn Street, Castlemaine property pursuant to the make good requirements of the lease agreement. A provision for make good has been raised based upon the estimated expenditure incurred upon termination of the lease.

Note 13. Capital and Leasing Commitments	2021 \$	2020 \$
(a) 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	5,296	4,413
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	5,296	4,413

(b) Capital commitments

Capital expenditure commitments at year end totalled \$120,000 (2020: nil).

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
Note 14. Cashflow Information		
Reconciliation of surplus/(deficit) to net cash provided by operating activities		
Surplus/(deficit)	289,282	(103,667)
Non cash items:		
- depreciation	23,314	32,159
- loss on disposal of assets	8,345	-
- impact of adopting AASB 15	-	80,000
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(66,159)	9,300
- (Increase)/decrease in prepayments	3,481	(7,026)
- Increase/(decrease) in trade and other payables	97,360	(136,628)
- Increase/(decrease) in provisions	105,506	121,383
Net cashflows provided by/(used in) operating activities	<u>461,129</u>	<u>(4,479)</u>

Note 15. 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	2021	2020
		\$	\$
Financial assets			
Cash and cash equivalents	4	1,591,339	637,441
Trade and other receivables	5	73,470	7,311
Investments	6	-	492,769
Other assets	7(i)	84	2,362
Total financial assets		<u>1,664,893</u>	<u>1,139,883</u>
Financial liabilities			
Trade and other payables	9(i)	148,464	106,500
Total financial liabilities		<u>148,464</u>	<u>106,500</u>

Note 16. 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 (2020: nil).

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 17. 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 Castlemaine District Community Health Limited at the reporting date. 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 Castlemaine District Community Health Limited, its operations, its future results and financial position. The Victorian Government issued lockdown restrictions for regional Victoria commencing 21 August, with lockdown restrictions lifting in some local government areas from 10 September 2021. The state of emergency in Victoria was extended on 18 November 2021 until 15 December 2021.

The boards of Castlemaine District Community Health Limited and Castlemaine Health announced on 28 September 2020, they were developing a plan for the integration of community services to ensure the continued provision of accessible and responsive community health services for local communities. From 28 September 2020 to 6 November 2020 community and staff consultation took place, with a number of community focus groups being held throughout this time. Prior to year end the board chairs of Castlemaine District Community Health Limited and Castlemaine Health sought approval from the Minister of Health for this amalgamation and approval was received subsequent to year end. The amalgamation of Castlemaine District Community Health Limited with Castlemaine Health will occur on 1 October 2021. At the date of amalgamation the services, staff, assets, liabilities or other obligations of Castlemaine District Community Health transfer to Castlemaine Health. Castlemaine District Community Health Limited will take all necessary steps post the date of amalgamation to voluntarily deregister the company.

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

Note 18. 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 Castlemaine District Community Health Limited, directly or indirectly.

The KMP of Castlemaine District Community Health Limited 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 Castlemaine District Community Health Limited during the year as follows:

	2021 \$	2020 \$
Salary and fees	187,814	183,244
Superannuation	17,842	17,408
Non cash benefits	-	-
Total remuneration of KMP:	205,656	200,652

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.

Castlemaine District Community Health Limited

Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
Note 19. Auditor's Remuneration		
Remuneration of the Auditors, Victorian Auditor-General's Office for:		
- auditing or reviewing the financial report	15,125	-
Remuneration of the Auditors, Andrew Frewin Stewart for:		
- auditing or reviewing the financial report	-	12,650
- preparation of the financial statements	4,230	1,975
Total auditor's remuneration	<u>15,125</u>	<u>12,650</u>
Note 20. Registered Office/Principal Place of Business		

The registered office of the company is:

Castlemaine District Community Health Limited
13 Mostyn Street
CASTLEMAINE VICTORIA 3450

The principal place of business is:

Castlemaine District Community Health Limited
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 Company declare that:

- 1 The financial statements and notes, as set out on pages 8 to 29, 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 2021 and of its performance for the year ended on that date.
- 2 In the Directors' opinion there are reasonable grounds to believe Castlemaine District Community Health Limited's assets and liabilities will be realised through the amalgamation with Castlemaine Health subsequent to year end, and as such the realisation basis is the appropriate basis on which the financial statements should be prepared.

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 7th day of December 2021

Independent Auditor's Report

To the Directors of Castlemaine District Community Health Limited

Opinion	<p>I have audited the financial report of Castlemaine District Community Health Limited (the company) which comprises the:</p> <ul style="list-style-type: none"> • statement of financial position as at 30 June 2021 • 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. <p>In my opinion the financial report is in accordance with Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the company as at 30 June 2021 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, 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.</p> <p>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.</p>

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.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

