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Bellarine Community Health Ltd.

ABN: 96 536 879 169

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Financial Report

For the year ended 30 June 2021

# Bellarine Community Health Ltd.

Financial Report for the Year Ended 30 June 2021

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# Bellarine Community Health Ltd.

## Directors' Report

Financial Report for the Year Ended 30 June 2021

Your directors present their report of Bellarine Community Health Ltd. (the "Company") 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:

Fay Agterhuis Chair	Tim Walsh Board member
Kristina Dimasi Board member	Jean Paul Board member
Virginia Dickson-Swift Board member	Robert James Board member
Rod Slattery Treasurer	Garry Ellis Board member (resigned 1 September 2020)
Lucy Simms Board member (elected 23 June 2021)	Mark Harris Board member (elected 23 June 2021)

### Company Secretary

The following person held the position of company Secretary and resigned on 20 September 2020:

Shane Dawson	
Qualifications:	Master of Business Management, FIML, AFACHSM, CHM, MAICD
Experience:	Experienced Chief Executive Officer with over 30 years in the health and community sectors, particularly in primary health care.

The following person held the position of Company Secretary from 20 September 2020:

Garry Ellis	
Qualifications:	B Comm., MBA, Grad Cert Human Resource Management, GAICD
Experience:	Experienced Chief Executive Officer with 28 years working in the not-for-profit and health services sectors.

### Principal Activities

The principal activities of the Company during the year were to provide primary health services on the Bellarine Peninsula. The Company has progressively developed as a significant multifaceted health care service.

Challenges overcome during the year included the ongoing impacts of various COVID-19 lockdowns and ensuring we continue to deliver quality services whether they were face to face or via digital means. Through the focused dedication of staff, the Company not only adapted but managed to grow services and contribute to the community response, providing access to COVID-19 vaccinations, assisting in community testing and supporting the most vulnerable high-risk members of our community through targeted outreach.

Highlight achievements included the establishment of a new HeadSpace satellite site in Ocean Grove, a much-needed support for our community's youth. Construction at the Library site, along with new gardens and recruitment of specialised staff have created a welcoming environment for additional mental health services on the Bellarine Peninsula.

A new client management system was implemented on 1 December 2020. It is hoped this system will provide a higher level of client service and reporting capabilities once settled within routine practice.

# Bellarine Community Health Ltd.

## Directors' Report

Financial Report for the Year Ended 30 June 2021

### Performance Measures

The Company measures performance using both qualitative and quantitative methodologies.

As an organisation funded by both the State and Commonwealth governments, the Company is required to report performance outcomes at intervals as specified in the funding and service agreements. Reporting to funders can be in the form of qualitative reports as well as against predetermined activity targets.

Strategically Bellarine Community Health Ltd. is required to measure and report on performance as it pertains to the legislative and regulatory frameworks that govern service delivery. Each area is accredited and assessed periodically against the standards set by the funding body.

Internally the Company has three board subcommittees that measure performance through an annual work plan. These subcommittees are the Quality, Safety and Risk Committee, the Finance and Audit Committee and the Board Governance Committee. Reporting processes ensure the Company reports on its annual operational plan and the overall operational performance to the Bellarine Community Health Ltd. Board of Directors monthly.

### Operating Result

The Company recorded an operating deficit of \$1,376,068 (2020: deficit of \$3,566,286) and total comprehensive income of \$75,833 for the year ended 30 June 2021 (2020: \$3,566,286 deficit).

### After Balance Date Events

The impact of the Coronavirus (COVID-19) pandemic is ongoing for Bellarine Community Health Ltd. At the date of this report, it is not practicable to estimate the potential impact after the reporting date. The situation is developing and is dependent on measures imposed by the Commonwealth and State Governments, such as maintaining social distancing requirements, quarantine, travel restrictions, immunisation status and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company or the results of those operations.

### Environmental Issues

The Company is not subject to any significant environmental regulation.

### Directors' Benefits

No director has received or become entitled to receive, during the financial year or since, a benefit because of a contract made by the Company or related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 21 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 or related body corporate.

### Indemnification and Insurance of Directors and Officers

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an officer or auditor of the Company.

### 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.

# Bellarine Community Health Ltd.

## Directors' Report

Financial Report for the Year Ended 30 June 2021

### Information on Directors

#### **Fay Agterhuis**

Qualifications:

Bachelor of Education, Diploma of Education, Grad Dip Special Education

Special Responsibilities:

Board Chair; Member of Finance and Audit Committee; Chair of Governance Committee

#### **Tim Walsh**

Qualifications:

Tertiary level in Health Management

Special Responsibilities:

Deputy Chair; Chair of Quality, Safety & Risk Committee

#### **Kristina Dimasi**

Qualifications:

Bachelor of Science, Bachelor of Law

Special Responsibilities:

Member of Finance & Audit Committee

#### **Jean Paul**

Special Responsibilities:

Member of Quality, Safety & Risk Committee; Member of Governance Committee

#### **Virginia Dickson-Swift**

Qualifications:

PhD, BPubH, BHS (Hons), Grad Cert HE

Special Responsibilities:

Board Representative – Community Advisory Group

#### **Robert James**

Qualifications:

M.B, B.S (Medicine), Dip.Obs.RACOG

Special Responsibilities:

Member of Quality, Safety & Risk Committee; Member of Governance Committee

#### **Rod Slattery**

Qualifications:

Bachelor of Business, Chartered Accountant, GAICD

Special Responsibilities:

Treasurer; Chair of Finance & Audit Committee

#### **Garry Ellis**

Qualifications:

(director until 1 September 2020)

B.Com, MBA, Grad Cert Human Resource Management, GAICD

Special Responsibilities:

Member of Finance & Audit Committee

#### **Lucy Simms**

Qualifications:

Bachelor of Civil Engineer (Hons.)

Special Responsibilities:

Member of Finance & Audit Committee

#### **Mark Harris**

Qualifications:

BSc Applied Science (Hons), BSc Physiotherapy (Hons), MBA, Grad Dip Project Management

Special Responsibilities:

Member of Quality, Safety & Risk Committee

# Bellarine Community Health Ltd.

## Directors' Report

Financial Report for the Year Ended 30 June 2021

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

### Directors' Meetings

	Board of Directors		Finance & Audit Committee		Quality, Safety & Risk Committee		Governance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Fay Agterhuis	11	11	10	9			4	4
Tim Walsh	11	11			10	9		
Kristina Dimasi	11	10	10	10				
Jean Paul	11	10			10	9	4	4
Virginia Dickson-Swift	11	8						
Robert James	11	11			10	9	4	3
Rod Slattery	11	10	10	10				
Garry Ellis	2	2	2	2	2	2		
Lucy Simms	-	-	-	-	-	-	-	-
Mark Harris	-	-	-	-	-	-	-	-

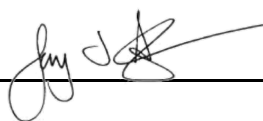
### Members' Guarantee

The Company is registered with the *Australian Charities and Not-for-profits Commission Act 2012* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 30 June 2021 the number of members was 98 (2020: 63).

### Auditors' Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found immediately after this director's report.

Signed in accordance with a resolution of the Board of directors.



Fay Agterhuis, Chair



Rod Slattery, Treasurer

Dated this 24th day of December 2021

## Auditor-General's Independence Declaration

### To the Board of Directors, Bellarine Community Health Ltd

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 Bellarine Community Health Ltd 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  
12 January 2022



Travis Derricott  
*as delegate for the Auditor-General of Victoria*

# Bellarine Community Health Ltd.

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue	2	9,388,371	9,949,766
Other income	2	4,095,472	2,740,733
Employee benefits expense	3	(10,569,522)	(12,004,471)
Supplies and consumables		(373,814)	(337,896)
Depreciation and amortisation expenses	3	(770,462)	(831,524)
Administrative expenses		(428,291)	(680,846)
Direct care		(1,377,936)	(1,170,380)
Occupancy costs		(205,577)	(312,373)
Software and IT expenses		(416,254)	(386,232)
Domestic services		(19,441)	(29,973)
Motor vehicle		(51,777)	(63,270)
Repairs and maintenance		(254,189)	(338,309)
Loss on disposal of property, plant and equipment		(309,323)	(39,932)
Audit fees		(73,000)	(45,000)
Interest expense		(10,325)	(16,579)
<b>Deficit</b>		<b>(1,376,068)</b>	<b>(3,566,286)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings at fair value		1,451,901	-
<b>Other comprehensive income for the year</b>		<b>1,451,901</b>	<b>-</b>
<b>Total comprehensive income attributable to members of the company</b>		<b>75,833</b>	<b>(3,566,286)</b>

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



# Bellarine Community Health Ltd.

## Statement of Financial Position

As at 30 June 2021

	Notes	2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	4	7,497,570	2,446,419
Trade and other receivables	5	521,396	347,008
Other assets	6	92,813	80,827
Investments	7	105,001	2,118,047
<b>Total current assets</b>		<b>8,216,780</b>	<b>4,992,301</b>
<b>Non-current assets</b>			
Investments	7	5,090,963	4,991,959
Property, plant and equipment	8	13,511,440	12,588,770
Intangibles	9	1,017,742	635,493
Right of use assets	10	229,649	302,506
<b>Total non-current assets</b>		<b>19,849,794</b>	<b>18,518,728</b>
<b>Total assets</b>		<b>28,066,574</b>	<b>23,511,029</b>
<b>Current liabilities</b>			
Trade and other payables	11	1,314,167	1,041,920
Contract liabilities and deferred grants	12	3,101,076	2,744,438
Funds held in trust	13	1,433,075	1,184,298
Lease liabilities	14	121,757	122,543
Employee benefit provisions	15	1,513,286	1,721,291
<b>Total current liabilities</b>		<b>7,483,361</b>	<b>6,814,490</b>
<b>Non-current liabilities</b>			
Contract liabilities	12	3,896,697	-
Lease liabilities	14	107,189	186,365
Employee benefit provisions	15	551,422	558,102
<b>Total non-current liabilities</b>		<b>4,555,308</b>	<b>744,467</b>
<b>Total liabilities</b>		<b>12,038,669</b>	<b>7,558,957</b>
<b>Net assets</b>		<b>16,027,905</b>	<b>15,952,072</b>
<b>Equity</b>			
Retained earnings		14,576,004	15,952,072
Reserves	8	1,451,901	-
<b>Total equity</b>		<b>16,027,905</b>	<b>15,952,072</b>

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

# Bellarine Community Health Ltd.

## Statement of Changes in Equity

For the Year Ended 30 June 2021

	Retained earnings	Financial specific purpose reserve	Asset revaluation reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>19,429,608</b>	<b>190,177</b>	-	<b>19,619,785</b>
Impact of adopting AASB 15 and AASB 1058	88,750	-	-	88,750
<b>Adjusted balance at 1 July 2019</b>	<b>19,518,358</b>	<b>190,177</b>	-	<b>19,708,535</b>
Deficit for the year	(3,566,286)	-	-	(3,566,286)
Net outcome of transfers	-	(190,177)	-	(190,177)
<b>Balance at 30 June 2020</b>	<b>15,952,072</b>	-	-	<b>15,952,072</b>
Deficit for the year	(1,376,068)	-	-	(1,376,068)
Other comprehensive income	-	-	1,451,901	1,451,901
<b>Balance at 30 June 2021</b>	<b>14,576,004</b>	-	<b>1,451,901</b>	<b>16,027,905</b>

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

# Bellarine Community Health Ltd.

## Statement of Cash Flows

For the Year Ended 30 June 2021

		2021	2020
	Notes	\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers and government grants (including GST)		18,922,513	16,468,905
Payments to suppliers and employees (including GST)		(15,113,441)	(15,447,516)
Interest received		138,952	194,989
Dividends received		54,802	65,131
Other trust Income received		1,996	6,390
Interest paid on lease liabilities		(10,325)	(16,579)
<b>Net cash provided by operating activities</b>	<b>16</b>	<b>3,994,497</b>	<b>1,271,320</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(287,527)	(272,760)
Payments for intangible assets		(509,276)	(441,620)
Proceeds from investments		1,996,564	1,895,436
<b>Net cash provided by investing activities</b>		<b>1,199,761</b>	<b>1,181,056</b>
Cash flows from financing activities Repayment of lease liabilities		(143,107)	(142,465)
<b>Net cash used in financing activities</b>		<b>(143,107)</b>	<b>(142,465)</b>
<b>Net increase in cash held</b>		<b>5,051,151</b>	<b>2,309,911</b>
Cash and cash equivalents at the beginning of the financial year		2,446,419	136,508
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4</b>	<b>7,497,570</b>	<b>2,446,419</b>

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

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### **Note 1. Summary of Significant Accounting Policies**

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The financial statements cover Bellarine Community Health Ltd. (the "Company") as an individual entity, incorporated and domiciled in Australia. Bellarine Community Health Ltd. is a Company limited by guarantee.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

#### **New or amended Accounting Standards and Interpretations Adopted**

Bellarine Community Health Ltd. has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

#### **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* (ACNC Act) and associated regulations. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements have been prepared on a going concern basis (refer to Note 1(v)).

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the relevant notes.

#### **(a) Company Details**

The registered office and principal place of business is:

Bellarine Community Health Ltd  
2 Nelson Road, Point Lonsdale VIC 3225

#### **(b) Revenue and Income**

The Company's overall objective is the delivery of health treatment and support services, and health promotion and prevention programs to members of the Bellarine Peninsula communities in accordance with identified community needs and the formal objectives of the Company. To enable the Company to fulfil its objective it receives income primarily from government. Bellarine Community Health also receives income from the supply of services.

#### *Grant funding and economic dependence*

The Company is dependent upon both State and Federal Governments for the majority of its revenue, which constitutes approximately 77% in 2021 (2020: 77%) of the Company's total revenue. At the date of this report the Board of Directors has no reason to believe the relevant government department will not continue to support the Company.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 1. Summary of Significant Accounting Policies (continued)

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When the Company obtains control of a government grant, it recognises the associated asset in accordance with the applicable Australian Accounting Standard. In addition, the Company recognises the following 'related amounts', when applicable:

- any related contributions by owners, customer contract liabilities, financial liabilities and other liabilities and revenue, measured in accordance with the applicable Australian Accounting Standards;
- any liabilities for obligations arising from transfers to enable the Company to acquire or construct non-financial assets to be controlled by the Company; and
- donation income, representing the residual amount of the resources received.

As per AASB 1058, a related amount is accounted for as a customer contract liability in line with AASB 15 when, and only when, the associated agreement with the grantor:

- creates enforceable rights and obligations between the parties; and
- includes a promise by the Company to transfer a good or service that is sufficiently specific for the Company to determine when the obligation is satisfied.

If an agreement is classified as a contract with a customer, it is accounted for in accordance with AASB 15, which requires the Company to:

- identify the performance obligation(s) under the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligation(s) under the contract; and
- recognise revenue when (or as) the Company satisfies the performance obligation(s).

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

Revenue from government grants meets the necessary criteria to be accounted for as revenue from contracts with customers under AASB 15. Performance obligations arising from contracts for government grants are generally satisfied over time, as the Company meets the performance obligations included within the contract. The methods used to measure the Company's progress towards achieving its performance obligations arising from its contracts for government grants are either input or output based.

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

- **CHSP Allied Health and Therapy Service:** this program includes the provision of allied health services that restore, improve or maintain frail, older people's health, wellbeing and independence. The Company is required to provide a set number of hours-of-service delivery. Revenue is recognised over time, as and when the services are provided.
- **CHSP - Nursing:** This program involves the provision of short-term or episodic treatment and monitoring of medically diagnosed clinical conditions to support eligible frail, older people to remain living at home. The Company is required to provide a set number of hours-of-service delivery. Revenue is recognised over time, as and when the services are provided.
- **CHSP - Social Support Group:** This program involves the provision of services to assist frail older people participate in community life and feel socially included through structured, group-based activities that develop, maintain, or support independent living and social interaction. The Company is required to provide a set number of hours-of-service delivery. Revenue is recognised over time, as and when the services are provided.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

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- **Community Health:** This program includes the provision of general counselling, allied health and nursing services. The Company is required to provide a set number of hours-of-service delivery. Revenue is recognised over time, as and when the services are provided.
- **State Dental Health and National Partnership Program:** This program includes the provision of dental services to eligible Victorians with a targeted number of people to be given oral health care at a total cost measured in Dental Weighted Activity Units (DWAU). The Company is required to deliver a set number of DWAUs. Revenue is recognised over time, as and when the services are provided.

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

### Wage Recoveries

Wage recoveries represent reimbursement of salaries and wages for services provided to clients under the Doctors in Secondary Schools (DISS) program and other services such as Barwon Post-Acute Care and Hospital in the Home. The Company recognises this revenue at a point in time, as and when the services are provided.

### National Disability Insurance Scheme

This activity includes the provision of individualised support and services to people with a disability. The Company's performance obligation is to deliver services in accordance with each participant's approved plan, which is developed based on the participant's needs and requirements. Revenue is recognised over time as the individual simultaneously receives and consumes the benefits provided by the Company as it performs. The Company uses the output method to measure its progress in satisfying its performance obligations.

### Home Care Packages

The Company is a registered Home Care Package provider. Funding is received to assist with the provision of services including personal care, nursing services, allied health, cleaning and home maintenance for registered participants. Revenue is recognised over time, as the service is provided, and unspent funds are held in trust.

### Medicare Rebates

The Company is a registered Medicare service provider. The Australian Government pays a Medicare rebate to provide patients with financial assistance towards the cost of their Medicare services. The rebate does not cover the full cost of Medicare services, with medical practitioners being able to set their own fee for service. Fee for service revenue and Medicare rebates are recognised at a point in time, as and when the service is provided.

### Capital Grants

When the Company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

### Interest Income

Interest income is recognised using the effective interest method.

### Donations

Donations are recognised when the payment is received.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

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### Contributed Assets

The Company may receive assets from 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 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.

### (c) Expenses

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

#### Employee Benefits Expense

Employee benefits expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments)
- Superannuation
- WorkCover premiums

#### Administrative Expenses

Administrative expenditure includes expenses relating to staff training and development, legal fees, independent consulting, printing and stationery and other minor day to day expenditure incurred by the Company.

#### Direct Care

Direct care expenses are incurred in the direct provision of client services.

#### Software and IT Expenses

Software and IT expenses include IT support, software, licensing and hardware.

#### Other Operating Expenses

Other operating expenses represent the day to day running costs incurred in normal operations of the Company's activity and include costs relating to:

- |                                      |  |
|--------------------------------------|--|
| - supplies and consumables           | - depreciation and amortisation expenses |
| - occupancy costs                    | - domestic services expenditure          |
| - motor vehicle expenditure          | - repairs and maintenance                |
| - losses on sale of financial assets | - impairment losses                      |
| - audit fees                         | - discount expenses                      |

### (d) Income Tax

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

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

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**(e) Cash and Cash Equivalents**

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

**(f) Trade and Other Receivables**

Trade and other receivables include 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 expected credit losses (refer to Note 1(k) for details of credit losses).

**(g) Contract Assets**

Contract assets represent the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditional on something other than the passage of time. The Company recognises contract assets mainly from the contracts in which services are delivered at a point in time and customers are invoiced subsequently to this.

**(h) Property, Plant and Equipment****Change in accounting policy**

Effective 1 July 2020 the company voluntarily elected to change its accounting policy with respect to the measurement of land and buildings from a cost model to a revaluation model. The Directors of the company are of the opinion:

- the initial cost to acquire land or buildings in a prior year is considered less relevant when assessing the company's financial performance and position
- the revaluation model provides reliable and more relevant information as the fair value of land and buildings controlled by the company are recognised at balance date. Fair value is considered a better indication of amounts that might be realised should the assets be disposed of or replaced in today's environment, rather than the historical cost.

The change in policy affected the financial statements for the year ended 30 June 2021 as follows:

- Freehold land increased in value by \$1,467,753
- Buildings decreased in value by \$15,852
- Other comprehensive income of \$1,451,901 was recognized
- Reserves, namely an asset revaluation reserve, was created with a value of \$1,451,901

**Initial recognition**

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at cost. Freehold land and buildings 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 (deemed cost). The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.



# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

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### Property

Land and buildings are subsequently measured at fair value less accumulated depreciation and impairment losses were applicable. Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed in relation to the intended use of the asset) and is based on periodic independent valuations carried out by qualified valuers.

Revaluations of land and buildings are made with sufficient regularity, with an independent valuation performed every 5 years as a minimum, to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Where an independent valuation has not been undertaken at balance date, the company perform a managerial assessment to estimate possible changes in fair values since the date of the last independent revaluation.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, in which case the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

### 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.

The carrying values of plant and equipment are reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 the statement of comprehensive income or as a revaluation decrease if the impairment losses relate to a revalued asset. Refer to Note 1(l) for details of impairment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

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### Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is calculated on either a straight-line basis or diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

Depreciation rates are consistent with the prior period. Depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2%
Plant and Equipment	2.5% - 50%
Furniture and Fittings	2.5% - 50%
Motor Vehicles	15% - 25%
Right of Use Assets – Motor Vehicles	25% - 100%
Right of Use Assets – Laptops	33%
Right of Use Assets – Photocopiers	25%

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

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

#### (i) Intangible Assets

Software is recorded at cost. It has a finite useful life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of five years.

#### (j) Right of Use Assets

A right of use asset is recognised at the commencement date of the lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date, net of any lease incentives received, any direct costs incurred and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site of the asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any measurement of lease liabilities.

#### (k) Financial Instruments

##### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of 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, 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.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### Classification and Subsequent Measurement

##### *Financial liabilities*

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in the 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.

The Company recognises trade and other payables, lease liabilities and accommodation bonds in this category.

##### *Financial assets*

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- 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.

By default, all other financial assets that do not meet the measurement conditions of amortised cost are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- It eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised. These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method less any impairment.

The Company recognises cash and cash equivalents, term deposits and trade and other receivables at amortised cost and investments in managed funds are recognised at fair value through profit or loss.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

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### 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.

### Recognition of Expected Credit Losses in the Financial Statements

The Company 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 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 together 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.

### (l) 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.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

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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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(m) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Company 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.

**(n) 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 and annual 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.

*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 government 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.

**(o) Contract Liabilities**

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer under AASB 15.

**(p) 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.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

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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.

**(q) 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.

**(r) 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 is 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.

*Fair value measurement of land and buildings*

Fair value determination requires judgement and the use of assumptions. The Company has engaged external valuers to value land and buildings as at 30 June 2021. Changes to assumptions could have a material impact on the results and financial position of the Company. Further information is included in note 1(h), note 1(s) and note 22.

**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.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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**Note 1. Summary of Significant Accounting Policies (continued)**

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### *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 on past retention data.

### **(s) 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 observable market information.

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 Company 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.

### **(t) Current and Non-Current Classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when:

- it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; and
- or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is either expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; and
- or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (u) Issued But Not Yet Effective Australian Accounting and Reporting Pronouncements

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on financial statements
AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>	<p>This standard, together with other related amendments, removes the option for for-profit entities which prepare financial statements under the <i>Corporations Act 2001</i> or otherwise prepare financial statements in accordance with Australian Accounting Standards, to prepare General Special Purpose Financial Statements.</p> <p>Instead, they must prepare General Purpose Financial Statements under either Tier 1 (Full IFRS compliance) or Tier 2 (Specified Disclosure Requirements).</p> <p>As a not-for-profit, the Company currently prepares General Purpose - Reduced Disclosure Requirements Financial Statements which will be phased out with the introduction of AASB 1060.</p>	Periods beginning on or after 1 July 2021.	On adoption of AASB 1060, the Company will move to Tier 2 disclosure requirements which is anticipated to reduce the disclosure included within the financial statements.

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#### (v) Going concern

During the year ended 30 June 2021, the Company recorded a deficit of \$1.4m (2020: deficit of \$3.5m). The operating result excluding capital items and depreciation for 2020-2021 was \$0.6m and for 2019-2020 \$2.8m.

The Company continues to review all aspects of its business operations with a view to improving operating results with the aim of returning a surplus as soon as possible. There are cost reduction strategies that have improved results in 2020/21 with further improvements expected in 2021/22 and beyond. Cost reduction will remain a focus at all times. In addition, significant focus is on increasing revenue from non-capped sources.

The strategies to be implemented in the short term to reduce cost and generate revenue have been endorsed by the Board of Directors.

Other revenue generating opportunities will be identified and implemented where appropriate, with only those activities generating a surplus to be considered.

Bellarine Community Health Ltd.'s ability to remain a going concern and to discharge its liabilities in the ordinary course of business is dependent upon the continuing financial support of the Commonwealth and State Governments. The Board believes that this revenue will continue to be available to Bellarine Community Health Ltd. for the foreseeable future.

Bellarine Community Health Ltd. will implement current strategies and continue to review business. On consideration of the above factors, the financial statements have been prepared on the going concern basis.



# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

			2021	2020
Note 2.	Revenue and Other Income	Note	\$	\$
	Revenue from contracts with customers 2(a)	2(a)	9,388,371	9,949,766
	Other sources of income 2(b)	2(b)	4,095,472	2,740,733
	<b>Total Revenue and Other Income</b>		<b>13,483,843</b>	<b>12,690,499</b>
<b>(a) Disaggregated Revenue</b>				
The Company has disaggregated revenue by the nature of revenue and timing of revenue recognition.				
<b>Categories of Disaggregation</b>				
	State/Commonwealth government funding		7,238,513	7,713,397
	Fees for service		2,149,858	2,236,369
	<b>Total Disaggregated Revenue From Contracts With Customers Under AASB 15</b>		<b>9,388,371</b>	<b>9,949,766</b>
<b>Timing of Revenue Recognition Transferred to Customers</b>				
	- at a point in time		2,403,255	4,196,802
	- over time		6,985,116	5,752,964
	<b>Total Disaggregated Revenue Based on Timing</b>		<b>9,388,371</b>	<b>9,949,766</b>
<b>(b) Other Sources of Income</b>				
	State/Commonwealth government funding		3,176,900	2,040,932
	Capital grants		288,664	100,326
	Rental Income		195,896	81,981
	Interest received		102,012	188,599
	Dividend income		54,802	65,131
	Fair value movement on investments at FVTPL		82,521	99,829
	Other trust income		1,996	6,390
	Bequests and donations received		134,720	40,811
	Other income		57,961	116,734
	<b>Total Other Sources of income</b>		<b>4,095,472</b>	<b>2,740,733</b>

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

		2021	2020
	Notes	\$	\$
<b>Note 3. Material Profit or Loss Items</b>			
The Company has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the Company's financial performance.			
<b>(a) Employee Benefits Expense</b>			
- Employment expenses		9,597,932	10,913,804
- Contributions to defined contribution superannuation funds		891,747	972,517
- WorkCover premium		79,843	118,150
<b>Total Employee Benefits Expense</b>		<b>10,569,522</b>	<b>12,004,471</b>
<b>(b) Depreciation and Amortisation Expenses</b>			
<b>Property, Plant and Equipment</b>			
- Buildings		377,986	515,425
- Leasehold improvements		7,938	-
- Plant, furniture and equipment		98,839	108,078
- Motor vehicles		22,670	26,371
		<b>507,433</b>	<b>649,874</b>
<b>Right of Use Assets</b>			
- Motor vehicles		79,409	82,782
- Laptops		29,256	31,706
- Photocopiers		27,337	34,379
		<b>136,002</b>	<b>148,867</b>
<b>Intangible Assets</b>			
- Computer software		127,027	32,783
<b>Total Depreciation and Amortisation Expenses</b>		<b>770,462</b>	<b>831,524</b>
<b>Note 4. Cash and Cash Equivalents</b>			
<b>Current</b>			
Cash on hand		502	1,040
Cash at bank		7,497,068	2,445,379
<b>Total Cash and Cash Equivalents</b>	18	<b>7,497,570</b>	<b>2,446,419</b>
<i>Represented by:</i>			
Operational funds		6,064,495	1,262,121
Monies held in trust		1,433,075	1,184,298
		<b>7,497,570</b>	<b>2,446,419</b>

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

		2021	2020
<b>Note 5. Trade and Other Receivables</b>	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Current</b>			
Trade receivables		134,764	48,471
Contract assets		370,190	298,537
Sundry debtors		16,442	-
<b>Total Trade and Other Receivables</b>	<b>18</b>	<b>521,396</b>	<b>347,008</b>

### 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.

		2021	2020
<b>Note 6. Other Assets</b>	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Current</b>			
Prepayments		80,470	31,544
Accrued Income		12,343	49,283
<b>Total Other Assets</b>		<b>92,813</b>	<b>80,827</b>
(a) Financial assets classified as other assets			
Total other assets		92,813	80,827
Prepayments		(80,470)	(31,544)
<b>Total Financial Assets Classified as Other Assets</b>	<b>18</b>	<b>12,343</b>	<b>49,283</b>

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

		2021	2020
	Notes	\$	\$
<b>Note 7. Investments</b>			
<b>Current</b>			
<b>At amortised cost:</b>			
Term deposits		105,001	110,967
<b>Financial assets at fair value through profit or loss:</b>			
- Managed funds		-	2,007,080
<b>Total Current</b>		<b>105,001</b>	<b>2,118,047</b>
<b>Non-Current</b>			
<b>Financial assets at fair value through profit or loss:</b>			
- Managed funds		5,090,963	4,991,959
<b>Total Non-Current</b>		<b>5,090,963</b>	<b>4,991,959</b>
<b>Total Investments</b>	18	<b>5,195,964</b>	<b>7,110,006</b>
<b>Note 8. Property, Plant and Equipment</b>			
<b>Non-Current</b>			
<b>Land and Buildings</b>			
Freehold land:			
At valuation (2021)		1,517,753	-
At cost		-	320,000
		<b>1,517,753</b>	<b>320,000</b>
Buildings:			
At valuation (2021)		11,287,242	-
At cost		-	15,404,513
Less accumulated depreciation		-	(3,742,964)
		<b>11,287,242</b>	<b>11,661,549</b>
Leasehold improvements:			
At cost		20,020	-
Less accumulated depreciation		(7,938)	-
		<b>12,082</b>	<b>-</b>
Work in progress		<b>343,426</b>	<b>138,787</b>
<b>Total Land and Buildings</b>		<b>13,160,503</b>	<b>12,120,336</b>
<b>Plant, Furniture and Equipment</b>			
At cost		573,324	1,904,587
Less accumulated depreciation		(278,277)	(1,514,713)
		<b>295,047</b>	<b>389,874</b>
<b>Motor Vehicles</b>			
At cost		259,495	259,495
Less accumulated depreciation		(203,605)	(180,935)
		<b>55,890</b>	<b>78,560</b>
<b>Total Property, Plant and Equipment</b>		<b>13,511,440</b>	<b>12,588,770</b>

An independent valuation of the Company's land and buildings was performed by Ridge Valuers with the effective date of 30 June 2021. Refer note 1(s) and note 22 for further information.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### Note 8. Property, Plant and Equipment (continued)

Movements in carrying amounts:

	Freehold land	Buildings	Leasehold improvements	Works in progress	Plant, furniture & equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>320,000</b>	<b>11,768,138</b>	-	<b>357,568</b>	<b>462,508</b>	<b>97,491</b>	<b>13,005,705</b>
Additions	-	2,030	-	203,104	59,053	8,573	272,760
Disposals	-	(15,190)	-	-	(23,609)	(1,133)	(39,932)
Depreciation expense	-	(515,314)	-	-	(108,078)	(26,371)	(649,763)
Transfers	-	421,885	-	(421,885)	-	-	-
<b>Balance at 30 June 2020</b>	<b>320,000</b>	<b>11,661,549</b>	-	<b>138,787</b>	<b>389,874</b>	<b>78,560</b>	<b>12,588,770</b>
Additions	-	10,772	-	239,691	37,062	-	287,525
Disposals	(270,000)	(4,271)	-	(35,052)	-	-	(309,323)
Depreciation expense	-	(377,986)	(7,938)	-	(98,839)	(22,669)	(507,432)
Revaluation	1,467,753	(15,852)	-	-	-	-	1,451,901
Transfers	-	13,030	20,020	-	(33,050)	-	-
<b>Balance at 30 June 2021</b>	<b>1,517,753</b>	<b>11,287,242</b>	<b>12,082</b>	<b>343,426</b>	<b>295,047</b>	<b>55,890</b>	<b>13,511,440</b>

	2021	2020
	\$	\$
<b>Note 9. Intangible Assets</b>		
<b>Non-Current</b>		
<b>Computer Software</b>		
At cost	1,177,662	247,613
Works in progress	-	420,774
Less accumulated amortisation and impairment	(159,920)	(32,894)
<b>Total Intangible Assets</b>	<b>1,017,742</b>	<b>635,493</b>
<b>Balance at beginning of the year</b>	635,493	226,767
Additions	509,276	441,620
Amortisation expense	(127,027)	(32,894)
<b>Balance at end of financial year</b>	<b>1,017,742</b>	<b>635,493</b>

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### Note 10. Right of Use Assets

The Company's lease portfolio includes motor vehicle, photocopier and laptop leases. The lease terms for each type of lease arrangement are:

Class of lease	Lease term
Motor vehicles	4 years
Laptops	3 years
Photocopiers	5 years

#### Options to extend or terminate

There were no extension options for motor vehicle leases. These clauses provide the Company opportunities to manage leases in order to align with its strategies. All of the termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

	2021	2020
	\$	\$
<b>Leased motor vehicles</b>		
Leased motor vehicles	273,291	210,146
Accumulated depreciation	(162,192)	(82,782)
	<b>111,099</b>	<b>127,364</b>
<b>Leased Laptops</b>		
Leased Laptops	95,117	95,117
Accumulated depreciation	(60,962)	(31,706)
	<b>34,155</b>	<b>63,411</b>
<b>Leased Photocopiers</b>		
Leased Photocopiers	146,110	146,110
Accumulated depreciation	(61,715)	(34,379)
	<b>84,395</b>	<b>111,731</b>
<b>Total Right of Use Assets</b>	<b>229,649</b>	<b>302,506</b>

#### (a) Movements in carrying amounts

Movements in carrying amounts for each class of right of use asset between the beginning and the end of the current financial year.

	Leased motor vehicles	Leased laptops	Leased photocopiers	Total
<b>Balance at 1 July 2019</b>	-	-	-	-
Initial Application of AASB 16	166,935	95,117	146,110	408,162
Additions to right-of-use asset	43,211	-	-	43,211
Depreciation expense	(82,782)	(31,706)	(34,379)	(148,867)
<b>Carrying amount at 30 June 2020</b>	<b>127,364</b>	<b>63,411</b>	<b>111,731</b>	<b>302,506</b>
Additions to right-of-use asset	63,145	-	-	63,145
Depreciation expense	(79,410)	(29,256)	(27,336)	(136,002)
<b>Carrying amount at 30 June 2021</b>	<b>111,099</b>	<b>34,155</b>	<b>84,395</b>	<b>229,649</b>

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

**(b) AASB 16 related amounts recognised in the statement of profit or loss**

		2021	2020
	Notes	\$	\$
Depreciation charge related to right-of-use assets		136,002	148,867
Interest expense on lease liabilities		10,325	16,579
		<b>146,327</b>	<b>165,446</b>
<b>Note 11. Trade and Other Payables</b>			
<b>Current</b>			
Trade payables		153,699	198,678
Accrued expenses		296,130	245,244
Net GST payable		574,600	308,838
Accrued wages		285,958	287,731
Credit cards		3,780	1,429
<b>Total Trade and Other Payables</b>		<b>1,314,167</b>	<b>1,041,920</b>
<b>(a) Financial liabilities classified as trade and other payables</b>			
Total trade and other payables		1,314,167	1,041,920
Net GST payable		(574,600)	(308,838)
<b>Total financial liabilities classified as trade and other payables</b>	18	<b>739,567</b>	<b>733,082</b>
<b>Note 12. Contract Liabilities and Deferred Grants</b>			
<b>Current</b>			
Contract liabilities		956,545	312,245
Unspent capital grants		2,144,531	2,432,193
<b>Total Current Contract Liabilities and Deferred Grants</b>		<b>3,101,076</b>	<b>2,744,438</b>
<b>Non-Current</b>			
Unspent capital grants		3,896,697	-
<b>Total Contract Liabilities and Deferred Grants</b>		<b>6,997,773</b>	<b>2,744,438</b>

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

<b>Note 13. Funds Held in Trust</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Current</b>		<b>\$</b>	<b>\$</b>
Accommodation bonds		94,946	94,946
Unspent consumer direct packages (CDC/HCP) funds		1,338,129	1,089,352
<b>Total Funds Held in Trust</b>		<b>1,433,075</b>	<b>1,184,298</b>
<b>(a) Financial liabilities classified as funds held in trust</b>			
Total funds held in trust		1,433,075	1,184,298
Unspent consumer direct packages (HCP) funds		(1,338,129)	(1,089,352)
<b>Total financial liabilities classified as funds held in trust</b>	<b>18</b>	<b>94,946</b>	<b>94,946</b>

The Company has a Liquidity Management Strategy embedded within the Investment Policy, to ensure there are sufficient funds to refund deposits. A designated ETU deposit has been set aside to cover the amount of accommodation bonds held in respect of the Eric Tolliday Units.

Further to this, the Company holds Commonwealth funded Home Care Packages which are held on behalf of individual recipients. Home Care Package funding is recognised as revenue as and when services are provided to the recipient. The balance of unspent funding is retained as funds held in trust on behalf of the recipient, as Home Care Packages are consumer directed, which gives the recipient the ability to choose their service provider. Should an individual recipient select another service provider, the balance of unspent funds is transferred to the new service provider.

<b>Note 14. Lease Liabilities</b>	<b>Notes</b>		
<b>Current</b>			
Lease liability		121,757	122,543
		<b>121,757</b>	<b>122,543</b>
<b>Non-Current</b>			
Lease liability		107,189	186,365
		<b>107,189</b>	<b>186,365</b>
<b>Total Lease Liabilities</b>	<b>18</b>	<b>228,946</b>	<b>308,908</b>

The leases for motor vehicles, laptops and photocopiers have terms of three to five years, and do not include optional terms or purchase options.



# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
<b>Note 15. Employee Benefit Provisions</b>	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Provision for annual leave	710,540	798,549
Provision for long service leave	753,482	864,775
Provision for accrued days off	49,264	57,967
	<b>1,513,286</b>	<b>1,721,291</b>
<b>Non-Current</b>		
Provision for long service leave	551,422	558,102
	<b>551,422</b>	<b>558,102</b>
<b>Total Employee Benefit Provisions</b>	<b>2,064,708</b>	<b>2,279,393</b>

### Provision for Employee Benefits

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

The current portion for this provision includes the total amount accrued for annual leave entitlements, redundancy 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(n).

<b>Note 16. Cash flow Information</b>	<b>Note</b>		
<i>Reconciliation of results to net cash provided by operating activities</i>			
Deficit		(1,376,068)	(3,566,286)
Non cash items:			
- depreciation	3	770,462	831,524
- loss on disposal of assets		309,323	39,932
- fair value movement on investments at FVTPL		(82,521)	-
- impact of adopting AASB 15 and AASB 1058		-	88,750
- movement in reserves		-	(197,177)
Changes in assets and liabilities:			
- (Increase)/Decrease in trade and other receivables		(174,388)	81,834
- (Increase)/Decrease in other assets		(11,986)	14,879
- Increase in trade and other payables		272,238	348,106
- Increase in contract liabilities		4,253,345	2,655,688
- Increase in funds held in trust		248,777	416,141
- (Decrease)/increase in employee benefit provisions		(214,685)	550,929
<b>Net cash flows provided by operating activities</b>		<b>3,994,497</b>	<b>1,271,320</b>

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 17. Capital Expenditure Commitments

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At 30 June 2021 the Company has recognised unspent capital funding totaling \$6,096,338 which will be expended in future periods. At 30 June 2021, no contracts have been signed for construction in relation to the unspent capital funding and therefore no capital commitment has been disclosed. However all unspent capital funding will be used on capital expenditure in future periods.

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### Note 18. Financial Risk Management

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The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, leases and funds held in trust. The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2021 \$	2020 \$
<b>Financial assets</b>			
Cash and cash equivalents	4	7,497,570	2,446,419
Trade and other receivables	5	521,396	347,008
Other assets	6(a)	12,343	49,283
Investments	7	5,195,963	7,110,006
<b>Total financial assets</b>		<b>13,227,272</b>	<b>9,952,716</b>
<b>Financial liabilities</b>			
Trade and other payables	11(a)	739,566	733,082
Funds held in trust	13(a)	94,946	94,946
Lease liabilities	14	228,945	308,908
<b>Total financial liabilities</b>		<b>1,063,457</b>	<b>1,136,936</b>

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 18. Financial Risk Management (continued)

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#### Financial risk management objectives and policies

The Company's activities expose itself to some financial risks which need to be actively managed.

#### *Market risk*

The Company's exposure to market risk is primarily through interest rate risk and equity price risk.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has some exposure to cash flow interest rate risks through cash and deposits that are at floating rates. The Company manages this risk by mainly undertaking fixed rate or non interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate.

The Company is exposed to equity price risk through its managed fund, which primarily holds domestic fixed interest investments. The Company works closely with JB Were to assist with the management of its investment portfolio in accordance with the Investment Policy approved by the Board. The fund manager, on behalf of the Company closely monitors performance and manages the equity price risk through diversification of its investment portfolio and provides updates to the Board on a timely basis.

#### *Interest rate risk*

Changes in interest rates effects the ability for the Company to earn returns on investment. Management negotiates with banking institutions to get the best available rates. On this basis, the Company is exposed to interest rate risk however this risk is mitigated where possible.

#### *Liquidity risk*

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they fall due. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. Further information is located in note 1(v).

#### *Credit risk*

The Company is not exposed to any significant credit risk.

#### *Foreign currency risk*

The Company is not exposed to any significant foreign currency risk.

#### *Price risk*

The Company is not exposed to any significant price risk.

	2021	2020
<b>Note 19 Contingent Liabilities and Contingent Assets</b>	<b>\$</b>	<b>\$</b>
Contingent liabilities	10,000	10,000
Total contingent liabilities	<b>10,000</b>	<b>10,000</b>

There is a contingent liability as at 30 June 2021 and 30 June 2020 in respect of a bank guarantee associated with the Point Lonsdale redevelopment. There are no further known contingent liabilities or contingent assets for the Company.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### Note 20. Events occurring after balance sheet date

The impact of the Coronavirus (COVID-19) pandemic is ongoing for the Company. At the date of this report, it is not practicable to estimate the potential impact after the reporting date. The situation is developing and is dependent on measures imposed by the Commonwealth and State Governments, such as maintaining social distancing requirements, quarantine, travel restrictions, immunisation status and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company or the results of those operations.

### Note 21. Key Management Personnel Compensation

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

The KMP of Bellarine Community Health Ltd. are deemed to be the:

- Board of Directors
- Chief Executive Officer
- Chief Financial Officer
- Executive Director, Adult & Aged Services
- Executive Director, Child Youth & Families

The totals of remuneration paid to KMP of the Company during the year are as follows:

	2021	2020
	\$	\$
Short-term employee benefits	871,666	789,958
Post-employee benefits	74,555	65,641
Termination benefits	177,121	-
Other long-term benefits	(26,002)	20,176
	<b>1,097,340</b>	<b>875,775</b>

Outside of normal citizen type transactions with the Company, there were no related party transactions that involved key management personnel, their close family members and their personal business interests.

During the financial year, directors were paid the following stipends, approved in accordance with the Bellarine Community Health Board Stipend and Expenses Policy:

	June 2021 \$	Dec 2020 \$
Fay Agterhuis	2,500	2,500
Tim Walsh	2,000	2,000
Kristina Dimasi	1,500	1,500
Jean Paul	1,500	1,500
Virginia Dickson-Swift	1,500	1,500
Robert James	1,500	1,500
Rod Slattery	2,000	2,000
Garry Ellis ( <i>pro-rata 1 July 2020 to 1 Sept 2020</i> )	n/a	500

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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**Note 22. Fair Value Hierarchy**

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The Company measures and recognises investments at fair value through profit or loss and land and buildings on a recurring basis after initial recognition.

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the 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 observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

### Valuation Techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

# Bellarine Community Health Ltd.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### Note 22. Fair Value Hierarchy (Continued)

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	2021			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
Land	-	1,517,753	-	1,517,753
Buildings	-	-	11,287,242	11,287,242
Managed funds	5,090,963	-	-	5,090,963
<b>Total assets recognised at fair value on a recurring basis</b>	<b>5,090,963</b>	<b>1,517,753</b>	<b>11,287,242</b>	<b>17,895,958</b>

	2020			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
Managed funds	6,999,039	-	-	6,999,039
<b>Total assets recognised at fair value on a recurring basis</b>	<b>6,999,039</b>	<b>-</b>	<b>-</b>	<b>6,999,039</b>

Description	Fair Value	
	30 Jun 2021	Valuation Technique(s)
Land	1,517,753	Market based direct comparison approach
Buildings	11,287,242	Depreciated replacement cost

	2021	2020
<b>Note 23. Auditor's Remuneration</b>	<b>\$</b>	<b>\$</b>
Remuneration of Auditor's, Victorian Auditor General's Office for:		
- auditing fee	71,000	45,000
<b>Total Auditor's Remuneration</b>	<b>71,000</b>	<b>45,000</b>

### Note 24. Members' Guarantee

The Company is registered with the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 30 June 2021 the number of members was 98 (2020: 63).

# Bellarine Community Health Ltd.

## Directors' Declaration


Financial Statements for the Year Ended 30 June 2021

In accordance with a resolution of the directors of Bellarine Community Health Ltd., the directors of the Company declare that:

- 1 The financial statements and notes, as set out on pages 8 to 38, 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 the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
  - b. give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance and cashflows 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 Regulation 2013*.

Fay Agterhuis, Chair



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Rod Slattery, Treasurer



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Dated this **24th** day of **December** 2021

# Bellarine Community Health Ltd. Independent Auditor'

Financial Statements for the Year Ended 30 June 2021

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# Independent Auditor's Report

## To the Directors of Bellarine Community Health Ltd

<b>Opinion</b>	<p>I have audited the financial report of Bellarine Community Health Ltd (the company) which comprises the:</p> <ul style="list-style-type: none"> <li>• statement of financial position as at 30 June 2021</li> <li>• statement of profit or loss and other comprehensive income for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• directors' declaration.</li> </ul> <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"> <li>• 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</li> <li>• complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.</li> </ul>
<b>Basis for Opinion</b>	<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 Constitution Act 1975. 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 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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Directors' responsibilities for the financial report</b>	<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>

<b>Other Information</b>	<p>The Directors of the company are responsible for the Other Information, which comprises the information in the company's annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> <li>• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors</li> <li>• 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.</li> <li>• 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.</li> </ul>

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**Auditor's  
responsibilities  
for the audit of  
the financial  
report  
(continued)**

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.

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MELBOURNE  
12 January 2022

Travis Derricott  
*as delegate for the Auditor-General of Victoria*