



Central Bayside Community Health Services Ltd

2019-20

Annual Audited Financial Statements

CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LTD

ABN : 50 362 120 798

DIRECTORS' REPORT

Your directors present this report on Central Bayside Community Health Services Limited for the financial year ended 30 June 2020.

DIRECTORS

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

Peter Spyker AM	
William Nixon OAM	Retired 25/10/19
Jacqui Clancy	Resigned 28/11/19
John Tetteroo	
Janice Munt	
Fiona McAlinden	
Rachel Vogelsang	
Neal Ng	
Kate Hurse	
Dion McDonald	
Stephen Michelson	Appointed 28/11/19

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

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year was to provide primary health and welfare services to the community with particular attention to the socially and economically disadvantaged.

No significant changes in the nature of the Company's activity occurred during the financial year.

EVENT SUBSEQUENT TO REPORTING DATE

The Directors acknowledge the ongoing impact of the Covid-19 pandemic on the Company's services. Whilst service levels and delivery methods have been affected, the overall financial impact is not significant due to the commitment from State and Commonwealth governments to continue full funding of all contracted programs in addition to other financial support.

SHORT-TERM AND LONG-TERM OBJECTIVES

The company's short-term objectives are to:

- Put clients first by providing person-centred care, involving clients in planning, and ensuring equitable access for all.
- Deliver the best possible client outcomes through evaluation of our services and a focus on innovation and quality.
- Ensure our staff and volunteers are innovative, engaged and values driven by investing in and developing our workforce.
- Strengthen our sustainability to support future growth by improving our facilities and systems, and ensuring we are competitive.

The company's long-term objectives are to:

- To enhance the health and wellbeing of individuals through innovative, responsive services delivered in partnership with the community.
- To develop and deliver integrated and holistic health services in response to the needs of the communities we serve.

To achieve these objectives the company adopted the following strategies:

- Position CBCHS for opportunities for new and expanded services.
- Seek opportunities to grow and maintain a positive and productive workplace.
- Set and manage operational and capital budgets as guided by our Strategic Financial Parameters.

PERFORMANCE MEASURES

The performance measures of the company are related to meeting funded program objectives as contracted in service agreements with funding providers (Commonwealth and State governments, and non-government organisations). The performance measures relate to hours of service, number of clients serviced, number of courses of care, as well as service quality and responsiveness standards.

INFORMATION ON DIRECTORS

Peter Spyker AM	Director
Qualifications & Experience	Former Member of Parliament (State) Heatherton Electorate 1979-1985 and Mentone Electorate 1988-1992
Special Responsibilities	Member of Finance Audit & Risk Committee
John Tetteroo	Treasurer
Qualifications & Experience	Retired Accountant/Finance Manager - State Public Service, Team Leader - Matt's Place, Diploma of Business Studies (Accounting)
Special Responsibilities	Chairperson of Finance Audit & Risk Committee, and Member of Board Governance

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Janice Munt	Chairperson
Qualifications & Experience	Former Member of Parliament (State) Mordialloc Electorate 2002-2010, Parliamentary Secretary 2009-2010
Special Responsibilities	Member of Finance Audit & Risk Committee, and Board Governance Committee
Fiona McAlinden	Deputy Chairperson
Qualifications & Experience	Director Screening Services Monash Health, Master of Business Management (MBM), Bachelor of Social Administration (Hons), Certificate in Social Work (CQSW)
Special Responsibilities	Member of Executive Committee and Chairperson of Board Governance Committee
Rachel Vogelsang	Director
Qualifications & Experience	Quality Manager Standards Monash Health, Audit Coordinator Monash Health, Document Controller Monash Health, Bachelor in Applied Science, Diploma in Management, Certificate IV in Workplace Training & Assessment, National Standards Assessors Course Certificate
Special Responsibilities	Member of Board Governance Committee
Neal Ng	Director
Qualifications & Experience	Director of Concept Builders Pty Ltd. Bachelor of Construction Economics (RMIT), Associate of Australian Institute of Quantity Surveyors (AAIQS)
Special Responsibilities	
Kate Hurse	Deputy Chairperson
Qualifications & Experience	Bachelor Business Economics and Marketing (Deakin), and Graduate Diploma In Banking & Finance (Monash)
Special Responsibilities	Member of Finance Audit & Risk Committee, and Board Governance Committee
Dion McDonald	Director
Qualifications & Experience	Head of IT Australia and New Zealand, Adecco Group, Bachelor of Applied Science - Information Management, Deakin University
Special Responsibilities	
Stephen Michelson	Director
Qualifications & Experience	Founder and Managing Director, Michelson Alexander strategic communications, Bachelor of Arts/Laws (Australian National University), Masters of Law (Melbourne University)
Special Responsibilities	Member of Finance Audit & Risk Committee

MEETINGS OF DIRECTORS

During the financial year 8 meetings of directors were held. Attendances by each director were as follows:

Peter Spyker	8
William Nixon	0
Jacqui Clancy	2
John Tettersoo	7
Janice Munt	8
Fiona McAlinden	7
Rachel Vogelsang	7
Neal Ng	7
Kate Hurse	8
Dion McDonald	7
Stephen Michelson	7

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DIRECTORS' REPORT

MEMBERS' GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2020, the total amount that members of the company are liable to contribute if the company is wound up is \$97 (2019: \$97).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found at the end of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Janice Munt
Chairperson

Dated this 24th day of September 2020



John Tettersoo
Director

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Operating Revenue			
Revenue	2	16,732,868	17,076,120
Other Income	2	<u>2,300,840</u>	<u>219,215</u>
		19,033,708	17,295,335
Operating Expenses			
Employee salaries & oncosts		(13,166,597)	(12,209,912)
Superannuation		(1,177,353)	(1,109,482)
Other employees expenses		(139,371)	(140,196)
Accounting & legal		(26,388)	(18,749)
Audit		(17,500)	(17,700)
Office expenses		(704,153)	(600,759)
Occupancy		(85,444)	(25,654)
Utility expenses		(134,100)	(149,727)
Cleaning & maintenance		(611,099)	(480,203)
Motor vehicle expenses		(185,862)	(212,579)
Medical supplies		(226,670)	(329,928)
Program & client expenses		(962,623)	(1,210,113)
Management & consulting		(481,713)	(442,954)
Other expenses		(3,357)	(102,014)
Depreciation & amortisation		<u>(437,459)</u>	<u>(518,716)</u>
		<u>(18,359,689)</u>	<u>(17,568,686)</u>
Operating Surplus / (Deficit)		<u>674,019</u>	<u>(273,351)</u>
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and building		-	617,585
Other comprehensive income for the year		<u>-</u>	<u>617,585</u>
Total Comprehensive Income		<u><u>674,019</u></u>	<u><u>344,234</u></u>

The accompanying notes form part of this financial report.

CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LTD

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,178,824	2,843,678
Trade and other receivables	4	541,989	1,308,994
Inventories		-	-
Financial Assets	5	6,272,804	5,748,465
Other Assets	6	1,653,116	436,514
TOTAL CURRENT ASSETS		<u>11,646,733</u>	<u>10,337,651</u>
NON CURRENT ASSETS			
Property, plant and equipment	7	8,287,427	8,715,179
TOTAL NON-CURRENT ASSETS		<u>8,287,427</u>	<u>8,715,179</u>
TOTAL ASSETS		<u>19,934,160</u>	<u>19,052,830</u>
CURRENT LIABILITIES			
Trade and other payables	8	1,253,662	1,480,398
Provisions	9	2,606,022	2,283,225
TOTAL CURRENT LIABILITIES		<u>3,859,684</u>	<u>3,763,623</u>
NON CURRENT LIABILITIES			
Provisions	9	746,278	635,028
TOTAL NON CURRENT LIABILITIES		<u>746,278</u>	<u>635,028</u>
TOTAL LIABILITIES		<u>4,605,962</u>	<u>4,398,651</u>
NET ASSETS		<u>15,328,198</u>	<u>14,654,179</u>
EQUITY			
Retained surplus	10	10,858,832	12,184,813
Reserves	10	4,469,366	2,469,366
TOTAL EQUITY		<u>15,328,198</u>	<u>14,654,179</u>

The accompanying notes form part of this financial report.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Note	Retained Surplus \$	Building Reserve \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2018		12,458,164	-	1,851,781	14,309,945
Net Surplus for year		(273,351)	-	-	(273,351)
Transfer to Reserves			-	617,585	617,585
Balance at 30 June 2019		12,184,813	-	2,469,366	14,654,179
Net Surplus for year		674,019			674,019
Transfer to Reserves		(2,000,000)	2,000,000	-	-
Balance at 30 June 2020	10	10,858,832	2,000,000	2,469,366	15,328,198

The accompanying notes form part of this financial report.

CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LTD

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
		INFLOWS / (OUTFLOWS)	INFLOWS / (OUTFLOWS)
CASH FLOW FROM OPERATING ACTIVITIES			
Operating grant receipts		11,962,313	13,684,161
Donations received		5,211	2,074
Receipts from clients & programs		8,567,766	3,661,898
Payments to suppliers and employees		(18,903,502)	(18,209,108)
Net GST paid		(880,225)	
Interest received		141,866	221,071
Net cash provided by (used in) operating activities	17b	<u>893,429</u>	<u>(639,904)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed asset purchases		(60,292)	(162,986)
Proceeds on sale of fixed assets		26,348	47,415
Increase in amounts on Term Deposit		(524,339)	(629,019)
Net cash provided by (used in) investing activities		<u>(558,283)</u>	<u>(744,590)</u>
Net increase/(decrease) in cash held		335,146	(1,384,494)
Cash at the beginning of the financial year		<u>2,843,678</u>	<u>4,228,172</u>
Cash at the end of the financial year	17a	<u>3,178,824</u>	<u>2,843,678</u>

The accompanying notes form part of this financial report.

CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 1 : Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for-profit oriented entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial statements are prepared on a going concern basis.

The financial statements were authorised for issue on 24 September 2020 by the directors of the company.

AASB 15 and AASB 1058 – change in accounting policy

The entity has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 July 2019. There was no impact on the financial report from the application of these standards.

AASB 16 – change in accounting policy

The entity has adopted AASB 16 Leases for the first time in the current year with the a date of initial application of 1 July 2019. There was no impact on the financial report from the application of this standard.

Previously under AASB 117, the entity assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the lessee or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except where an exemption election is used).

The entity has elected to use the exception to lease accounting for leases of low value assets (these consist of computer equipment and photocopiers) and the lease expense relating to these leases are recognised in the statement of profit or loss and other comprehensive income on a straight line basis. The entity has also elected to record concessionary leases at cost rather than fair value.

Accounting Policies

a Revenue recognition

Revenue is recognised either under AASB15 or AASB1058.

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Grant income

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met. Where there is a difference between the timing of the receipt of the grant and the satisfaction of the performance obligations , it will result in the recognition of a receivable, contract asset or contract liability.

AASB1058 requires that where there are no contracted performance obligations, revenue is recognised when received.

Capital grants

Capital grants received under an enforceable agreement to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the company (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Performance obligations

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

- Commonwealth Department of Health - Community Home Support Program
- Department of Health & Human Services (Vic) - Community Health Program
- Dental Health Services Victoria – Dental health Program

The performance obligations for each of these grants are set out in comprehensive service agreements, each detailing required service delivery outputs for each of several service activities. (eg. number of clients, hours of service).

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

Client Fees

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

Other

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

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

b Expenses

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

Employee expenses

Employee expenses include:

- Salaries and wages, including associated on-costs
- Leave expenses
- Termination payments
- Superannuation expenses (i.e. employer contributions)
- Payroll tax
- Fringe benefits tax
- Work cover premium.

Supplies and consumables

Supplies and consumable costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

c Property, Plant and Equipment

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

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where the carrying values exceed the recoverable amount, the asset is written down to the recoverable amount.

Depreciation

The depreciable amount of all fixed assets are depreciated as detailed below over the useful lives of the assets to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The policy of Central Bayside Community Health Services Ltd is to only capitalise items that cost in excess of \$2,000.

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

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>	<u>Depreciation Method</u>
Buildings	2%	Straight Line
Leasehold	5%	Straight Line
Furniture & Equipment	10 - 20%	Straight Line
Motor Vehicles	15%	Straight Line
Computers	20%	Straight Line

These rates remain unchanged from the prior year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

d Employee Benefit Recognition

Provisions

Provision is made for benefits accruing to employees in respect of accrued days off, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Annual leave & Accrued Days Off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because Central Bayside Community Health Services Ltd does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for annual leave and accrued days off are measured at:

Nominal value – if the Company expects to wholly settle within 12 months; or

Present value – if the Company does not expect to wholly settle within 12 months

Long Service Leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where Central Bayside Community Health Services Ltd does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal value – if the Company expects to wholly settle within 12 months; or

- Present value – if the Company does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

On-Costs Related to Employee Benefits

Provision for on-costs such as workers compensation and superannuation form part of the employee provision balances.

e Cash

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

f 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

g Investments and other financial assets

Initial recognition and measurement

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

h Economic Dependence

Central Bayside Community Health Services Limited is dependent on the Commonwealth Department of Health and the Victorian Department of Health & Human Services for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe either Department will not continue its support.

i Revenue in Advance

Revenue in advance generally fees or grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the fees.

Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

Where the monies are received for the company to acquire or construct an item of property, plant and equipment which will be controlled by the entity then the funds are recognised as a contract liability and amortised to revenue as and when the obligation is satisfied.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

j Right of Use Assets

A right-of-use asset is recognised at the commencement date of a 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 initial 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 or 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 the 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 remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

k Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incorporated association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

l Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Employee Benefits Provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2 : Revenue & Other Income

	2020 \$	2019 \$
Revenue from operating activities		
Operating grants	11,460,342	12,669,117
Client fees & program income	5,006,618	4,071,269
Recoveries & rebates	71,434	132,940
Other revenue from operating activities	194,474	202,794
	<u>16,732,868</u>	<u>17,076,120</u>
Other Income		
Donations	5,211	2,074
Interest received	141,866	221,071
Profit on disposal of plant and equipment	(24,237)	(3,930)
Jobkeeper Allowance	2,178,000	-
	<u>2,300,840</u>	<u>219,215</u>
Total Revenue & Other Income	<u>19,033,708</u>	<u>17,295,335</u>

CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 3 : Cash and Cash Equivalents

	Note	2020	2019
		\$	\$
Cash on hand		17,309	14,661
Cash at bank		1,538,196	793,225
Cash on deposit		1,623,319	2,035,792
	16 & 17	<u>3,178,824</u>	<u>2,843,678</u>

The cash balance at 30 June 2020 includes \$153,695 (2019 \$244,774) committed to the Southern Melbourne Primary Care Partnership Alliance.

The Cash at bank interest rate is 0.0%. The Cash on deposit interest rate is 1.2%.

Note 4 : Trade and Other Receivables

	Note	2020	2019
		\$	\$
CURRENT			
Trade Debtors		530,757	1,293,969
Sundry Debtors		11,232	15,025
	16	<u>541,989</u>	<u>1,308,994</u>

Note 5 : Financial Assets

	Note	2020	2019
		\$	\$
CURRENT			
Term Deposits	16	<u>6,272,804</u>	<u>5,748,465</u>

Note 6 : Other Assets

	2020	2019
	\$	\$
CURRENT		
Accrued Grants	250,273	222,254
Prepayments and Accruals	1,402,843	214,260
	<u>1,653,116</u>	<u>436,514</u>

Note 7 : Property, Plant and Equipment

	2020	2019
	\$	\$
Land & Buildings - at valuation		
<i>Land</i>		
At Independent Valuation	2,745,000	2,745,000
<i>Buildings - Owned</i>		
At Independent Valuation 17 July 2019	1,895,000	1,895,000
Less accumulated depreciation	(38,718)	-
<i>Buildings - Leasehold Improvements</i>		
At Cost	4,096,575	4,096,575
Less accumulated depreciation	(1,577,322)	(1,495,391)
	<u>7,120,535</u>	<u>7,241,184</u>
Furniture & Equipment - at cost	2,040,962	2,033,468
Less accumulated depreciation	(1,396,155)	(1,214,947)
	<u>644,807</u>	<u>818,521</u>
Motor Vehicles - at cost	1,239,954	1,275,593
Less accumulated depreciation	(1,102,784)	(1,042,939)
	<u>137,170</u>	<u>232,654</u>

CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LTD

ABN : 50 362 120 798

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Leasehold Improvements - at cost	927,687	927,687
Less accumulated depreciation	(542,772)	(504,867)
	<u>384,915</u>	<u>422,820</u>
Total Property, Plant and Equipment	<u>8,287,427</u>	<u>8,715,179</u>

The entity's valuations of land and buildings at Chelsea and Edithvale were adopted on 17 July 2019 and are reported as at 30 June 2020. The valuations were performed by independent valuers, Hay Property Group. Valuations were made on the basis of market value. The valuation resulted in a revaluation increment being recognised in the Asset Revaluation Reserve. The property at Parkdale is managed under Committee of Management.

a Movements in carrying amounts

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

2020	Land & Buildings	Buildings - Under Management	Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	4,640,000	2,601,184	818,521	232,654	422,820	8,715,179
Additions	-	-	21,160	39,133	-	60,293
(Disposals)	-	-	(5,790)	(44,796)	-	(50,586)
Revaluation	-	-	-	-	-	-
Depreciation expense	(38,718)	(81,931)	(189,084)	(89,821)	(37,905)	(437,459)
Carrying amount at the end of year	<u>4,601,282</u>	<u>2,519,253</u>	<u>644,807</u>	<u>137,170</u>	<u>384,915</u>	<u>8,287,427</u>

Note 8 : Trade and Other Payables

	Note	2020	2019
		\$	\$
CURRENT			
Trade creditors and accruals		663,717	1,109,418
Grants in Advance		399,945	85,916
Funds in trust for Primary Care Partnerships		153,695	245,994
GST and Taxation liabilities		36,305	39,070
		<u>1,253,662</u>	<u>1,480,398</u>

Financial liabilities at amortised cost classified as Trade and Other Payables

Trade and Other Payables		1,253,662	1,480,398
Less Grants in Advance		(399,945)	(85,916)
Financial liabilities as Trade and Other Payables	16	<u>853,717</u>	<u>1,394,482</u>

Note 9 : Employee Benefits in the Balance Sheet

		2020	2019
		\$	\$
CURRENT PROVISIONS			
Employee Benefits ⁱ			
<i>Accrued Days Off & Time Worked in Lieu</i>			
Unconditional and expected to be settled wholly within 12 months ⁱⁱ		94,061	73,375
<i>Annual Leave</i>			
Unconditional and expected to be settled wholly within 12 months ⁱⁱ		1,038,667	932,939.00
Unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ		-	-
<i>Long Service Leave</i>			
Unconditional and expected to be settled wholly within 12 months ⁱⁱ		883,976	766,147
Unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ		589,318	510,764
Employee Termination Benefits			
Unconditional and expected to be settled wholly within 12 months ⁱⁱ		-	-
Unconditional and expected to be settled wholly after 12 months ⁱⁱⁱ		-	-
		<u>2,606,022</u>	<u>2,283,225</u>

CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LTD

ABN : 50 362 120 798

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NON CURRENT PROVISIONS

Conditional Long Service Leave	746,278	635,028
Employee Termination Benefits		
	<u>746,278</u>	<u>635,028</u>

i Employee benefits consist of amounts for accrued days off, time in lieu, annual leave and long service leave accrued by employees and including payroll on-costs.

ii The amounts disclosed are nominal amounts.

iii The amounts disclosed are discounted to present values.

Employee Number / EFT at 30 June	251/157	265/165
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Note 10 : Equity

	2020	2019
	\$	\$
Retained Surplus		
Retained surplus at the beginning of the financial year	12,184,813	12,458,164
Net surplus attributable to the Company	674,019	(273,351)
Transfer to Building Reserve	(2,000,000)	-
Retained Surplus at the end of the financial year	<u>10,858,832</u>	<u>12,184,813</u>

Note 11 : Reserves

	2020	2019
	\$	\$
Building Reserve		
Building Reserve at the beginning of the financial year	-	-
Transfer from Retained Surplus	2,000,000	-
Building Reserve at the end of the financial year	<u>2,000,000</u>	<u>-</u>

The Building Reserve is for planned building refurbishment & maintenance works not provided for by external funding sources.

Asset Revaluation Reserve

Asset Revaluation Reserve at the beginning of the financial year	2,469,366	1,851,781
Revaluation of land and buildings	-	617,585
Asset Revaluation Reserve at the end of the financial year	<u>2,469,366</u>	<u>2,469,366</u>

Net revaluation of land & buildings based on Hay Property Pty Ltd's independent valuation 17 July 2019

Note 12 : Leasing Commitments

	2020	2019
	\$	\$
a Operating Lease Commitments		
Being for rent of property		
Payable :		
not later than 1 year	-	35,817
later than 1 year but not later than 5 years	-	121,006
later than 5 years	-	64,192
	<u>-</u>	<u>221,015</u>

The Company currently leases property from the City of Kingston.

Note 13 : Contingent Assets & Liabilities

There are no known contingencies requiring disclosure in the financial statements.

Note 14 : Events Subsequent to Reporting Date

The Directors acknowledge the ongoing impact of the Covid-19 pandemic on the Company's services. Whilst service levels and delivery methods have been affected, the overall financial impact is not significant due to the commitment from State and Commonwealth governments to continue full funding of all contracted programs in addition to other financial support.

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

CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LTD

ABN : 50 362 120 798

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 15 : Related Parties

Details of the Directors of the Company during the financial year are set out in the Director's Report. All Directors act in an honorary capacity. No Director received or is entitled to receive any remuneration, benefit or compensation whether monetary or otherwise, during or since the end of the financial year relating to the office of Director held by them. No Directors are employed by the Company or have an interest in any contract or arrangement with the Company.

Note 16 : Financial Risk Management

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

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:

	Note	2020 \$	2019 \$
Financial assets			
Cash & cash equivalents	3	3,178,824	2,843,678
Loans & receivables	4	541,989	1,308,994
Term Deposits	5	6,272,804	5,748,465
		<u>9,993,617</u>	<u>9,901,137</u>
Financial liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	8	853,717	1,394,482
		<u>853,717</u>	<u>1,394,482</u>

Fair Value

Carrying amount of financial assets and liabilities recorded in the financial statements represents their fair values, as determined in accordance with the accounting policies disclosed in Note1(g) to the financial statements.

Note 17 : Cash Flow Information

	Note	2020 \$	2019 \$
a Reconciliation of Cash			
Cash on hand		17,309	14,661
Cash at bank		1,538,196	793,225
Cash on deposit		1,623,319	2,035,792
	3	<u>3,178,824</u>	<u>2,843,678</u>
b Reconciliation of Net Cash provided by Operating Activities to Result from Ordinary Activities after Income Tax			
Surplus (deficit) from ordinary activities after income tax		674,019	(273,351)
Non-cash flows in result from ordinary activities :			
Depreciation		437,459	518,716
Amortisation		-	-
Net loss/(profit) on disposal of plant and equipment		24,237	3,930
Changes in assets and liabilities :			
(Increase)/decrease in receivables		767,005	(1,090,383)
(Increase)/decrease in other assets		(1,216,602)	39,861
Increase/(decrease) in creditors, accruals and grants in advance		(226,736)	(331,479)
Increase/(decrease) in current provisions		322,797	168,723
Increase/(decrease) in non-current provisions		111,250	324,079
Net cash provided by (used by) operating activities		<u>893,429</u>	<u>(639,904)</u>
c			
The Company has no credit stand-by or financing facilities in place.			
d			
There were no non-cash financing or investing activities during the period.			

CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LTD

ABN : 50 362 120 798

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 18 : Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2020 \$	2019 \$
Short term Employee benefits	1,024,316	835,750
Post Employment benefits	123,621	121,422
Termination benefits	59,673	-
	<u>1,207,610</u>	<u>957,172</u>

Note 19 : Company Details

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

Central Bayside Community Health Services Ltd

335 - 337 Nepean Highway
PARKDALE VIC 3195

ABN : 50 362 120 798

ACN : 136 367 505

Telephone : (03) 8587-0200

Email info@cbchs.org.au

Fax : (03) 8587-0210

Website www.cbchs.org.au

CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LTD

ABN : 50 362 120 798

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Central Bayside Community Health Services Limited, the directors of the entity declare that:

- 1 The financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and :
 - a comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b give a true and fair view of the financial position of the company as at 30 June 2020 and of its performance for the year ended on that date.
- 2 In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors



Janice Munt
Chairperson



John Tettersoo
Director

Dated this 24th day of September 2020

Central Bayside Community Health Services Ltd

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Central Bayside Community Health Services Ltd. (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Regime and the *Corporations Act 2001*

and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

We also provide the directors with a statement that we 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 our independence, and where applicable, related safeguards.



William Buck Audit (VIC) Pty Ltd

ABN: 59 116 151 136



C.L. Siddles

Director

Melbourne, 24th day of September 2020

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE
AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012 TO THE
DIRECTORS OF CENTRAL BAYSIDE COMMUNITY HEALTH SERVICES LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2020 there have been:

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



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



C.L. Siddles
Director

Dated this 24th day of September, 2020

ACCOUNTANTS & ADVISORS

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