Grampians Community Health

ABN 41 831 668 189

Financial Statements for the year ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue			
Grants received	2.1	9,295,943	10,194,903
Services revenue	2.2	7,287,509	4,013,610
Investment revenue	2.3	349,489	400,026
Other revenue	2.4	72,081	95,736
Gain on the disposal of fixed assets		57,081	-
Total revenue		**17,062,103**	**14,704,275**
Expenditure			
Employee benefits expense	3.1	(9,205,267)	(8,266,774)
Suppliers	3.2	(6,528,435)	(5,012,520)
Depreciation expense	4.3	(398,111)	(316,183)
Loss on the sale/disposal of fixed assets		-	(233,606)
Share of net losses of joint venture	4.5	(24,623)	(15,958)
Impairment of GRHA investment	4.5	(359,170)	-
Finance costs		(61,122)	-
Total expenditure		**(16,576,728)**	**(13,845,041)**
Surplus from operations before income tax		**485,375**	**859,234**
Income tax expense		-	-
Surplus from operations after income tax		**485,375**	**859,234**
Other comprehensive income			
Items that will not be reclassified subsequently to surplus or deficit:			
Gain on the revaluation of land and buildings		28,859	-
Other comprehensive income, net of tax		**28,859**	**-**
Total comprehensive income for the year		**514,234**	**859,234**

GRAMPIANS COMMUNITY HEALTH

ABN 41 831 668 189

Statement of Financial Position
As at 30 June 2020

	Note	2020 $	2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	1,231,414	910,874
Trade and other receivables	5.1	378,378	305,928
Financial assets	4.4	4,206,295	4,130,339
Contract assets	5.2	4,958	-
Total Current Assets		**5,821,045**	**5,347,141**
Non-Current Assets			
Property, plant and equipment	4.1	1,793,573	1,900,630
Right-of-use assets	4.2	920,294	-
Investments accounted for using the equity method	4.5	-	367,649
Total Non-Current Assets		**2,713,867**	**2,268,279**
TOTAL ASSETS		**8,534,912**	**7,615,420**
LIABILITIES			
Current Liabilities			
Trade and other payables	5.3	499,277	560,824
Other liabilities	5.4	-	1,171,524
Contract liabilities	5.5	371,754	-
Employee benefits provision	3.3	1,371,329	1,117,182
Lease liabilities	6.2	105,596	-
Total Current Liabilities		**2,347,956**	**2,849,530**
Non-Current Liabilities			
Employee benefits provision	3.3	490,803	432,799
Lease liabilities	6.2	848,828	-
Total Non-Current Liabilities		**1,339,631**	**432,799**
TOTAL LIABILITIES		**3,687,587**	**3,282,329**
NET ASSETS		**4,847,325**	**4,333,091**
EQUITY			
Reserves	8.5	174,767	145,908
Retained surplus		4,672,558	4,187,183
TOTAL EQUITY		**4,847,325**	**4,333,091**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2020

	Retained surplus $	Asset revaluation reserve $	Total $
Balance at 1 July 2018	3,198,198	275,659	3,473,857
Derecognition of ARR on sale of property	129,751	(129,751)	-
Surplus for the year	859,234	-	859,234
Balance at 30 June 2019	**4,187,183**	**145,908**	**4,333,091**
Balance at 1 July 2019	4,187,183	145,908	4,333,091
Surplus for the year	485,375	-	485,375
Other comprehensive income, net of tax	-	28,859	28,859
Balance at 30 June 2020	**4,672,558**	**174,767**	**4,847,325**

Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and other income (including GST)		17,455,567	15,949,106
Payments to suppliers and employees (including GST)		(16,938,487)	(14,624,012)
Interest received		111,522	87,419
Interest paid		(61,122)	-
Net cash generated by operating activities	6.1.1	**567,480**	**1,412,513**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of property, plant and equipment		96,529	346,098
Purchase of property, plant, equipment and software		(174,063)	(884,184)
Reinvestment in financial assets		(75,956)	(963,480)
Net cash used in investing activities		**(153,490)**	**(1,501,566)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(93,450)	-
Net cash used in finance activities		**(93,450)**	**-**
Net increase/(decrease) in cash and cash equivalents		320,540	(89,053)
Cash and cash equivalents at the beginning of the year		910,874	999,927
Cash and cash equivalents at the end of the year	6.1	**1,231,414**	**910,874**

The accompanying notes form part of these financial statements.

Note 1: Summary of significant accounting policies

The financial statements are for Grampians Community Health (“GCH”) as an individual entity, incorporated and domiciled in Australia. GCH 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

GCH has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any other new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 15, 1058 and 16 were all adopted from 1 July 2019.

AASB 15 Revenue from Contracts with Customers

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

AASB 16 Leases

The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Note 1: Summary of significant accounting policies (cont.)

Impact of adoption

AASB 15, AASB 1058 and AASB 16 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

The impact of the new Accounting Standards compared with the previous Accounting Standards is as follows.

	New $	Previous $	Difference $
As at 1 July 2019			
Contract liabilities	1,171,524	-	1,171,524
Other liabilities	-	1,171,524	(1,171,524)

Under AASB 15 the PCP/PIR program funds and income in advance which was disclosed under other liabilities (note 5.4) are now classified as contract liabilities (note 5.5).

GCH has lease contracts for property and various motor vehicles. Before the adoption of AASB 16, GCH classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The nature of expenses related to those leases will now change because GCH will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

At transition, GCH did not have any finance leases recognised. For the GCH's operating leases, the leased assets were not capitalised, and the lease payments were recognised as rent expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under prepayments and trade and other payables, respectively.

Upon adoption of AASB 16, the GCH applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

GCH recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Note 1: Summary of significant accounting policies (cont.)

GCH also applied available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Applied the short-term leases exemptions to leases with a lease term that ends within 12 months from the date of initial application;
- Applied the low-value leases exemptions to leases with an asset value below $10,000;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

	1 July 2019 $
Operating lease commitments as at 1 July 2019 (AASB 117)	302,875
Additional operating lease commitments as a result of options exercised under AASB 16	774,176
Additional operating lease commitments not previously disclosed (AASB 117)	275,878
Operating lease commitments discount based on the weighted average incremental borrowing rate of 6.70% (AASB 16)	(305,056)
Short-term leases not recognised as a right-of-use asset (AASB 16)	-
Low-value assets leases not recognised as a right-of-use asset (AASB 16)	-
Lease liabilities (AASB 16)	**1,047,873**

Note 1: Summary of significant accounting policies (cont.)

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. GCH 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 are prepared on a going concern basis.

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 GCH'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 is the relevant notes.

a) 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; 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; 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.

b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

c) Income tax

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

Note 2 Funding Delivery of Our Services

GCH's overall objective is to provide coordinated health and community services to the people within the Central Grampians and Wimmera Sub-Regions. To enable GCH to fulfil its objective it receives income mainly based on government funding. GCH also receives income from the supply of services as outlined in the statement of profit or loss and other comprehensive income.

2.1: Grants received
2.2: Services revenue
2.3: Investment revenue
2.4: Other revenue

	2020 $	2019 $
Note 2.1: Grants received		
Commonwealth recurrent grants	454,362	2,634,723
State recurrent grants	6,662,518	5,490,963
State non-recurrent grants	106,695	68,280
State capital grants	12,580	437,893
Local recurrent grants	48,712	177,324
Non-government grants	1,874,512	1,354,954
Funding from other teams	24,757	30,766
Grants from general government budget sector	11,807	-
Cashflow boost funding – COVID-19	100,000	-
Total grants received	**9,295,943**	**10,194,903**
Note 2.2: Services revenue		
Rending of services	7,287,509	4,013,610
Total services revenue	**7,287,509**	**4,013,610**
Note 2.3: Investment revenue		
Interest on deposits	79,206	87,419
Rent income from office space	270,283	312,607
Total investment revenue	**349,489**	**400,026**
Note 2.4: Other revenue		
Donations and sponsorships	52,907	63,243
Reimbursements	3,030	15,648
Other capital income	16,144	16,845
Total other revenue	**72,081**	**95,736**
Total revenue and other income	**17,005,022**	**14,704,275**

Note 2 Funding Delivery of Our Services (cont.)

Revenue recognition

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

Grant funding and economic dependence

GCH is dependent upon both the State, Federal and Local Governments for the large portion of its revenue, with revenue from Departments constituting approximately 43% (2019: 60%) of GCH's total revenue. At the date of this report the Board of Directors has no reason to believe the Departments will not continue to support GCH.

When GCH obtains control of a government grant, it recognises the associated asset in accordance with the applicable Australian Accounting Standard. In addition, GCH 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 GCH to acquire or construct non-financial assets to be controlled by GCH; 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 GCH to transfer a good or service that is sufficiently specific for GCH to determine when the obligation is satisfied.

If an agreement is classified as a contract with a customer, it is accounted for consistent with AASB 15, which requires GCH 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) GCH satisfies the performance obligation(s).

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

Income 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 GCH meets the relevant criteria to retain the associated funding. The methods used to measure GCH's progress towards achieving its performance obligations arising from its contracts for government grants are either inputs or outputs based.

Services Revenue

Client services revenue is recognised at a point in time upon the delivery of the service to customers. In the case of client services revenue, the delivery of the services is considered the performance obligation This includes services in relation to Medicare Benefits Schedule (MBS) and National Disability Insurance Scheme (NDIS) revenue in relation to a range of services provided to customers including but not limited to:

- Aboriginal support services
- Alcohol and drugs services
- Community aged care and disability support
- Community development
- Community mental health
- Community nurses
- Counselling
- Family violence
- Gambling
- Intake support
- Homelessness

Note 2 Funding Delivery of Our Services (cont.)

Revenue recognition (cont.)

Rental revenue

Rental income from leasing of premises which are operating leases are recognised on a straight-line basis over the lease term. Room hire revenue is recognised once the room has been utilised.

Interest

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

Contributions

Donations and bequests are recognised as revenue when received.

Critical accounting estimates and judgments: Revenue

In relation to the recognition of revenue under AASB 15, key judgements include determining the timing of revenue from contracts with customers in terms of timing of satisfaction of performance obligations and determining the transaction price and the amounts allocated to performance obligations.

Estimation uncertainty include determining the transaction prices (estimating variable consideration, adjusting the consideration for the time value of money and measuring non-cash considerations), allocating the transaction price, including estimating stand-alone selling prices and allocating discounts and variable consideration.

In relation to the recognition of revenue under AASB 1058, key judgements include the determination of the applicable standard, through an assessment of the specificity of the performance obligations in any enforceable agreement.

Note 3 The Cost of Delivering Services

This section provides an account of the expenses incurred by GCH in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

3.1: Employee benefits
3.2: Suppliers
3.3: Employee benefits in the statement of financial position

	2020 $	2019 $
Note 3.1: Employee benefits		
Wages and salaries (including leave)	8,189,874	7,241,206
Superannuation	766,845	654,163
Other employee expenses	208,040	303,495
Workers compensation premiums	40,508	67,910
Total employee benefits	**9,205,267**	**8,266,774**

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, and WorkCover premiums. Contributions are made by GCH to an employee superannuation fund and are charged as expenses when incurred.

	2020 $	2019 $
Note 3.2: Operating expenses		
Administration expenses	228,429	228,635
Program expenses	5,469,170	3,836,706
Occupancy costs	254,189	478,169
Information technology costs	414,413	246,462
Motor vehicle expenses	162,234	222,548
Total operating expenses	**6,528,435**	**5,012,520**

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. Other operating expenses are recognised as an expense in the reporting period in which they are incurred.

	2020 $	2019 $
Note 3.3: Employee benefits in the statement of financial position		
Current		
Annual leave	698,700	559,250
Long service leave	672,629	557,932
Total current employee benefit provisions	**1,371,329**	**1,117,182**
Non-Current		
Long service leave	490,803	432,799
Total non-current employee benefit provisions	**490,803**	**432,799**
Total employee benefit provisions	**1,862,132**	**1,549,981**

Provision is made for the GCH's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Note 3 The Cost of Delivering Services (cont.)

Note 3.3: Employee benefits in the statement of financial position (cont.)

Critical accounting estimates and judgments: Employee benefits

As discussed above, 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 4 Key Assets to Support Service Delivery

GCH controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources to be utilised for delivery of those outputs.

4.1: Property, plant and equipment
4.2: Right-of-use assets
4.3: Depreciation
4.4: Other financial assets
4.5: Investments accounted for using the equity method

	2020 $	2019 $
Note 4.1: Property, plant and equipment		
Non-Current		
i) Gross carrying amount and accumulated depreciation		
Land and buildings		
Land at independent valuation (2016)	-	60,000
Land at independent valuation (2020)	60,000	-
Total land	**60,000**	**60,000**
Buildings at independent valuation (2016)	-	140,000
Buildings at independent valuation (2020)	160,000	-
Less accumulated depreciation	-	(4,659)
Total buildings	**160,000**	**135,341**
Leasehold improvements at cost	1,290,132	1,290,132
Less accumulated depreciation	(255,892)	(196,966)
Total leasehold improvements	**1,034,240**	**1,093,166**
Total buildings	**1,194,240**	**1,228,507**
Total land and buildings	**1,254,240**	**1,288,507**
Plant and Equipment		
Furniture and equipment at cost	2,101,870	2,076,187
Less accumulated depreciation	(1,949,377)	(1,840,347)
Total furniture and equipment	**152,493**	**235,840**
Motor vehicles at cost	821,000	981,993
Less accumulated depreciation	(434,160)	(605,710)
Total motor vehicles	**386,840**	**376,283**
Computer software at cost	241,383	241,383
Less accumulated depreciation	(241,383)	(241,383)
Total software	**-**	**-**
Total plant and equipment	**539,333**	**612,123**
Total property, plant & equipment	**1,793,573**	**1,900,630**

Note 4 Key Assets to Support Service Delivery (cont.)

Note 4.1: Property, plant and equipment (cont.)

ii) Reconciliations of carrying amounts of each class of asset

	Land $	Buildings $	Leasehold improvements $	Furniture and equipment $	Motor vehicles $	Computer software $	Construction work in progress $	Total $
Year ended 30 June 2020								
Balance at the beginning of year	60,000	135,341	1,093,166	235,840	376,283	-	-	1,900,630
Additions	-		-	25,683	148,380	-	-	174,063
Disposals at written down value	-		-	-	(39,448)	-	-	(39,448)
Revaluation	-	28,859	-	-	-	-	-	28,859
Depreciation expense	-	(4,200)	(58,926)	(109,030)	(98,375)	-	-	(270,531)
Balance at the end of the year	**60,000**	**160,000**	**1,034,240**	**152,493**	**386,840**	**-**	**-**	**1,793,573**
Year ended 30 June 2019								
Balance at the beginning of year	360,000	406,941	71,598	265,896	269,213	958	537,727	1,912,333
Additions	-	-	80,780	113,496	225,895	-	464,013	884,184
Transfers	-	-	1,001,740	-	-	-	(1,001,740)	-
Disposals at written down value	(300,000)	(266,803)	(12,901)	-	-	-	-	(579,704)
Depreciation expense	-	(4,797)	(48,051)	(143,552)	(118,825)	(958)	-	(316,183)
Balance at the end of the year	**60,000**	**135,341**	**1,093,166**	**235,840**	**376,283**	**-**	**-**	**1,900,630**

Note 4 Key Assets to Support Service Delivery (cont.)

Note 4.1: Property, plant and equipment (cont.)

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

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least every 3 years, valuations by external independent valuers, less subsequent depreciation for buildings. Valuations may occur more frequently if fair value assessments indicate material changes in values. An independent valuation of GCH's land and buildings was performed by Preston Rowe Paterson with the effective date of 30 June 2020. Valuations are based on a market value which is a level 2 input. The impact of COVID-19 did not materially affect the valuation of land and buildings as evidenced by the updated valuation obtained.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in the statement of profit or loss and other comprehensive income and accumulated in the property asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of asset shall be recognised in the statement of profit or loss and other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of profit or loss and other comprehensive income. As the revalued buildings are depreciated the difference between depreciation recognised in the statement of profit and loss and other comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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.

Plant and equipment

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

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.

Items of property, plant and equipment are recorded as capital work in progress until such a time that the asset is ready for use. Once the asset is deemed ready for use, the capital work in progress will be transferred to property, plant and equipment and depreciation will commence at that time.

Impairment of assets

At the end of each reporting period, GCH reviews the carrying values 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when GCH would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of an assets class, GCH estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Note 4 Key Assets to Support Service Delivery (cont.)

Note 4.1: Property, plant and equipment (cont.)

Critical accounting estimates and judgments: Impairment of non-financial assets

GCH assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to GCH and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

	2020 $	2019 $
Note 4.2: Right-of-use assets		
Non-Current		
i) Gross carrying amount and accumulated depreciation		
Property	831,887	-
Accumulated depreciation	(62,784)	-
Total property right-of-use assets	**769,103**	**-**
Motor vehicles	215,987	-
Accumulated depreciation	(64,796)	-
Total motor vehicle right-of-use assets	**151,191**	**-**
Total right-of-use assets	**920,294**	**-**

ii) Reconciliations of the carrying amounts of each class of asset

	Property $	Motor vehicles $	Total $
Year ended 30 June 2020			
Balance at the beginning of year	-	-	-
First time adoption of AASB 16	831,887	215,987	1,047,874
Depreciation	(62,784)	(64,796)	(127,580)
Balance at the end of the year	**769,103**	**151,191**	**920,294**

Right-of-use asset recognition

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.

GCH 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.

Note 4 Key Assets to Support Service Delivery (cont.)

	2020 $	2019 $
Note 4.3: Depreciation		
Buildings	4,200	4,797
Leasehold improvements	58,926	48,051
Furniture and equipment	109,030	143,552
Motor vehicles	98,375	118,825
Computer software	-	958
Property right-of-use asset	62,784	-
Motor vehicle right-of-use asset	64,796	-
Total depreciation	**398,111**	**316,183**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to GCH 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. Depreciation rates are consistent with the prior year.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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

Fixed asset class	Depreciation rate
Buildings	3%
Leasehold improvements	5% – 7.5%
Plant and equipment	10% – 20%
IT plant and equipment	10% – 33%
Software	10% – 33%
Property right-of-use asset	7.5%
Motor vehicle right-of-use asset	33%

	2020 $	2019 $
Note 4.4: Other financial assets		
Current		
Term deposits > 3 months	4,206,295	4,130,339
Total other financial assets	**4,206,295**	**4,130,339**

Refer note 7 for further information on other financial assets recognition policy.

Note 4 Key Assets to Support Service Delivery (cont.)

Note 4.5: Investments accounted for using the equity method

Name of entity	Principal activity	Ownership interest	
		2020	2019
Grampians Rural Health Alliance	Information systems	5.23%	5.01%

	2020 $	2019 $
Share of Grampians Rural Health Alliance results and financial position:		
Revenue	403,772	317,789
Expenses	(428,395)	(333,747)
Net result	**(24,623)**	**(15,958)**
Total assets	467,730	408,147
Total liabilities	(108,560)	(40,498)
Net assets	**359,170**	**367,649**
Equity	**359,170**	**367,649**
Impairment of investments	(359,170)	-
Total investments accounted for using the equity method	**-**	**367,649**

The share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate line items of the financial statements. The interest in joint venture operations are brought to account using the equity method of accounting in the financial statements. The Board does not believe that the asset attributed to GCH from the joint venture with Grampians Rural Health Alliance ("GRHA") is realisable by GCH.

On 19 July 2019, GCH gave notice of the intention to terminate their membership on 30 June 2020. The termination was effective 30 June 2020. On the date of termination, GCH's investment in GRHA became impaired and was fully impaired.

Note 5 Other Assets and Liabilities

This section sets out those assets and liabilities that arose from GCH's operations.

5.1: Trade and other receivables
5.2: Contract assets
5.3: Trade and other payables
5.4: Other liabilities
5.5: Contract liabilities

	2020 $	2019 $
Note 5.1: Trade and other receivables		
Current		
Trade debtors	295,305	247,388
Accrued income	33,073	58,540
Other debtors	50,000	-
Total trade and other receivables	**378,378**	**305,928**

Receivables consist of debtors in relation to goods and services and accrued grants and interest.

Receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. GCH holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Due to the short-term nature of current trade and other receivables, their carrying value is assumed to approximate their fair value. Details about the GCH's impairment policies and its exposure to credit risk is set out in note 7.

Note 5.2: Contract assets		
Current		
Contract assets	4,958	-
Total contract assets	**4,958**	**-**

Contract assets are recognised when GCH has transferred goods or services to the customer but where GCH is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes. Contract assets are recognised from 1 July 2019 with the adoption of AASB 15.

Note 5.3: Trade and other payables		
Current		
Trade creditors	-	4,513
GST payable	73,980	35,797
Accrued expenses	330,162	273,130
Employee benefits payable	95,135	247,384
Total trade and other payables	**499,277**	**560,824**

Note 5 Other Assets and Liabilities (cont.)

	2020 $	2019 $
Note 5.4: Other liabilities		
Current		
Income in advance	-	57,082
PCP/PIR program funds	-	1,114,442
Total other liabilities	**-**	**1,171,524**

GCH operate as an auspices agency for both the Partners in Recovery (PIR) and Primary Care Partnership (PCP) programs. Any residual funds are carried as a future liability to GCH to provide these services. The revenue and expenditure of both PCP and PIR has been included within the statement of comprehensive income with the total program surplus/(deficit) carried forward as the above liability. During the 2020 financial year the PIR program was finalised with a portion of the unspent funds required to be returned to the Department of Health. Refer detailed reconciliation below:

From 1 July 2019, under AASB 15 the above disclosed other liabilities are now disclosed as contract liabilities. Refer note 5.5.

	2020 $	2019 $
PCP		
Funding carried forward from the prior year	454,252	289,694
Revenue received during the year	443,049	588,389
Expenses incurred during the year	(525,547)	(423,831)
Operating surplus as a result of program	**(82,498)**	**164,558**
Funds to be carried forward as a liability	**371,754**	**454,252**
PIR		
Funding carried forward from the prior year	660,190	458,190
Revenue received during the year	-	1,986,313
Expenses incurred during the year	(132,191)	(1,784,313)
Operating surplus as a result of program	**(132,191)**	**202,000**
Funds to be carried forward as a liability	**527,999**	**660,190**
Less funds repaid to the Department of Health	(455,619)	-
Less surplus funds recognised as revenue by GCH	(72,380)	-
Funds to be carried forward as a liability	**-**	**660,190**
Total PCP/PIR program funds	**371,754**	**1,114,442**

	2020 $	2019 $
Note 5.5: Contract liabilities		
Current		
PCP program funds	371,754	-
Total other liabilities	**371,754**	**-**

Note 6 How We Finance Our Operations

This section provides information on the sources of finance utilised by GCH during its operations, along with other information related to financing activities of GCH.

This section includes disclosures of balances that are financial instruments.

6.1: Cash and cash equivalents
6.2: Lease liabilities
6.3: Commitments

	2020 $	2019 $
Note 6.1: Cash and cash equivalents		
Current		
Operating & at call accounts	1,227,114	906,574
Cash on hand	4,300	4,300
Total cash and cash equivalents	**1,231,414**	**910,874**

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

Note 6.1.1: Reconciliation of operating surplus to net cash flows from operations		
Operating surplus for the year	485,375	859,234
Non-cash flows:		
Depreciation expense	398,111	316,183
(Gain)/loss on disposal of assets	(57,081)	233,606
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(72,450)	103,037
(Increase) in contract assets	(4,958)	-
Decrease in other assets	-	2,640
Decrease/(increase) in investments accounted for using the equity method	367,649	(887)
(Decrease)/increase in trade and other payables	(61,547)	99,644
(Decrease)/increase in other liabilities	(1,171,524)	55,213
Increase in contract liabilities	371,754	-
Increase/(decrease) in employee benefits provisions	312,151	(256,157)
Net cash provided by operating activities	**567,480**	**1,412,513**

Note 6 How We Finance Our Operations (cont.)

	2020 $	2019 $
Note 6.2: Lease liabilities		
Current		
Lease liability	105,596	-
Non-Current		
Lease liability	848,828	-
Total lease liabilities	**954,424**	**-**

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 GCH'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; and
- 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.

Lease recognition prior to 1 July 2019

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

- Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability. Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.
- Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease. Operating lease commitments includes contracted amounts for various properties, offices and plant and equipment under non-cancellable operating leases expiring within one to seven years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 6 How We Finance Our Operations (cont.)

Note 6.2: Lease liabilities (cont.)

Critical accounting estimates and judgments: Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include:

- the importance of the asset to the GCH's operations;
- comparison of terms and conditions to prevailing market rates;
- incurrence of significant penalties;
- existence of significant leasehold improvements; and
- the costs and disruption to replace the asset.

The GCH reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Critical accounting estimates and judgments: Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what GCH estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

	2020 $	2019 $
Note 6.3: Commitments		
i) Lease commitments – operating		
Committed at the reporting date but not recognised as liabilities, payable:		
- within one year	-	69,020
- one to five years	-	233,855
	-	**302,875**

In the prior year under AASB 117 Leases, operating commitments were held in relation to premises. These are now treated as finance leases (refer note 6.2) upon adoption of AASB 16 from 1 July 2019 if they meet the definition of a lease under the new standard, or not categorised as either low value or short term leases. If leases are categorised as either low value or short-term leases management have elected to apply the practical expedients in relation to these leases, and as such these leases are accounted on a straight line basis in the statement of profit or loss and other comprehensive income.

ii) Other commitments – capital

There are no material capital commitments as at 30 June 2020 (2019: nil)

Note 7 Risks, Contingencies and Valuation Uncertainties

GCH is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for GCH is related mainly to fair value determination.

7.1: Financial instruments
7.2: Contingent assets and contingent liabilities
7.3: Fair value measurement

Note 7.1: Financial instruments

Financial instruments arise out of agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. GCH applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the group to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

GCH recognises the following assets in this category:

- cash and cash equivalents;
- trade and other receivables; and
- term deposits.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

GCH recognises the following liabilities in this category:

- payables;
- lease liabilities; and
- other liabilities.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- GCH retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- GCH has transferred its rights to receive cash flows from the asset and either:
    - has transferred substantially all the risks and rewards of the asset; or
    - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where GCH has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the GCH's continuing involvement in the asset.

Note 7 Risks, Contingencies and Valuation Uncertainties (cont.)

Note 7.1: Financial instruments (cont.)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Reclassification of financial instruments

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to reclassified between fair value through profit or loss, fair value through other comprehensive income and amortised cost when and only when the GCH's business model for managing its financial assets has changes such that its previous model would no longer apply.

Financial risk management objectives and policies

GCH's activities do expose itself to some financial risks which need to be actively managed.

Market risk

GCH'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 that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GCH has some exposure to cash flow interest rate risks through cash and deposits that are at floating rates. GCH 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.

GCH is not exposed to equity price risk.

Interest rate risk

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

Liquidity risk

Vigilant liquidity risk management requires GCH to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable. GCH 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.

Credit risk

GCH is not exposed to any significant credit risk.

Foreign currency risk

GCH is not exposed to any significant foreign currency risk.

Price risk

GCH is not exposed to any significant price risk.

Note 7.2: Contingent assets and contingent liabilities

There are no known contingent assets or contingent liabilities for GCH as at 30 June 2020 (2019: NIL).

Note 7 Risks, Contingencies and Valuation Uncertainties (cont.)

Note 7.3: Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that GCH can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

GCH measures the following assets at fair value on a reoccurring basis:

- land and buildings.

Fair Value Hierarchy

The following tables detail GCH's assets measured or disclosed at fair value, using a three-level hierarchy as described above.

	Level 1 $	Level 2 $	Level 3 $	Total $
2020				
Property, plant and equipment				
Land	-	60,000	-	60,000
Buildings	-	160,000	-	160,000
Total assets	**-**	**220,000**	**-**	**220,000**
2019				
Property, plant and equipment				
Land	-	60,000	-	60,000
Buildings	-	135,341	-	135,341
Total assets	**-**	**195,341**	**-**	**195,341**

GCH engages external, independent and qualified valuers to determine the fair value of GCH's land and buildings at least every 3 years. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors at each reporting date.

There were no transfers between levels during the financial year.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

Note 8 Other Disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Note 8.1: Insurance

The Department of Health and Human Services (DHHS) advised GCH that the total amount of insurance premiums paid by DHHS on its behalf to VMIA was $11,807 for the 2020 financial year.

Note 8.2: Related parties

Key management personnel

Disclosures relating to key management personnel are set out in note 8.3.

Transactions with related parties

There were no material transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no material receivables from or payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no material loans to or from related parties at the current and previous reporting date.

Note 8.3: Key management personnel compensation

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

Board of Directors		**Period**	
Mr. Graham Parkes	1 July 2019	to	30 June 2020
Ms. Joanne Richie	1 July 2019	to	30 June 2020
Ms. Helen Francis	1 July 2019	to	30 June 2020
Ms. Seena Papalia	1 July 2019	to	30 June 2020
Ms. Melissa Morris	1 July 2019	to	30 June 2020
Mr. David Baird	1 July 2019	to	30 June 2020
Ms. Tammy Schoo	1 July 2019	to	30 June 2020
Mr. Paul Margetts	1 July 2019	to	30 June 2020
Senior Management			
Mr. Greg Little (Chief Executive Officer)	1 July 2019	to	30 June 2020
Ms. Kathy Day (General Manager People and Community Support)	1 July 2019	to	30 June 2020
Ms. Kate Astbury (General Manager Business Support and Innovation Services)	1 July 2019	to	30 June 2020

Note 8 Other Disclosures (cont.)

	2020 $	2019 $
Note 8.3: Key management personnel compensation (cont.)		
Total compensation	**605,059**	**566,577**
Note 8.4: Remuneration of auditors		
Remuneration of the auditor – paid and or payable, for:		
- assurance services in relation to the financial report	33,800	40,000
- other assurance services	7,000	7,639
- non-assurance services	3,000	3,000
	43,800	**50,639**
Note 8.5: Reserves		
Asset revaluation reserve opening balance	145,908	275,659
Derecognition on sale of properties	-	(129,751)
Gain on revaluation of land and buildings	28,859	-
Asset revaluation reserve closing balance	**174,767**	**145,908**

The asset revaluation reserve records the revaluations of land and buildings.

Note 8.6: Member's guarantee

GCH is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up is limited to $1 per member subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was $8 (2019: $8).

Note 8.7: Events occurring after balance sheet date

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

At the time of signing, GCH have been awarded the contract and funding from the Australian State Government to establish and Aged and Disability service program in the Horsham Rural City from 1 January 2020.

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

Note 8.8: Company details

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

Grampians Community Health
8-22 Patrick Street
STAWELL VIC 3380

Note 8 Other Disclosures (cont.)

Note 8.9: Issued but not yet effective Australian accounting and reporting pronouncements

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 17 *Insurance Contracts*	The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.	1 January 2021	The assessment has indicated that there will be no impact on GCH.
AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*	This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The assessment has indicated that there will be no significant impact on GCH.
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The assessment has indicated that there will be no significant impact on GCH.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2019-20 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on GCH's reporting.

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business.*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework.*
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.*
- AASB 2019-4 *Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.*
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*

GRAMPIANS COMMUNITY HEALTH

ABN 41 831 668 189

Directors' Declaration

For the year ended 30 June 2020

In the directors' opinion:

1. The attached financial statements and notes comply with the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards – Reduced Disclosure Requirements and associated regulations and other mandatory professional reporting requirements;

2. The attached financial statements and notes give a true and fair view of Grampians Community Health's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

3. There are reasonable grounds to believe that Grampians Community Health will be able to pay its debts as and when they become due and payable.

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

Chair: Melissa Morris ....
Melissa Morris

Treasurer: ....
David Baird

Dated this 15th day of December 2020