

# **Gippsland Lakes Complete Health Limited**

**ABN 39 041 514 660**

**Financial Statements – 30 June 2021**

**Gippsland Lakes Complete Health Limited**  
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**30 June 2021**

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**General information**

The financial statements cover Gippsland Lakes Complete Health Limited as an individual entity. The financial statements are presented in Australian dollars, which is Gippsland Lakes Complete Health Limited's functional and presentation currency.

Gippsland Lakes Complete Health Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2021.

**Gippsland Lakes Complete Health Limited**  
**Directors' report**  
**30 June 2021**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2021.

**Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

<b>Director</b>	<b>Date Appointed / Elected</b>	<b>Date of Resignation / Retirement</b>
Jeffrey Wilson	30/07/1998	29/10/2020
Carol Ross	22/11/2011	
Darryl Andy	13/05/2013	27/11/2020
Glenn Hodges	23/11/2015	
Robyn Cooney	22/11/2016	
Andrew Stuart-Murray	14/02/2019	
James Mulcahy	30/05/2019	
John Miller	31/10/2019	
Carina Turner	24/09/2020	

**Objectives**

The short-term objective of the company is to develop and deliver accessible health and support services that are of the highest quality and meet the needs of our East Gippsland communities.

The long-term objective of the company is to improve the access to health and wellbeing services for people in East Gippsland.

**Strategy for achieving the objectives**

Develop services for our communities now and into the future;  
Invest in capital development of optimal and fit-for-purpose sites in the communities that we service;  
Plan and invest in technology developments that will enable us to meet demand and deliver services with innovation and efficiency;  
Continue to be a reputable and influential organisation;  
Maintain Gippsland Lakes Complete Health Limited as a highly capable organisation that prospers;  
Invest in staff training to ensure capacity to meet current and future service needs.

**Principal activities**

During the financial year the principal continuing activities of the company were as follows:

Gippsland Lakes Complete Health Limited is a health service provider in East Gippsland, noted for the provision of health and community services, its ability to relate to and provide services to the most disadvantaged communities, and its championing of the social model of health.

**Operating Results**

The surplus of the Company amounted to \$3,080,139 (2020: Surplus of \$2,468,960).

**Significant Changes in State of Affairs**

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

## Gippsland Lakes Complete Health Limited

### Directors' report

30 June 2021

#### Information on directors

Director's name:	<b>Jeffrey Wilson</b>
Position held:	Elected director
Special responsibilities:	Member of Finance Committee
Qualifications:	Diploma of Education Graduate Diploma in Electronic Computing Diploma in Metallurgy
Experience and expertise:	Victorian Education Department for 38 years, including 9 years as a Primary School Principal Deputy Chairperson Mallee Water Board (4 Yrs) Chairperson East Gippsland Network of Schools (5 Yrs) Chairperson Gippsland Lakes Complete Health Limited Board (10+ Yrs)
Director's name:	<b>Carol Ross</b>
Position held:	Elected director
Special responsibilities:	Chair Member of Finance Committee
Qualifications:	Bachelor of Commerce Diploma of Financial Services Diploma of Management (Human Resources) Diploma in Frontline Management
Experience and expertise:	Senior Management skills
Director's name:	<b>Darryl Andy</b>
Position held:	Appointed director
Special responsibilities:	Nil
Qualifications:	Certificate III in Aboriginal Education Assistant Graduate of Stronger Smarter Leadership Institute Training in Family Partnerships, Conflict Management and Building Community Futures
Experience and expertise:	Currently Koori Engagement Support Officer, South Eastern Victoria Region. Previously Koori Educator at the Bairnsdale Secondary College. Lakes Entrance Aboriginal Health Association (LEAHA) Board member. Involved in many Aboriginal forums and networks.
Director's name:	<b>Glenn Hodges</b>
Position held:	Elected director
Special responsibilities:	Vice Chair Member of Quality Governance Committee
Qualifications:	Bachelor of Jurisprudence Bachelor of Law Diploma of Finance Law
Experience and expertise:	Lawyer who specialises in commercial, business and financial matters, including corporate governance. Experienced company secretary for unlisted public companies and has served as director or secretary on other company boards, both for business and for community organisations.
Director's name:	<b>Robyn Cooney</b>
Position held:	Elected director
Special responsibilities:	Member of Quality Governance Committee
Qualifications:	Bachelor of Arts Diploma's in Education, Business and Marketing.
Experience and expertise:	Varied career in teaching, media, politics, hospitality, management and municipal government. Sound private sector background, coupled with more recent public service roles in the area of strategic development, plans and policy with East Gippsland Shire Council. Volunteer Independent Member of the GLCH Quality Governance Committee prior to election to the Board.

**Gippsland Lakes Complete Health Limited**  
**Directors' report**  
**30 June 2021**

**Information on directors (continued)**

Director's name: **Andrew Stuart-Murray**  
Position held: Appointed director  
Special responsibilities: Chair of Finance Committee  
Qualifications: Bachelor of Business Accounting  
Fellow of CPA Australia  
Experience and expertise: Senior executive and finance roles within commercial enterprises and extensive experience in finance, governance, risk, leadership and strategy.

Director's name: **James Mulcahy**  
Position held: Appointed director  
Special responsibilities: Member of Finance Committee  
Qualifications: Bachelor of Arts  
Diploma of Education  
Experience and expertise: Varied career from journalism and public relations to youth work and teaching. Principal at Lucknow Primary School prior to retirement.

Director's name: **John Miller**  
Position held: Elected director  
Special responsibilities: Member of Quality Governance Committee  
Qualifications: Degree in Store Management  
Experience and expertise: Professional background in store management and administration with large supermarket and hardware retailers. Currently volunteers in a number of roles in the community.

Director's name: **Carina Turner**  
Position held: Appointed director  
Special responsibilities: Member of Quality Governance Committee  
Qualifications: Bachelor of Nursing  
Masters of Business Administration  
Experience and expertise: Clinical and business background, with over 25 years' experience running a small business, managing staff, and financial and governance compliance.  
Volunteer Independent Member of the GLCH Quality Governance Committee prior to election to the Board.

**Company Secretary**

Susan Medson has held the role of Company Secretary since 2<sup>nd</sup> February 2011. Susan is the Chief Executive Officer of the company and has over 25 years' experience in CEO and Executive Management roles. Susan has a Bachelor of Education, a Graduate Certificate of Health Service Management and a Masters in Health Administration. Susan Medson resigned from the position of CEO effective from the 16<sup>th</sup> July 2021.

Anne-Maree Kaser was appointed to the position of CEO and Company Secretary effective 19<sup>th</sup> July 2021. Anne-Maree has had experience in CEO and senior management roles for over 18 years. Anne-Maree has a Diploma of Nursing, a Graduate Diploma of Human Services Management and a certificate in Governance for Not-For Profits.

Leadership and management responsibilities include Strategy Development and Strategic Planning, Governance Advice, Policy Development, Risk Management, Management of Operations, Financial Performance Management and Asset Management, Client Service Management, Human Resources, Organisational Profile, Stakeholder Management and Public Relations.

**Gippsland Lakes Complete Health Limited**  
**Directors' report**  
**30 June 2021**

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Board		Finance Committee		Quality and Governance Committee	
	Attended	Held/Eligible	Attended	Held/Eligible	Attended	Held/Eligible
Jeffrey Wilson	2	2	2	2		
Carol Ross	10	10	7	7		
Darryl Andy	2	4				
Glenn Hodges	7	10			5	6
Robyn Cooney	10	10			5	6
Andrew Stuart-Murray	8	10	7	7		
James Mulcahy	8	10	4	7		
John Miller	9	10			5	6
Carina Turner	9	9			5	5

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

**Contribution on winding up**

Gippsland Lakes Complete Health Limited is a company limited by guarantee. In the event of the company being wound up, ordinary members are required to contribute a maximum of \$1 each.

The total amount that members of the company are liable to contribute if the company is wound up is \$177 (2020: \$178), based on 177 (2020: 178) current ordinary members.

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-For-Profit Commission Act 2012*, for the year ended 30 June 2021 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



\_\_\_\_\_  
 Chair  
 30 September 2021

Lakes Entrance

## Auditor-General's Independence Declaration

### To the Board of Directors, Gippsland Lakes Complete Health Limited

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

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

### *Independence Declaration*

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

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

MELBOURNE  
4 October 2021



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

**Gippsland Lakes Complete Health Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
<b>Revenue and Income</b>			
Government contributions			
- State government grants		19,188,380	14,312,749
- Commonwealth government grants		3,312,392	3,448,992
- Other grants		8,043,385	5,385,675
Fees for service - agencies		21,456,516	15,933,544
Fees - clients		1,324,934	1,055,670
Other income		806,485	1,592,497
Salary reimbursements		23,203	11,168
	3	54,155,295	41,740,295
Interest revenue calculated using the effective interest method		273,928	259,435
<b>Expenses</b>			
Client costs	4	(13,309,221)	(7,402,759)
Contract services		(1,173,653)	(487,579)
Depreciation and amortisation expense	4	(947,705)	(744,340)
Employee benefits expense	4	(31,010,237)	(26,682,001)
Finance costs	4	(3,513)	(224)
Health promotion expenses		(743,962)	(756,000)
Information technology expenses		(1,076,939)	(979,276)
Medical supplies		(102,964)	(85,278)
Motor vehicle expenses		(404,108)	(385,283)
Non-capital equipment purchases		(407,094)	(364,224)
Occupancy costs		(325,076)	(287,226)
Office expenses		(1,062,867)	(634,266)
Professional fees		(125,981)	(89,453)
Repairs and maintenance expenses		(278,236)	(142,088)
Staff expenses		(412,726)	(411,993)
Gain/(loss) from sale of property, plant and equipment	4	35,198	(78,780)
<b>Total expenses</b>		<b>(51,349,084)</b>	<b>(39,530,770)</b>
<b>Surplus before income tax expense</b>		<b>3,080,139</b>	<b>2,468,960</b>
Income tax expense	1(d)	-	-
<b>Surplus after income tax expense for the year attributable to the members of Gippsland Lakes Complete Health Limited</b>		<b>3,080,139</b>	<b>2,468,960</b>
<b>Other comprehensive income</b>			
Changes to financial assets revaluation reserve	8 & 15	1,680,636	-
<b>Total comprehensive income for the year attributable to the members of Gippsland Lakes Complete Health Limited</b>		<b>4,760,775</b>	<b>2,468,960</b>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**Gippsland Lakes Complete Health Limited**  
**Statement of Financial Position**  
**As at 30 June 2021**

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	12,318,433	8,993,789
Trade and other receivables	6	2,228,107	1,758,273
Other financial assets	7	9,927,713	9,025,530
<b>Total current assets</b>		<b>24,474,253</b>	<b>19,777,592</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	16,618,664	14,668,365
Right of use assets	9	44,641	66,075
Intangible assets	10	951,462	1,046,795
<b>Total non-current assets</b>		<b>17,614,767</b>	<b>15,781,235</b>
<b>Total assets</b>		<b>42,089,020</b>	<b>35,558,827</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	2,204,363	1,669,612
Contract liabilities	12	9,929,190	9,422,696
Lease liabilities	13	44,474	33,913
Provisions	14	5,378,828	4,483,108
<b>Total current liabilities</b>		<b>17,556,855</b>	<b>15,609,329</b>
<b>Non-Current liabilities</b>			
Lease liabilities	13	1,088	32,268
Provisions	14	995,252	1,142,180
<b>Total non-current liabilities</b>		<b>996,340</b>	<b>1,174,448</b>
<b>Total liabilities</b>		<b>18,553,195</b>	<b>16,783,777</b>
<b>Net assets</b>		<b>23,535,825</b>	<b>18,775,050</b>
<b>Equity</b>			
Retained surplus		16,507,424	13,427,285
Development fund	15(a)	2,861,429	2,861,429
Asset revaluation reserve	15(b)	4,166,972	2,486,336
<b>Total equity</b>		<b>23,535,825</b>	<b>18,775,050</b>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Gippsland Lakes Complete Health Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2021**

	<b>Retained surplus</b>	<b>Development fund</b>	<b>Asset revaluation reserve</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2019</b>	10,958,325	2,861,429	2,486,336	16,306,090
Surplus after income tax expense for the year	2,468,960	-	-	2,468,960
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	2,468,960	-	-	2,468,960
<b>Balance at 30 June 2020</b>	<b>13,427,285</b>	<b>2,861,429</b>	<b>2,486,336</b>	<b>18,775,050</b>
<b>Balance at 1 July 2020</b>	13,427,285	2,861,429	2,486,336	18,775,050
Surplus after income tax expense for the year	3,080,139	-	-	3,080,139
Other comprehensive income for the year, net of tax	-	-	1,680,636	1,680,636
Total comprehensive income for the year	3,080,139	-	1,680,636	4,760,775
<b>Balance at 30 June 2021</b>	<b>16,507,424</b>	<b>2,861,429</b>	<b>4,166,972</b>	<b>23,535,825</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Gippsland Lakes Complete Health Limited**  
**Statement of Cash Flows**  
**For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Grants received		33,678,366	27,853,343
Fees received		19,671,404	14,949,431
Other receipts from customers		829,688	1,603,665
Payments to suppliers and employees		(48,819,479)	(39,468,576)
		<u>5,359,979</u>	<u>4,937,863</u>
Interest received		273,928	259,435
Net GST received		(318,289)	270,418
<b>Net cash inflow from operating activities</b>		<b><u>5,315,618</u></b>	<b><u>5,467,716</u></b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		79,544	87,732
Payments for property, plant and equipment		(1,072,568)	(1,234,552)
Payments for intangible assets		(46,299)	(364,079)
Net proceeds from / (purchase of) other financial assets		(902,183)	680,534
<b>Net cash outflow from investing activities</b>		<b><u>(1,941,506)</u></b>	<b><u>(830,365)</u></b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(49,468)	(2,991)
<b>Net cash outflow from financing activities</b>		<b><u>(49,468)</u></b>	<b><u>(2,991)</u></b>
<b>Net increase in cash and cash equivalents</b>		<b><u>3,324,644</u></b>	<b><u>4,634,360</u></b>
Cash and cash equivalents at the beginning of the financial period		8,993,789	4,359,429
<b>Cash and cash equivalents at the end of the financial period</b>	5	<b><u>12,318,433</u></b>	<b><u>8,993,789</u></b>

*The above statement of changes in cash flows should be read in conjunction with the accompanying notes*

**Gippsland Lakes Complete Health Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) New or amended Accounting standards and Interpretation adopted**

The company 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 new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**(b) 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'), the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

The financial statements are prepared on a going concern basis.

*Historical cost convention*

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, except for the cash flow statement, 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.

All amounts shown in the financial statements have been rounded to the nearest dollar, unless otherwise stated.

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

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

**(c) Revenue and income recognition**

The company recognises revenue as follows:

*Fee for service revenue*

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Donations*

Donations are recognised at the time the pledge is made.

**Note 1. Significant accounting policies (continued)**

**(c) Revenue recognition (continued)**

*Grants*

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**(d) Income tax**

As the Company is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

**(e) 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.

**(f) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(g) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

**(h) Other financial assets**

Investments and other financial assets 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 entity 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.

**Note 1. Significant accounting policies (continued)**

**(h) Other financial assets (continued)**

*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.

**(i) Property, plant and equipment**

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. 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. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line or diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

	<b>Depreciation rates</b>	<b>Depreciation Method</b>
Buildings	2.5%	Prime cost
Plant and equipment	10% - 33.33%	Prime cost
Motor vehicles	20%	Diminishing value

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. There were no changes to the depreciation rates during the reporting period.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

**(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.

**Note 1. Significant accounting policies (continued)**

**(j) Right-of-use assets (continued)**

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) Intangible assets**

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

*Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

**(l) Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**(m) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30-60 days of recognition.

**(n) Contract liabilities**

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

**(o) Lease liabilities**

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 company'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.

**Note 1. Significant accounting policies (continued)**

**(p) Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(q) 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.

**(r) 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 tax authority. 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 tax authority 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 tax authority, are presented as operating cash flows.

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

**(s) Economic dependence**

Gippsland Lakes Complete Health Limited is dependent on the Department of Health, Department of Families, Fairness and Housing, Department of Education and Training, Early Childhood Development and the Commonwealth Department of Health and Ageing for the majority of its revenue to provide services. At the date of this report the Board of Directors has no reason to believe that those sources of revenue will not continue.

**(t) Client costs**

Client costs represent expenses paid for on behalf of our clients. General client costs are predominantly provided for clients under the National Disability Insurance Scheme (NDIS). Home care package client costs are provided under the Australian Government home care package subsidy.



## **Note 2. 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.

### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

### *Impact of COVID-19 on revenue and income*

Gippsland Lakes Complete Health Limited's response to the pandemic included the deferral of services, reduced activity and establishment of digital delivery methods where possible. This resulted in Gippsland Lakes Complete Health Limited incurring minimal lost revenue as well as some direct and indirect COVID-19 costs. The Department of Families, Fairness and Housing provided funding which was spent due to COVID-19 impacts by Gippsland Lakes Complete Health Limited. The additional DFFH revenue resulted in the financial impact of COVID-19 being neutral to the organisation. Gippsland Lakes Complete Health Limited also received essential personal protective equipment free of charge under the state supply arrangement.

### *Identifying performance obligations*

The company applies significant judgment when reviewing funding agreements and contracts to determine if there are sufficiently specific and enforceable performance obligations. If met, the contract/funding agreement is treated as a contract with a customer and recognised as revenue as or when the transfer of goods or services to customers occurs. If this criteria is not met, funding is recognised immediately in the net result from operations.

### *Determining timing of revenue recognition*

The company applies significant judgement to determine when a performance obligation has been met and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over-time.

### *Contract liabilities*

The company assesses the grants in advance and unexpended grants by reference to the conditions attached to the grants and the timing of the receipt of grant monies in accordance with the accounting policy disclosed in Note 1(c).

### *Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### *Fair value of land and buildings*

The valuation of land and buildings involves various assumptions which are used by valuation experts which include useful lives and current market prices.

### *Impairment of non-financial assets*

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company 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.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Employee benefits provision*

As discussed in Note 1(p), 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.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the simplified approach permitted by AASB 9 *Financial Instruments*, which is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates. The Board of Directors believe that all trade receivables are recoverable with the exception of \$5,000 (2020: \$5,000) which has been regarded as doubtful.

**Gippsland Lakes Complete Health Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 3. Revenue**

**2021**                      **2020**  
**\$**                                      **\$**

***Disaggregation of revenue and income***

The disaggregation of revenue and income from contracts with customers is as follows:

*State government grants*

- Department of Families, Fairness and Housing	17,982,520	13,183,515
- Department of Feducation and Training	1,205,860	1,129,234
	19,188,380	14,312,749

Commonwealth government grants - Department of Health	3,312,392	3,448,992
Other grants	8,043,385	5,385,675
Fee for service - agencies	21,456,516	15,933,544
Fees - clients	1,324,934	1,055,670
Other income	829,688	1,603,665
<b>Total revenue</b>	<b>54,155,295</b>	<b>41,740,295</b>

The disaggregation of revenue from other grants is as follows:

**Other grants**

Services Australia	1,380,198	997,370
Australian Taxation Office - Job keeper and cash boost	1,439,000	359,000
Department of Health - Commonwealth	1,260,356	1,287,239
East Gippsland Shire Council	833,511	842,644
Latrobe Community Health Service	761,257	870,811
Gippsland Primary Health Network	463,794	272,763
Department of Justice	533,239	228,725
Other	1,372,030	527,122
<b>Total Other grants</b>	8,043,385	5,385,675

**Note 4. Expenses**

Surplus before income tax includes the following specific expenses:

*Client costs*

- General client costs	8,162,108	3,478,417
- Home care package client costs	5,147,113	3,924,342
	13,309,221	7,402,759

*Depreciation and amortisation expense*

- Buildings	246,789	208,292
- Plant and equipment	333,915	243,226
- Motor vehicles	177,856	177,865
- Right-of-use asset	47,514	2,873
- Software	141,632	112,085
	947,706	744,340

*Employee benefits expense*

- Salaries and wages	28,521,031	24,474,485
- Defined contribution superannuation expense	2,489,206	2,207,516
	31,010,237	26,682,001

*Finance costs*

- Interest and finance charges paid/payable on lease liabilities	3,513	224
	3,513	224

**Gippsland Lakes Complete Health Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 4. Expenses (continued)**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Leases</i>		
- Residential accommodation	48,563	38,286
- Vehicle leases	184,497	146,582
	<u>233,060</u>	<u>184,868</u>

Residential accommodation relates to employee accommodation while delivering services in rural and remote areas. The company leases nine motor vehicles for less than one year. These leases are short-term, so have been expensed as incurred and not capitalised as right-of-use assets.

Gain/(loss) from sale of property, plant and equipment	35,198	(78,780)
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**Note 5. Cash and cash equivalents**

**Current**

Cash at bank	12,314,883	8,240,239
Cash on hand	3,550	3,550
Term deposit - Term of maturity less than 90 days	-	750,000
	<u><b>12,318,433</b></u>	<u><b>8,993,789</b></u>

**Note 6. Trade and other receivables**

**Current**

Trade receivables	707,245	943,021
Allowance for expected credit losses	(5,000)	(5,000)
	<u>702,245</u>	<u>938,021</u>
Other receivables	1,525,862	820,252
	<u><b>2,228,107</b></u>	<u><b>1,758,273</b></u>

**Note 7. Other financial assets**

**Current**

Term deposits - Term of maturity greater than 90 days	9,927,713	9,025,530
	<u><b>9,927,713</b></u>	<u><b>9,025,530</b></u>

**Gippsland Lakes Complete Health Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 8. Property, plant and equipment**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current</b>		
<i>Land:</i>		
At fair value	4,020,000	3,446,000
	<u>4,020,000</u>	<u>3,446,000</u>
<i>Buildings:</i>		
Buildings at fair value	10,405,000	9,927,285
Leasehold improvements at cost - Bruthen	16,322	16,322
Leasehold improvements at cost - Children's Centre	479,517	27,500
Accumulated depreciation	(2,880)	(390,048)
	<u>10,897,959</u>	<u>9,581,059</u>
<i>Total land and buildings</i>	<u>14,917,959</u>	<u>13,027,059</u>
<i>Plant and equipment:</i>		
At cost	2,454,326	2,091,584
Accumulated depreciation	(1,566,141)	(1,245,173)
	<u>888,185</u>	<u>846,411</u>
<i>Motor vehicles:</i>		
At cost	1,574,660	1,521,703
Accumulated depreciation	(764,990)	(730,835)
	<u>809,670</u>	<u>790,868</u>
<i>Work in progress:</i>		
Work in progress - buildings	2,850	4,027
	<u>2,850</u>	<u>4,027</u>
<b>Total property, plant and equipment</b>	<b><u>16,618,664</u></b>	<b><u>14,668,365</u></b>

**Gippsland Lakes Complete Health Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 8. Property, plant and equipment**

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

	Land	Buildings	Plant and Equipment	Motor Vehicles	Work in progress	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	3,446,000	7,176,133	534,993	904,161	2,286,752	14,348,039
Additions	-	444,798	565,945	219,783	4,027	1,234,553
Transfer to intangible assets	-	-	-	-	(118,332)	(118,332)
Transfer from WIP	-	2,168,420	-	-	(2,168,420)	-
Disposals/Write offs	-	-	(11,301)	(155,211)	-	(166,512)
Depreciation expense	-	(208,292)	(243,226)	(177,865)	-	(629,382)
<b>Balance at 30 June 2020</b>	<b>3,446,000</b>	<b>9,581,059</b>	<b>846,411</b>	<b>790,868</b>	<b>4,027</b>	<b>14,668,365</b>
<b>Balance at 1 July 2020</b>	<b>3,446,000</b>	<b>9,581,059</b>	<b>846,411</b>	<b>790,868</b>	<b>4,027</b>	<b>14,668,365</b>
Additions	-	5,036	375,689	241,003	450,840	1,072,568
Revaluations	574,000	1,106,636	-	-	-	1,680,636
Transfer from WIP	-	452,017	-	-	(452,017)	-
Disposals/Write offs	-	-	-	(44,346)	-	(44,346)
Depreciation expense	-	(246,789)	(333,915)	(177,855)	-	(758,559)
<b>Balance at 30 June 2021</b>	<b>4,020,000</b>	<b>10,897,959</b>	<b>888,185</b>	<b>809,670</b>	<b>2,850</b>	<b>16,618,664</b>

Land and buildings were revalued by Lee Property Valuers and Advisors, C. Jordan FAPI. The valuation, which conforms to Australian valuation standards in compliance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment, was determined by reference to the 'highest and best use' of the asset. The effective date of the valuation was at 30 June 2021.

**Gippsland Lakes Complete Health Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 9. Right-of-use asset**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current</b>		
<i>Leased motor vehicles:</i>		
At cost	95,027	68,948
Accumulated depreciation	(50,386)	(2,873)
	<u>44,641</u>	<u>66,075</u>
Total right-of-use assets	<u><b>44,641</b></u>	<u><b>66,075</b></u>

**Reconciliations**

Reconciliations of the fair values at the beginning and end of the current and previous financial period are set out below:

	<b>Motor vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July 2019	-	-
Additions	68,948	68,948
Depreciation expense	(2,873)	(2,873)
Balance at 30 June 2020	<u>66,075</u>	<u>66,075</u>
Balance at 1 July 2020	66,075	66,075
Additions	26,080	26,080
Depreciation expense	(47,514)	(47,514)
Balance at 30 June 2021	<u>44,641</u>	<u>44,641</u>

**Note 10. Intangible assets**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current</b>		
<i>Software:</i>		
At cost	1,488,769	1,442,468
Accumulated amortisation	(537,307)	(395,673)
Total intangible assets	<u><b>951,462</b></u>	<u><b>1,046,795</b></u>

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

	<b>Software</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July 2019	676,469	676,469
Additions	364,079	364,079
Transfer from property, plant and equipment	118,332	118,332
Amortisation expense	(112,085)	(112,085)
Balance at 30 June 2020	<u>1,046,795</u>	<u>1,046,795</u>
Balance at 1 July 2020	1,046,795	1,046,795
Additions	46,299	46,299
Amortisation expense	(141,632)	(141,632)
Balance at 30 June 2021	<u>951,462</u>	<u>951,462</u>

**Gippsland Lakes Complete Health Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 11. Trade and other payables**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
<i>Unsecured liabilities</i>		
Trade payables	798,706	535,283
Net GST payable	354,910	684,968
Accrued expenses and other payables	1,038,141	436,755
Trust scholarship	12,606	12,606
	<b><u>2,204,363</u></b>	<b><u>1,669,612</u></b>

**Note 12. Contract liabilities**

**Current**

*Grants in advance*

State government grants - Department of Families, Fairness and Housing	42,553	1,592,094
Commonwealth government grants - Department of Health	-	102,650
Other grants	120,130	243,263
Other income	49,436	1,820
	<u>212,119</u>	<u>1,939,827</u>

*Unexpended grants*

State government grants - Department of Families, Fairness and Housing	4,947,395	3,606,897
Commonwealth government grants - Department of Health	20,093	620,491
Other grants	277,381	327,016
Fee for service - agencies	4,472,202	2,640,214
Other income	-	288,251
	<u>9,717,071</u>	<u>7,482,869</u>

Total contract liabilities

**9,929,190**      **9,422,696**

Grants in advance and unexpended grants are expected to be recognised as revenue within 12 months.

Grants in advance is for programs that have not yet commenced during the period, unexpended grants are for programs that have commenced but not yet been completed.

**Note 13. Lease liabilities**

**Current**

Lease liabilities	<u>44,474</u>	<u>33,913</u>
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**Non-current**

Lease liabilities	<u>1,088</u>	<u>32,268</u>
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Total lease liabilities

**45,562**      **66,181**

The company currently leases three motor vehicles. There is no interest rate implicit in the leases. The incremental borrowing rate applied has been assessed as being 3.9%.

Lease commitments

Payable within 1 year	45,346	35,892
Payable 1 to 5 years	1,131	32,901
Total payable	<u>46,477</u>	<u>68,793</u>
Less future interest costs	(915)	(2,612)
Lease liability	<u>45,562</u>	<u>66,181</u>



**Gippsland Lakes Complete Health Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 14. Provisions**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Annual leave	2,247,033	2,000,776
Accrued salaries	972,769	767,306
Long service leave	2,001,030	1,573,349
Other	157,996	141,677
	<u>5,378,828</u>	<u>4,483,108</u>
<b>Non-current</b>		
Long service leave	995,252	1,142,180
	<u>995,252</u>	<u>1,142,180</u>
<b>Total provisions</b>	<b><u>6,374,080</u></b>	<b><u>5,625,288</u></b>
<b>(1) Current</b>		
Unconditional and expected to be settled within 12 months	3,577,902	3,067,094
Unconditional and expected to be settled after 12 months	1,800,926	1,416,014
	<u>5,378,828</u>	<u>4,483,108</u>
<b>(2) Non-current</b>		
Conditional long service leave entitlements	995,252	1,142,180
	<u>995,252</u>	<u>1,142,180</u>

**Note 15. Reserves**

*(a) Development Fund*

The development fund reserve relates to post 30 June 2012 surplus funds set aside for future capital developments/business initiatives.

*(b) Revaluation Reserve*

The revaluation reserve relates to the revaluation of land and buildings carried at fair value and is represented by:

Land	1,758,270	1,184,270
Buildings	2,408,702	1,302,066
	<u>4,166,972</u>	<u>2,486,336</u>

**Note 16. Key management personnel disclosure**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

Total remuneration	1,111,636	1,083,291
	<u>1,111,636</u>	<u>1,083,291</u>

**Note 17. Contingent liabilities and contingent assets**

The Company had no contingent liabilities or contingent assets as at 30 June 2021 or 30 June 2020.

**Gippsland Lakes Complete Health Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 18 Commitments**

*(a) Capital commitments*

The company had no capital commitments as at 30 June 2021 or 30 June 2020.

*(b) Commitments for expenditure*

The company had no commitments for expenditure as at 30 June 2021 and 30 June 2020.

**Note 19. Related party transactions**

*(a) Key management personnel*

Key Management Personnel ("KMP") are those people with the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The Board of Directors, Chief Executive Officer and the Executive Directors of the Company are deemed to be KMPs.

Disclosures relating to key management personnel are set out in note 16.

*(b) Transactions with related parties*

Outside of ordinary business operation transactions with the Company, there were no related parties transactions that involved key management personnel, their close family members and their personal business interest. No provision has been required, nor any expense recognised, for impairment of receivables from related parties (2020: None noted).

**Note 20. Events after reporting period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Federal and State Governments, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Note 21. Company Details**

The registered office and principal places of business of the Company are:

*Registered office:*

18-28 Jemmeson Street  
LAKES ENTRANCE VIC 3909

*Principal places of business:*

18-28 Jemmeson Street  
LAKES ENTRANCE VIC 3909

281-285 Main Street  
BAIRNSDALE VIC 3875

**Gippsland Lakes Complete Health Limited**  
**Directors' Declaration**  
**30 June 2021**

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance and cash flows for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company 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:



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Carol Ross  
Chair

30 September 2021  
Lakes Entrance

# Independent Auditor's Report

## *To the Directors of Gippsland Lakes Complete Health Limited*

<b>Opinion</b>	<p>I have audited the financial report of Gippsland Lakes Complete Health Limited (the company) which comprises the:</p> <ul style="list-style-type: none"><li>• statement of financial position as at 30 June 2021</li><li>• statement of profit or loss and other comprehensive income for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• statement of cash flows for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• directors' declaration.</li></ul> <p>In my opinion the financial report is in accordance with Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"><li>• giving a true and fair view of the financial position of the company as at 30 June 2021 and of its financial performance and its cash flows for the year then ended</li><li>• complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.</li></ul>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Directors' responsibilities for the financial report</b>	<p>The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



MELBOURNE  
4 October 2021

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