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ballarat community health  
**financial report**

## ballarat community health

### income statement

for year ended 30th june, 2009

	2009 \$	2008 \$
<b>REVENUES</b>		
Client Contributions	479,384	187,808
Reimbursements	40,029	21,781
Government Grants	4,622,143	4,605,285
Other Grants	389,501	223,886
Interest	307,811	393,508
Other Income	11,797	-
Program Receipts	-	131,623
Rent	43,112	40,721
<b>Revenues from ordinary activities</b>	<b>5,893,777</b>	<b>5,604,612</b>
<b>EXPENDITURE</b>		
Audit and Accounting Services	24,360	10,200
Employee Expenses	3,403,209	3,140,662
Fees	228,529	179,346
Depreciation and Amortisation	166,248	197,845
Domestic Charges	57,504	49,630
General Office Expense	258,607	155,768
Medical Supplies	39,760	37,635
Motor Vehicle Expenses	78,499	71,875
Occupancy Expenses	63,114	57,498
Programs	410,863	395,290
Repairs, Maintenance & Minor Additions	92,816	130,606
Superannuation expense	301,238	276,350
Training and Amenities	93,224	77,852
Quality and Research	24,439	10,821
<b>TOTAL EXPENDITURE</b>	<b>5,242,410</b>	<b>4,791,379</b>
<b>Operating Surplus from ordinary activities</b>	<b>651,367</b>	<b>813,233</b>

The accompanying notes form part of this financial report.

### balance sheet

as at 30th june, 2009

	2009 \$	2008 \$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	7,186,654	5,901,492
Trade and other Receivables	94,760	37,470
Other assets	76,054	135,147
<b>TOTAL CURRENT ASSETS</b>	<b>7,357,468</b>	<b>6,074,109</b>
<b>NON-CURRENT ASSETS</b>		
Property Plant & Equipment	1,490,183	1,588,727
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,490,183</b>	<b>1,588,727</b>
<b>TOTAL ASSETS</b>	<b>8,847,651</b>	<b>7,662,836</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	514,445	477,727
Provisions	355,548	320,998
<b>TOTAL CURRENT LIABILITIES</b>	<b>869,993</b>	<b>798,725</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	180,529	140,465
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>180,529</b>	<b>140,465</b>
<b>TOTAL LIABILITIES</b>	<b>1,050,522</b>	<b>939,190</b>
<b>NET ASSETS</b>	<b>7,797,129</b>	<b>6,723,646</b>
<b>EQUITY</b>		
Reserves	422,115	-
Retained Surplus	7,375,014	6,723,646
<b>TOTAL EQUITY</b>	<b>7,797,129</b>	<b>6,723,646</b>

The accompanying notes form part of this financial report.

## ballarat community health

### statement of changes in equity

for year ended 30th june, 2009

	retained earnings \$	total \$
<b>Balance at 30 June 2007</b>	<b>5,910,413</b>	<b>5,910,413</b>
Operating Surplus from ordinary activities	813,233	813,233
<b>Balance at 30 June 2008</b>	<b>6,723,646</b>	<b>6,723,646</b>
Operating Surplus from ordinary activities	651,367	651,367
<b>Balance at 30 June 2009</b>	<b>7,375,013</b>	<b>7,375,013</b>

### cash flow statement

for year ended 30th june, 2009

	2009 \$	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Receipts from operating activities	5,391,641	4,628,238
Cash Payments from operating activities	(4,496,372)	(3,832,628)
Interest Received	37,843	47,331
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>933,112</b>	<b>842,941</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(167,929)	(26,570)
Proceeds from Sale of Fixed Assets	519,979	-
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>352,050</b>	<b>(26,570)</b>
Net increase in cash held	1,285,162	816,371
Cash at the beginning of financial year	5,901,492	5,085,121
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>7,186,654</b>	<b>5,901,492</b>

### notes to the financial statements

for year ended 30th june, 2009

#### 1. STATEMENT OF ACCOUNTING POLICIES

##### a) Basis of Accounting

The financial report covers Ballarat Community Health as an individual entity. Ballarat Community Health is a Company with Limited Guarantee. The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial Statements were authorised for issue on 14th September 2009 by the Directors.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies have been consistently applied, unless otherwise stated.

Under Australian equivalents to International Financial Reporting Standards ("AIFRS"), there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards ("IFRS") requirements. Ballarat Community Health has analysed its purpose, objectives, and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Ballarat Community Health has elected to apply options and exemptions within the AIFRS that are applicable to not-for-profit entities.

##### b) Employee Entitlements

###### Long Service Leave

Long Service Leave has been provided for all employees as at 30th June, 2009 in accordance with Australian Accounting Standard AASB119. The provision is made at the estimated rates of pay at the time the leave is expected to be taken including oncosts. 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. The balance is included as a non-current liability.

###### Annual Leave

A provision for annual leave is made for all employees based on the accrued liability for annual leave at 30 June, 2009 and at the rates of pay expected at the time the leave is taken. The provision is included as a current liability. An allowance for annual leave loading of 17.5% and other oncosts is included within the provision where relevant.

###### Accrued Days Off

A provision is made for accrued days not taken by eligible employees at the 30th June, 2009. The provision is included as a current liability.

##### c) Depreciation

Fixed Assets other than land are depreciated over their estimated useful lives using the straight line method or diminishing value method. Leasehold improvements are amortised over their estimated useful lives using the straight line or diminishing value method. Depreciation rates have not changed from the prior year.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.0%
Building Improvements	4 - 25%
Leasehold Improvements	5 - 25%
Furniture & Fittings	13 - 40%
Motor Vehicles	22.5%

**d) Property, Plant and Equipment**

In accordance with internal policies fixed assets with a cost value of less than \$1000 are fully expensed in the period acquired.

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

**e) Income Tax**

The Company is exempt from paying tax on its income.

**f) Capital and Specific Purpose Receipts**

All capital grants and specific purpose receipts are brought to account as revenue when expended.

**g) Brokerage and Advanced Funds**

Brokerage and Advanced funds represents funds received for programs such as brokerage that are required to be claimed subject to DHS guidelines. The agency is merely the holder of the funds until these guidelines have been met and then passed on to other entities, such as regional schools for example.

**h) Comparatives**

Comparative figures have been adjusted where the Board of Management believe it will result in better presentation.

**i) Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**j) Cash and cash equivalent**

For the purposes of the Cash Flow Statement, cash includes cash on hand, at bank, and short term deposits and bank bill, with various maturity dates.

**k) Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from client contributions and programs are recognised on the provision of the service or program. Government grants are recorded on receipt and subject to their probability that the conditions will be met, in this case no provision has been made in the accounts to match revenue with the actual expenditure of the grants. Brokerage and unspecified funding grants are brought to account when expenditure is made or clarified.

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

**Movements in Carrying Amounts between the beginning and the end of the financial year**

	Land, Buildings and Building Improvements	Leasehold Improvements	Furniture and Fittings	Motor Vehicles
<b>2009</b>	\$	\$	\$	\$
Balance at the beginning of year 1 July 2008	1,234,732	52,151	112,149	189,695
Additions	-	-	47,029	120,642
Disposals	516,700	-	2,166	3,215
Depreciation expense	14,272	52,151	51,922	47,904
Revaluation	422,115	-	-	-
Carrying amount at the end of the year 30 June 2009	1,125,875	0	105,090	259,218

<b>2008</b>				
Balance at the beginning of year 1 July 2007	1,257,820	110,897	146,515	244,770
Additions	-	-	26,570	-
Disposals	-	-	-	-
Depreciation expense	23,088	58,746	60,936	55,075
Carrying amount at the end of the year 30 June 2008	1,234,732	52,151	112,149	189,695

	2009	2008
	\$	\$
<b>2. TRADE AND OTHER RECEIVABLES</b>		
Receivables	94,760	37,470
	94,760	37,470

<b>3. OTHER ASSETS</b>		
Prepayments and Accrued Income	76,054	135,147
	76,054	135,147

	2009	2008
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>		
Land at Valuation	670,000	368,000
	670,000	368,000

Land was valued by A.K. Doyle, Qualified Valuer, on the 30 June 2009 at current market value.

Buildings at Valuation	449,045	918,045
Accumulated Depreciation	2,042	63,316
	447,003	854,729

Land was valued by A.K. Doyle, Qualified Valuer, on the 30 June 2009 at current market value.

Building Improvements at Cost	21,280	21,280
Accumulated Depreciation	12,408	9,277
	8,872	12,003

Total Land, Buildings and Building Improvements	1,125,875	1,234,732
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Leasehold Improvements at Cost	1,042,966	1,042,966
Accumulated Depreciation	1,042,966	990,815
	-	52,151

Furniture & Fittings at cost	238,673	195,358
Accumulated Depreciation	133,583	83,209
	105,090	112,149

Motor Vehicles at cost	494,763	393,903
Accumulated Depreciation	235,545	204,208
	259,218	189,695

<b>Total Plant, Property and Equipment</b>	<b>1,490,183</b>	<b>1,588,727</b>
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	2009	2008
	\$	\$
<b>5. TRADE AND OTHER PAYABLES</b>		
Brokerage & advanced funds	51,355	155,832
Sundry Creditors and Accruals	463,090	321,895
	514,445	477,727

<b>6. PROVISIONS - CURRENT</b>		
Provision for Long Service Leave	128,167	113,213
Provision for Annual Leave	216,719	197,089
Provision for Accrued Days Off	10,662	10,696
Total Current Provisions	355,548	320,998

<b>7. PROVISIONS - NON CURRENT</b>		
Provision for Long Service Leave	180,529	140,465
Total Non current Provisions	180,529	140,465

Reconciliation of movement in provision for employee benefits		
Opening balance at 1st July 2008	461,463	366,949
Net Movements for the year	74,614	94,514
Balance at 30 June 2009	536,077	461,463

**8. CASH FLOW INFORMATION**

**(a) Reconciliation of Cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

Cash at Bank and On Hand	686,930	699,109
Bank Bill	6,499,724	5,202,383
	7,186,654	5,901,492

**(b) Reconciliation of operating surplus to net cash flows from operations as follows:**

Operating surplus	651,367	813,233
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**Reconciling items**

Depreciation and amortisation	166,248	197,845
Increase/(decrease) in provision for staff entitlements	74,614	94,514
Increase/(decrease) in Trade and Other Payables	36,719	(192,515)
(Increase)/decrease in Trade and Other Receivables	(38,584)	15,168
(Increase)/decrease in Other Assets	40,388	(85,304)
Profit/Loss on sale of Assets	2,360	-
Cash flows from operations	933,112	842,941

**9. FINANCIAL INSTRUMENTS TERMS, CONDITIONS AND ACCOUNTING POLICIES**

The Company's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument recognised at the balance date, are as follows:

Recognised Financial Instruments	Accounting Policies	Terms and Conditions
(i) Financial Assets Receivables	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Receivables are not currently charged interest if they become overdue. Receivables generally become due and payable within 30 days of the invoice.
(ii) Financial Liabilities	Liabilities are recognised as amounts to be paid in the future for goods and services received, whether or not billed to the Company.	Payables are usually settled on 30 day terms

**NET FAIR VALUES**

Methods and assumptions used in determining net fair value. The net fair values of financial assets and liabilities approximates their carrying values in the Balance Sheet.

**INTEREST RATE RISK**

The Company's exposure to the interest rate risks and effective interest rates of financial assets and financial liabilities, both recognised at the balance date as follows:

2009	Weighted average interest rate (\$)	Floating Interest Rate (\$)	Fixed Interest maturing in:				Total (\$)
			1 year or less (\$)	1 to 5 years (\$)	More than 5 years (\$)	Non Interest Bearing (\$)	
<b>Financial Assets</b>							
Cash	2.21%	685,730	-	-	-	-	685,730
Bank Bill	3.39%	1,000,000	-	1,000,000	-	-	1,000,000
Fixed Term Deposit	2.90%	5,499,724	5,499,724	-	-	-	5,499,724
Receivables		-	-	-	-	94,760	94,760
<b>Total Financial Assets</b>		7,185,454	5,499,724	1,000,000	-	94,760	7,280,214
<b>Financial Liabilities</b>							
Payables		-	-	-	-	532,945	532,945
<b>Total Financial Assets</b>		-	-	-	-	532,945	532,945
<b>Net Financial Assets/Liabilities</b>		7,185,454	5,499,724	1,000,000	-	(438,185)	6,747,269

2008	Weighted average interest rate (\$)	Floating Interest Rate (\$)	1 year or less (\$)	1 to 5 years (\$)	More than 5 years (\$)	Non Interest Bearing (\$)	Total (\$)
Cash	2.21%	699,109	-	-	-	-	699,109
Bank Bill	8.50%	1,000,000	-	1,000,000	-	-	2,000,000
Fixed Term Deposit	7.15%	-	3,202,383	-	-	-	3,202,383
Receivables		-	-	-	-	37,470	37,470
<b>Total Financial Assets</b>		1,699,109	3,202,383	1,000,000	-	37,470	5,938,962
<b>Financial Liabilities</b>							
Payables		-	-	-	-	477,726	477,726
<b>Total Financial Assets</b>		-	-	-	-	477,726	477,726
<b>Net Financial Assets/Liabilities</b>		1,699,109	3,202,383	1,000,000	-	(440,256)	5,461,236

## notes to the financial statements

for year ended 30th june, 2009

### (a) Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable. Cash held by financial institutions are a mixture of fixed and floating rate bank deposits. The main purpose of these financial instruments is to invest surplus funds or unused grant monies in order to maximise returns while not exposing the organisation to a high level of risk.

The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Other financial assets and liabilities are trade receivables and trade payables which arise directly from the organisation's operations. Policies for managing the main risks are summarised below:

#### (i) Financial Risks

The main risk the company is exposed to through its financial instruments is credit risk.

The senior executives of the company meet on a regular basis to analyse financial risk exposure and to evaluate the company's financial strategies in the context of the most recent economic conditions and forecasts. The Executive's overall risk management strategy seeks to assist the company in meeting its financial targets whilst minimising potential adverse effects on financial performance. The Executive's operate under policies approved by the Board of Management. Risk management policies are approved and reviewed by the Board on a regular basis.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of the changes in market prices. The Company's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which the company is exposed are discussed below

#### Interest Rate Risk

Exposures to interest rate risk are limited to assets bearing variable interest rates. The majority of financial assets are held in term deposits with fixed interest rates and terms. These are usually held to maturity. Maturity is staggered to provide for interest rate variations and to minimise interest rate risk.

#### Liquidity Risk

The organisation manages the liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities. Given the current surplus cash assets, liquidity risk is minimal.

#### Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, as balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment for those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counter-parties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts and interest rate swaps is the net fair value of these contracts as disclosed in the notes to the financial statements. The association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

#### Sensitivity Analysis

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This analysis demonstrates the effect on current year cash balances and equity which could result from a change in the interest rate risk.

2009	interest rate risk	-1.00%	1%	
	Profit	Equity	Profit	Equity
Financial Assets	-64,997	-64997	64,997	64,997
Financial Liabilities	-	-	-	-

2008	interest rate risk	-1.00%	1%	
	Profit	Equity	Profit	Equity
Financial Assets	-52,024	-52,024	52,024	52,024
Financial Liabilities	-	-	-	-

### 10. RELATED PARTY DISCLOSURES

i) The names of the persons holding the position of a Director at Ballarat Community Health during the reporting period are;

#### Directors

Wendy Hubbard	President		
Liz Sheedy	Vice President		
Rosemarie Calvert	Treasurer	appointed	Nov-07
Mark Karlovic	Director	resigned	Oct-08
Richard Hutton	Director		
Alison Trevenen	Director		
Betty McGuinness	Director		
Suzanne Blume	Director	elected	Nov-07
Sarah Sainsbury	Director	elected	Feb-09

ii) Remuneration of Directors

Directors are voluntary and receive no remuneration.

iii) There have been no transactions between related parties as declared by the Directors of the Board of Management.

### 11. RESPONSIBLE PERSON AND KEY MANAGEMENT DISCLOSURE.

	2009	2008
The number of Responsible and Key Management Persons are shown in the income band below.		
Income Band		
\$0 - \$150,000	9	7
Total Remuneration	\$703,124	\$574,863

### 12. REMUNERATION OF AUDITORS

	2009	2008
The remuneration of Auditors is shown below.		
	\$9,000	\$8,900

### 13. EVENTS OCCURRING AFTER BALANCE SHEET DATE

There were no events occurring after the reporting date that would require the organisation to adjust its financial statements.


## statement by the treasurer

In the opinion of the Treasurer the financial report as set out by the statement of financial position, statement of financial performance, statement of cash flows and notes thereto:

1. Presents fairly the financial position of Ballarat Community Health as at 30 June 2009 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

2. At the date of this statement, there are reasonable grounds to believe that Ballarat Community Health will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

  
President  
Wendy Hubbard

  
Treasurer  
Rosemarie Calvert

Dated this 14<sup>th</sup> day of September 2009

## independent auditor's report to the members of ballarat community health

We have audited the accompanying financial report of Ballarat Community Health (the company), which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

### 1. THE RESPONSIBILITY OF THE DIRECTORS FOR THE FINANCIAL REPORT

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the financial reporting requirements of the company's constitution. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

### 2. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to

the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### 3. INDEPENDENCE

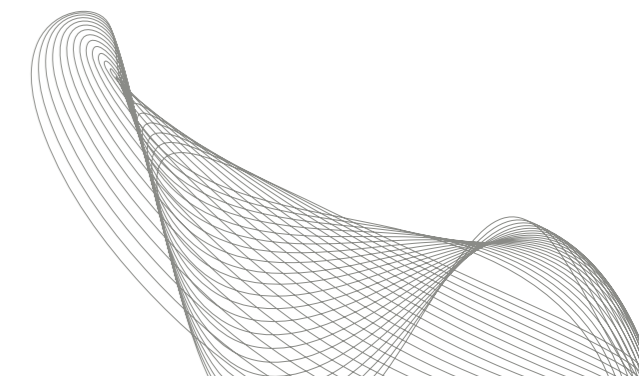
In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

### 4. AUDITOR'S OPINION

In our opinion, the financial report presents fairly, in all material respects, the financial position of Ballarat Community Health as of 30 June 2009, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including Australian Accounting Interpretations).



WHK HORWATH MELBOURNE  
Martin W Thompson  
200 Malop Street, Geelong Victoria 3220  
Dated this 17 day of September 2009





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