
Sunbury Community Health Centre Ltd

Trading as:

- Sunbury Community Health
- Sunbury Lions Community Aged Care
- Our Village Family Childcare

ABN: 32 084 682 579

Financial Report

For the year ended 30 June 2018

Sunbury Community Health Centre Ltd

30 June 2018

CONTENTS	Page
Directors' Report	1
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	31
Independent Audit Report	32

Sunbury Community Health Centre Ltd

Directors' Report

For the Year Ended 30 June 2018

Your directors present their report of the Sunbury Community Health Centre Ltd for the year ended 30 June 2018.

Directors

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

Peter Donlon	Mary Rush
Matthew Stewart	Janelle Parry
Georgina Dougall <i>Appointed August 2017</i>	Bruce Marshall <i>Appointed August 2017</i>
Rachel Strevens <i>Appointed August 2017</i>	David Cook <i>Resigned October 2017</i>

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

Principal Activities

The principal activities of the company during the course of the financial year were in providing health and welfare services to the communities within the Hume and surrounding local government areas.

Business Objectives

The company's short term objectives are to provide high quality and sustainable health and community services to the local community. The company's long term objectives are to build the social fabric of the community through programs that help people support themselves and each other.

Operating Result

Operations have continued to perform in line with expectations. The surplus of the entity for the financial year was:

Year ended 30 June 2018	Year ended 30 June 2017
\$	\$
458,889	349,103

Performance Measurement

The company measures its own performance through the use of quantitative and qualitative objectives. The achievement of objectives are used by the directors to assess the financial and service provision performance of the company and whether the company's short-term and long-term objectives are being achieved.

Sunbury Community Health Centre Ltd

Directors' Report

For the Year Ended 30 June 2018

Significant Changes

In the opinion of the directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

After Balance Date Events

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

Environmental Issues

The company is not subject to any significant environmental regulation.

Directors' Benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 14 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Indemnification and Insurance of Directors and Officers

The company has indemnified all directors and officers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or officers of the company except where the liability arises out of conduct involving the lack of good faith.

The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

Information on Directors

Peter Donlon

Qualifications:	Bachelor of Science, Associate Diploma of Computing, MAICD
Special Responsibilities:	Chairperson, Finance Strategy Working Group, Nominations Committee

Sunbury Community Health Centre Ltd

Directors' Report

For the Year Ended 30 June 2018

Information on Directors (Continued)

Mary Rush

Qualifications: Bachelor of Business (Management)
 Special Responsibilities: Board Member, Nominations Committee

Matthew Stewart

Qualifications: Bachelor of Health Science, Post Graduate Diploma of Nursing Management, Registered Nurse Division 1
 Special Responsibilities: Board Member, Nominations Committee

Janelle Parry

Qualifications: CPA, Bachelor of Business (Accountancy)
 Special Responsibilities: Deputy Chairperson, Nominations Committee, Finance Strategy Working Group

Georgina Dougall

Qualifications: GAICD, Certificate IV Assessment and Workplace Training, Diploma of Business Management, Bachelor of Arts (Recreation), Graduate Diploma of Education, Post Graduate Diploma of Education (Health Education)
 Special Responsibilities: Board Member, Nominations Committee

Bruce Marshall

Qualifications: ACEcD, Bachelor of Business (Marketing), Diploma of Management, Graduate Diploma of Education (Secondary)
 Special Responsibilities: Board Member, Nominations Committee

Rachel Strevens

Qualifications: GAICD, CPA, Bachelor of Arts, Master of Commerce
 Special Responsibilities: Board Member, Nominations Committee, Financial Strategy Working Group

Meeting of Directors

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

	Directors' Meetings	
	Eligible to attend	Attended
Peter Donlon	11	11
Mary Rush	11	8
Matthew Stewart	11	8
Janelle Parry	11	10
Georgina Dougall (Appointed August 2017)	10	4
Bruce Marshall (Appointed August 2017)	10	9
Rachel Strevens (Appointed August 2017)	10	8
David Cook (Resigned October 2017)	3	1

Sunbury Community Health Centre Ltd

Directors' Report

For the Year Ended 30 June 2018

Company Secretary

The position of Company Secretary was held by Shelly Clancy for the financial year.

Members' Guarantee

The entity is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2018 the number of members was 34 (2017: 33).

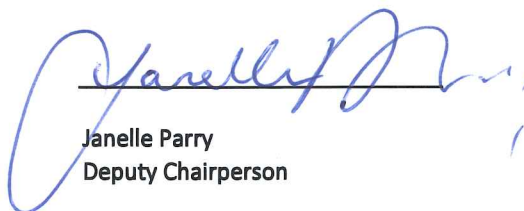
Auditors' Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 5 of the financial reports.

The directors' report is signed in accordance with a resolution of the board of directors.



Peter Donlon
Chairperson



Janelle Parry
Deputy Chairperson

Dated this 25th day of October 2018

Auditor's Independence Declaration under section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Directors of Sunbury Community Health Centre

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there has been:

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



Andrew Frewin Stewart
61 Bull Street, Bendigo, Victoria
Dated this 25th day of October 2018



Adrian Downing
Lead Auditor

Sunbury Community Health Centre Ltd

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Notes	2018 \$	2017 \$
Revenue	2	10,418,215	10,677,795
Other income	2	3,913,265	3,279,014
Employee benefits expense	3	(11,447,795)	(11,119,469)
Depreciation and amortisation expense	3	(311,691)	(314,517)
Finance expenses		(2,599)	(6,615)
Utilities expenses		(175,018)	(180,837)
Motor vehicle expenses		(56,783)	(64,099)
Audit, accreditation, legal and consultancy fees		(149,907)	(194,206)
Staff training and development expenses		(212,286)	(162,024)
Client support services expenses		(502,718)	(396,405)
General medical supplies		(310,911)	(273,649)
External dental providers		(223,459)	(415,477)
Repairs and maintenance		(155,303)	(120,945)
Other expenditure		(324,121)	(359,463)
Surplus before income tax credit		458,889	349,103
Income tax credit		-	-
Surplus after income tax credit		458,889	349,103
Other comprehensive income			
Revaluation of land and buildings		-	1,412,203
Total comprehensive income attributable to members of the entity		458,889	1,761,306

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

Sunbury Community Health Centre Ltd

Statement of Financial Position

As at 30 June 2018

	Notes	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	4	5,903,371	5,904,863
Trade and other receivables	5	369,939	451,673
Inventories on hand		37,340	34,996
Other assets	6	92,318	90,941
Total current assets		6,402,968	6,482,473
Non-current assets			
Property, plant and equipment	7	8,099,736	6,906,678
Total non-current assets		8,099,736	6,906,678
Total assets		14,502,704	13,389,151
Current liabilities			
Trade and other payables	8	3,890,541	3,476,394
Provisions	9	1,661,944	1,541,575
Total current liabilities		5,552,485	5,017,969
Non-current liabilities			
Provisions	9	598,859	478,711
Total non-current liabilities		598,859	478,711
Total liabilities		6,151,344	5,496,680
Net assets		8,351,360	7,892,471
Equity			
Retained earnings		6,643,556	6,184,667
Asset revaluation reserve		1,527,804	1,527,804
Asset replacement reserve		180,000	180,000
Total equity		8,351,360	7,892,471

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

Sunbury Community Health Centre Ltd

Statement of Changes in Equity

For the Year Ended 30 June 2018

	Note	Retained Earnings \$	Asset Revaluation Reserve \$	Asset Replacement Reserve \$	Total Equity \$
Balance at 1 July 2016		5,835,564	115,601	180,000	6,131,165
Surplus for the year		349,103	-	-	349,103
Comprehensive income					
Other comprehensive income for the year		-	1,412,203	-	1,412,203
Total other comprehensive income for the year		-	1,412,203	-	1,412,203
Balance at 30 June 2017		6,184,667	1,527,804	180,000	7,892,471
Balance at 1 July 2017		6,184,667	1,527,804	180,000	7,892,471
Surplus for the year		458,889	-	-	458,889
Comprehensive income					
Other comprehensive income for the year		-	-	-	-
Total other comprehensive income for the year		-	-	-	-
Balance at 30 June 2018		6,643,556	1,527,804	180,000	8,351,360

Sunbury Community Health Centre Ltd

Statement of Cash flows

For the Year Ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from clients and government grants		10,712,173	10,480,081
Receipts from donations, reimbursements and rentals		535,766	538,502
Receipts from customer fees		3,377,499	2,740,512
Payments to suppliers and employees		(13,324,104)	(12,896,217)
Interest received		94,284	106,606
Net cash provided by operating activities	10	1,395,618	969,484
Cash flows from investing activities			
Payments for property, plant and equipment		(1,504,749)	(411,072)
Receipts of refundable accommodation bonds		115,456	316,000
Refunds of refundable accommodation bonds		(7,817)	(546,544)
Net cash used in investing activities		(1,397,110)	(641,616)
Net increase / (decrease) in cash held		(1,492)	327,868
Cash and cash equivalents at the beginning of the financial year		5,904,863	5,576,995
Cash and cash equivalents at the end of the financial year	4	5,903,371	5,904,863

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

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies

The financial statements cover Sunbury Community Health Centre Ltd as an individual entity, incorporated and domiciled in Australia. Sunbury Community Health Centre Ltd is a company limited by guarantee.

Basis of preparation

Sunbury Community Health Centre Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053 : Application of Tiers of Australian Accounting Standards.

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* . The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

The financial statements were authorised for issue on 25 October 2018 by the directors of the company.

(a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(a) Revenue (continued)

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

Client income is recognised upon the delivery of the service to the customers.

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

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

Revenue from the residential aged care facility is recognised when due and receivable from the Department of Health. This funding is linked to the number of residents subject to care at the Aged Care Facility, their levels of required care and needs and their respective levels of personal assets. It is reduced for residents with personal assets above a specified level set by the Government. These residents are required either to pay:

- (i) a Refundable Accommodation Deposit (RAD) to the Residential Aged Care Facility which is repaid to the residents when they leave the Residential Aged Care Facility or to their estates on their death. The Residential Aged Care Facility is entitled to accrue any interest earned on the investment of the RAD's; or
- (ii) to the Residential Aged Care Facility an amount as negotiated as a daily fee.

(b) Income tax

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

(c) Cash and Cash Equivalents

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

(d) Trade and Other Receivables

Trade and other receivables includes amounts due from customers for services performed in the ordinary course of business. All receivables are classified as current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(e) Property, Plant and Equipment

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 three years, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of asset shall be recognised in 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 or 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 (refer to Note 1 (g) for details of impairment).

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.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(e) Property, Plant and Equipment (continued)

Depreciation (continued)

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

Class of Fixed	Depreciation Rate
Buildings	2.5-5%
Improvements	10-20%
Plant and equipment	10-30%
Motor vehicles	15-20%
Furniture & fittings	10-20%

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 income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition
- (ii) less principal repayments
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors (or a group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(g) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Employee Benefits

Provision is made for the company'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, plus related on-costs. 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 flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(i) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 to 60 days of recognition of the liability.

(j) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash flows are presented in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

(m) Critical Accounting Estimates and Judgements

The director's evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Impairment

The company assesses impairment at each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing the recoverable amounts incorporate a number of key estimates.

(n) Economic Dependence

Sunbury Community Health Centre Ltd is dependent upon the State of Victoria, via the Department of Health and Human Services, for the funding of a significant proportion of its operations. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support Sunbury Community Health Centre Ltd.

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(o) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value either on a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standards.

"Fair value" is the price the company would sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset and minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instrument (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

The entity owns a number of bed licences. Currently these bed licences are valued at nil, however as there is now a more active market than before the company will be obtaining a valuation of the licences in the near future. The directors have assessed the bed licences and believe the nil carrying value is accurate at 30 June 2018.

(p) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at current replacement cost as at the date of acquisition.

(q) Insurance

VMIA advised Sunbury Community Health Centre Ltd that the total amount of insurance premiums paid by the Department of Health and Human Services on its behalf was \$15,417 for the 2018 financial year (2017: \$10,358).

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(r) New Accounting Standards for Application in Future Periods

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15: Revenue from Contracts with Customers	1/01/2019	30/06/2020
AASB 16: Leases	1/01/2019	30/06/2020
AASB 1058: Income for Not for Profit Entities	1/01/2019	30/06/2020

The impact of these Standards has not been assessed at 30 June 2018.

Note 2. Revenue	2018 \$	2017 \$
<i>Revenue from government grants and other grants:</i>		
- Revenue from government grants and other grants	10,323,931	10,571,189
	<u>10,323,931</u>	<u>10,571,189</u>
<i>Other revenue</i>		
- Interest received on financial assets	94,284	106,606
	<u>94,284</u>	<u>106,606</u>
	<u>10,418,215</u>	<u>10,677,795</u>
<i>Other income</i>		
- Donations & reimbursements	27,211	23,336
- Auspice fee	37,673	37,701
- Rental income	470,882	477,465
- Other revenue	3,377,499	2,740,512
	<u>3,913,265</u>	<u>3,279,014</u>
Total revenue and other income	<u>14,331,480</u>	<u>13,956,809</u>

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 3. Significant Revenue and Expenditure	2018 \$	2017 \$
(a) Revenue		
Of the grant revenue received, the following funds are committed to be spent in future years.		
- Committed grants	236,628	583,433
	236,628	583,433
(b) Expenses		
Employment expenses		
- Employment expenses	10,692,216	10,467,399
- Contributions to defined contribution superannuation funds	755,579	652,070
	11,447,795	11,119,469
Depreciation of non-current assets:		
- Land and buildings	127,731	148,010
- Improvements	24,428	16,128
- Motor vehicle	69,678	64,476
- Furniture and fittings; plant and equipment	89,854	85,903
	311,691	314,517
Interest expense on financial liabilities not at fair value through profit and loss	2,599	6,615
<i>Auditor remuneration due or paid to the auditors</i>		
Remuneration of the Auditors, Andrew Frewin Stewart for:		
- Auditing or reviewing the financial report	20,800	19,950
- Other services	940	875
Total audit remuneration	21,740	20,825

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018	2017
	\$	\$
Note 4. Cash and Cash Equivalents		
<i>Current</i>		
Cash at bank	5,902,293	5,903,222
Cash on hand	1,078	1,641
Total cash and cash equivalents	<u>5,903,371</u>	<u>5,904,863</u>

Note 5. Trade and Other Receivables		
<i>Current</i>		
Trade receivables	375,353	458,053
Provision for doubtful debts	(5,414)	(6,380)
Total trade and other receivables	<u>369,939</u>	<u>451,673</u>

(i) *Provision for impairment of receivables*

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised where there is objective evidence that an individual trade receivable is impaired. These amounts have been included as an expense.

Reconciliation of Movement in Provision for Doubtful Debts

	2018	2017
	\$	\$
Opening balance at 1 July	6,380	39,892
Additional provisions raised during the year	-	6,380
Amounts used	(966)	(39,892)
Balance at 30 June	<u>5,414</u>	<u>6,380</u>

Note 6. Other Assets		
Prepayments	<u>92,318</u>	<u>90,941</u>

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 7. Property, Plant and Equipment	2018	2017
	\$	\$
<i>Land</i>		
Freehold land:		
At valuation	3,867,470	2,545,800
<i>Buildings</i>		
At valuation	3,684,474	3,650,000
Less accumulated depreciation	(127,731)	-
	3,556,743	3,650,000
Total land and buildings	7,424,213	6,195,800
<i>Motor vehicles</i>		
At cost	508,766	508,766
Less accumulated depreciation	(279,855)	(210,177)
	228,911	298,589
<i>Improvements</i>		
At cost	238,471	208,394
Less accumulated depreciation	(49,826)	(25,398)
	188,645	182,996
<i>Plant and equipment</i>		
At cost	658,989	543,222
Less accumulated depreciation	(419,142)	(336,463)
	239,847	206,759
<i>Furniture and fittings</i>		
At cost	64,162	441,026
Less accumulated depreciation	(46,042)	(418,492)
	18,120	22,534
Total property, plant and equipment	8,099,736	6,906,678

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 7. Property, Plant and Equipment (continued)

Movements in carrying amounts:

	Land	Buildings	Improvements	Motor Vehicles	Plant & Equipment	Furniture & Fittings	Total
	\$	\$	\$	\$	\$	\$	\$
2017							
Balance at 1 Jul 16	1,475,000	3,295,798	105,370	261,923	235,229	24,600	5,397,920
Additions	145,800	15,009	93,754	240,521	50,358	5,009	550,451
Disposals	-	-	-	(139,379)	-	-	(139,379)
Depreciation expense	-	(148,010)	(16,128)	(64,476)	(78,828)	(7,075)	(314,517)
Revaluation	925,000	487,203	-	-	-	-	1,412,203
2018							
Balance at 30 Jun 17	2,545,800	3,650,000	182,996	298,589	206,759	22,534	6,906,678
Additions	1,321,670	34,474	30,077	-	115,767	2,761	1,504,749
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	(127,731)	(24,428)	(69,678)	(82,679)	(7,175)	(311,691)
Revaluation	-	-	-	-	-	-	-
Balance at 30 Jun 18	3,867,470	3,556,743	188,645	228,911	239,847	18,120	8,099,736

The freehold land and buildings were independently valued at 30 June 2017 by Knight Frank Valuations and Accord Appraisals. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

The directors have assessed and believe the carrying amount of the land correctly reflects the fair value less cost to sell at 30 June 2018.

	2018	2017
	\$	\$
Note 8. Trade and Other Payables		
<i>Current</i>		
Accounts payable	459,156	489,477
Deferred income	308,659	218,053
Accommodation bonds	2,262,376	2,154,737
Accrued salaries	407,605	349,507
Other payables	243,079	15,969
Payable to the ATO	209,666	248,651
Total trade and other payables	3,890,541	3,476,394
(i) Financial liabilities classified as trade and other payables (note 16)		
Total trade and other payables	3,890,541	3,476,394
Payable to the ATO	(209,666)	(248,651)
Total financial liabilities classified as trade and other payables	3,680,875	3,227,743

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 9. Provisions	2018	2017
	\$	\$
<i>Current</i>		
Provision for employee entitlements	648,061	603,315
Provision for long service leave	1,013,883	938,260
	1,661,944	1,541,575
<i>Non-Current</i>		
Provision for long service leave	598,859	478,711
Total provisions	2,260,803	2,020,286

Provisions for employee benefits represents amounts accrued for annual leave, leave loading, RDO, TIL and long service leave.

The current portion for this provision includes the total amount accrued for employee entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of employee entitlements or long service leave balances classified as current liabilities to be settled within the next 12 months. These amounts, however, must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1 (h).

Note 10. Cash flow Information	2018	2017
	\$	\$
Reconciliation of surplus to net cash provided by operating activities		
Surplus	458,889	349,103
Non cash items:		
- Depreciation	311,691	314,517
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	81,734	(91,108)
- (Increase)/decrease in other assets	(1,377)	(16,290)
- (Increase)/decrease in inventories on hand	(2,344)	2,510
- Increase in payables	306,508	35,067
- Increase in provisions	240,517	375,685
Net cash flows provided by operating activities	1,395,618	969,484

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 11. Capital and Leasing Commitments

(a) Finance Lease Commitments

No finance lease commitments contracted for.

(b) Operating Lease Commitments

No operating lease commitments contracted for.

(c) Capital Expenditure Commitments

No capital expenditure commitments contracted for.

Note 12. Contingent Liabilities and Contingent Assets

The company's directors are not aware of any contingent liabilities or assets as at the date of signing this financial report.

Note 13. Events after the Reporting Period

The company's directors are not aware of any significant events since the end of the reporting period.

Note 14. Director and Related Party Disclosures

The names of directors who have held office during the financial year are:

Peter Donlon

Mary Rush

David Cook (Resigned October 2017)

Matthew Stewart

Janelle Parry

Rachel Strevens (Appointed August 2017)

Bruce Marshall (Appointed August 2017)

Georgina Dougall (Appointed August 2017)

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons.

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 15. Segment Reporting

The company operates predominantly in one business and geographical segment, being the health and community services sector providing health and welfare services to communities throughout the Hume and surrounding local government area. Sunbury Community Health Centre Ltd have accounted for the Sunbury Lions Community Aged Care as a separate segment. See

Note 16. Financial Risk Management

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018 \$	2017 \$
Financial assets			
Cash and cash equivalents	4	5,903,371	5,904,863
Loans and receivables	5	369,939	451,673
Total financial assets		6,273,310	6,356,536
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	8	3,680,875	3,227,743
Total financial liabilities		3,680,875	3,227,743

Note 17. Reserves

The asset revaluation reserve records the revaluation of land and buildings. The financial asset revaluation reserve records the market valuation adjustment of available for sale financial assets. The asset replacement reserve records retained earnings allocated to the future replacement of assets.

Note 18. Registered Office/Principal Place of Business

The registered office of the company is:

Sunbury Community Health Centre
12-28 Macedon Street
Sunbury, VIC, 3429

The principal place of business is:

Sunbury Community Health Centre
12-28 Macedon Street
Sunbury, VIC, 3429

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 19. Residential Aged Care Segment - Sunbury Lions Community Aged Care - NAPS ID 3461 RAC Service ID 3187

Sunbury Community Health Centre Ltd NAPS ID 3461, RAC Service ID 3187 trades as Sunbury Lions Community Aged Care. For the year ended 30 June 2018, this operating segment has the following financial information to report:

Sunbury Lions Community Aged Care Income Statement for the Year Ended 30 June 2018

	2018 \$	2017 \$
Revenue		
<i>Operating revenue</i>		
Commonwealth subsidies	1,748,082	1,668,500
Resident/client charges	736,062	755,677
Bond retentions	3,816	8,601
Interest received	43,545	45,551
Donations and contributions	215	2,000
Other operating revenue	3,000	3,000
Total revenue	2,534,720	2,483,329
Expenses		
Wages & superannuation - care	1,745,808	1,678,201
Wages & superannuation - administration	67,625	60,759
Wages & superannuation - other	120,942	107,354
Management fees	246,790	230,100
Depreciation and amortisation	66,091	93,656
Interest paid	2,599	6,602
Staff training & development	5,014	9,615
Audit, accreditation, legal & consultancy fees	7,227	6,654
Client support services	25,145	25,517
Repairs & maintenance	77,220	56,337
Equipment purchases	12,312	20,000
Residential care purchases	256,722	264,381
Utilities	55,478	63,664
Sundry expenses	634	6,424
Total expenses	2,689,607	2,629,265
Net current year deficit	(154,887)	(145,936)
Revaluation of land and buildings	-	583,477
Net current year surplus (deficit)	(154,887)	437,541

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 19. Residential Aged Care Segment - Sunbury Lions Community Aged Care - NAPS ID 3461 RAC Service ID 3187
(continued)

Sunbury Lions Community Aged Care
Statement of Financial Position as at 30 June 2018

	2018	2017
	\$	\$
Assets		
<i>Current assets</i>		
Cash and cash equivalents	2,417,009	2,283,719
Accounts receivable and other debtors	78,880	17,364
Prepayments	6,224	6,854
Total current assets	2,502,113	2,307,937
<i>Non-current assets</i>		
Property, plant and equipment	3,050,701	3,051,648
Total non-current assets	3,050,701	3,051,648
Total assets	5,552,814	5,359,585
Liabilities		
<i>Current liabilities</i>		
Accounts payable and other payables	902,571	779,591
Accommodation bond liabilities	2,262,376	2,154,737
Provision for employee benefits	350,560	289,448
Total current liabilities	3,515,507	3,223,776
<i>Non-current liabilities</i>		
Provision for employee benefits	137,158	80,774
Total non-current liabilities	137,158	80,774
Total liabilities	3,652,665	3,304,550
Net assets	1,900,149	2,055,035
Equity		
Retained surplus	1,201,070	1,355,956
Asset revaluation reserve	699,079	699,079
Total equity	1,900,149	2,055,035

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 20. Hume Whittlesea Primary Care Partnership

On 1 March 2013, Sunbury Community Health Centre Ltd became the auspicing agency of the Hume Whittlesea Primary Care Partnership. For the year ended 30 June 2018 we have the following financial information to report for the Hume Whittlesea Primary Care Partnership:

Hume Whittlesea Primary Care Partnership Income Statement for the Year Ended 30 June 2018

	2018 \$	2017 \$
Revenue		
<i>Operating revenue</i>		
Operating grant	986,927	896,271
Loss on asset disposal	(4,591)	-
Interest received	13,870	12,932
Total revenue	996,206	909,203
Expenses		
Employee benefits	741,227	647,964
Consultancy expenses	74,370	103,302
Auspice fee paid to Sunbury Community Health Centre Ltd	37,673	37,701
Depreciation and amortisation	11,802	11,867
Staff training & development	11,041	7,555
Client support services	42,064	43,433
Programme supplies	38,668	19,749
Motor vehicle expenses	1,083	4,444
Occupancy expenses	38,278	33,188
Total expenses	996,206	909,203
Net current year surplus	-	-

Sunbury Community Health Centre Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 20. Hume Whittlesea Primary Care Partnership (continued)

Hume Whittlesea Primary Care Partnership Statement of Financial Position as at 30 June 2017

	Note	2018 \$	2017 \$
Assets			
<i>Current assets</i>			
Assets held in Trust by Sunbury Community Health Centre Ltd	20a	2,069,953	2,048,131
Total current assets		2,069,953	2,048,131
Total assets		2,069,953	2,048,131
Liabilities			
<i>Current liabilities</i>			
Accounts payable and other payables	20b	191,019	201,459
Grants in advance		1,878,934	1,846,672
Total current liabilities		2,069,953	2,048,131
Total liabilities		2,069,953	2,048,131
Net assets		-	-
Note 20a. Assets held in trust by Sunbury Community Health Centre Ltd			
Cash at bank		1,963,017	2,003,993
Cash on hand		615	650
Receivables		67,860	-
Prepaid expenses		5,229	5,143
Motor Vehicles		33,232	38,345
		2,069,953	2,048,131
Note 20b. Accounts payable and other payables			
Employee provisions		191,019	127,943
Creditors		-	73,516
		191,019	201,459

No revenue, expenses, assets, or liabilities of Hume Whittlesea Primary Care Partnership are included in that of Sunbury Community Health Centre Ltd as this program is auspiced.

Sunbury Community Health Centre Ltd Director's Declaration

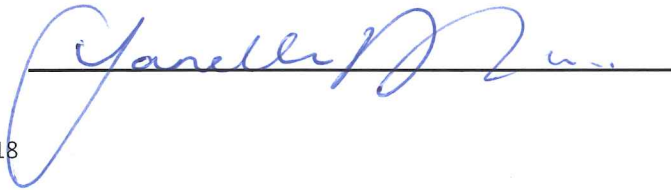
In accordance with a resolution of the directors of Sunbury Community Health Centre Ltd, the directors of the entity declare that:

- 1 The financial statements and notes, as set out on pages 1 to 30, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date.
- 2 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Peter Donlon
Chairperson



Janelle Parry
Deputy Chairperson



Dated this 25th day of October 2018