

# Annual Financial Report

Financial Report for the year ended 30 June 2022

Banyule Community Health ABN 87 776 964 889



**Banyule  
Community  
Health**



Banyule Community Health

ABN 87 776 964 889

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## Banyule Community Health Directors' report

For the year ended 30 June 2022

The Board of Directors of Banyule Community Health presents its report together with the financial report of the Company for the financial year ended 30 June 2022 and auditors' report thereon.

### Information on directors

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

#### Michael Smith

**Qualifications** Michael lives locally and joined the Banyule Community Health Board of Directors in 2015. Michael trained as a youth worker (BA), has postgraduate qualifications (Master of Social Work) and is a graduate member of the Australian Institute of Company Directors.

**Experience** Michael has professional experience in youth work, homelessness, local government, community development, health justice and management.

Michael is currently the CEO of Eastern Community Legal Centre, a former Chair of the National Association of Community Legal Centres and the current Board Chair of *knowmore*, a national community legal centre providing free legal advice and support to the survivors of child sexual abuse. Michael joined the Banyule Community Health Board of Directors in 2015.

**Special responsibilities** Chair of the BCH Board, Chair of the Strategic Directions Committee; Member of the Finance, Investment, Audit and Risk Committee, Member of the Community Participation Committee.

#### Anthony O'Donnell

**Qualifications** Bachelor of Nursing (Honours) and a Masters of Health Administration.

**Experience** Anthony is Divisional Director at Western Health. His background is as a registered nurse specialising in oncology and haematology and he is also experienced in managing health sector capital projects.

Anthony has significant experience working in both the acute and sub-acute health sectors in clinical, project management, strategic and operational management roles. Anthony has lived in Banyule for over 40 years. Anthony was appointed to the Board of Directors in 2011. Anthony is also a member of Australian Institute of Company Directors.

**Special responsibilities** Deputy Chair of the BCH Board of Directors, Chair of the Clinical Governance Committee, Member of the Strategic Directions Committee.

#### Craig Trenfield

**Qualifications** Craig is a member of the Institute of Chartered Accountants and the Australian Health Services Financial Management Association (AHSFMA) and holds a Bachelor of Business and a Graduate Diploma in Accounting.

**Experience** Craig joined the BCH Board of Directors on 1 April 2012. Craig is an experienced financial executive with expertise in the Public Health sector having begun his career in health in 1995 when he joined Royal Melbourne Hospital.

He later moved to Northern Health as the Finance Manager before taking up his current role in 2006 as Director Financial Services with Eastern Health. Prior to this, Craig spent many years as an Auditor with Coopers & Lybrand, both in Australia and Edinburgh, Scotland. Craig is also a member of the Australian Institute of Company Directors.

**Special responsibilities** Treasurer of the BCH Board of Directors, Chair of the Finance, Investment, Audit & Risk Committee.

## Banyule Community Health Directors' report

For the year ended 30 June 2022

### Chris Deakin

Qualifications	Bachelor of Economics, Diploma Financial Services (Financial Planning), Graduate Australian Institute of Company Directors
Experience	Chris has lived in the Banyule area for over 25 years and has served the community through terms as Treasurer and President at Heidelberg Primary School and Councillor and President at Viewbank College. Chris' professional career has seen over 25 years in financial services. Chris joined the BCH Board of Directors in October 2013.
Special responsibilities	Member of the Finance, Investment, Audit & Risk Committee, Member of the Strategic Directions Committee.

### Sonia Vignjevic

Qualifications	Bachelor of Arts (major in Psychology and Human Movement), Graduate Diploma in International Law, Post Graduate Certificate in Trauma Counselling and Psychotherapy, Registered Migration Agent and former Victorian Multicultural Commissioner.
Experience	Sonia is an executive manager with over 20 years' experience within the multicultural, migration and settlement sectors. She has strong leadership, strategic and stakeholder engagement skills; and a proven track record in developing and maintaining effective partnerships with international bodies, Government, academia and civil society.  Sonia is passionate about building inclusive communities. Loves spending time with her 3 beautiful kids and husband, going to the beach and dining out with family and friends. She is currently the State Director & General Manager Clients, Partnerships & Business Growth at Settlement Services International, panel member of the Australian Financial Complaints Authority Advisory committee, member of the Multicultural Business Ministerial Advisory council, Member of the UNHCR's NGO Partnership Branch Network, member of the Diaspora Humanitarian Advisory Board – Australian Council Linkage Project on <i>Diaspora Humanitarians: How Australia-based migrants help in crises abroad</i> , research Partnership and Board Member Centre for Social Purpose
Special responsibilities	Member of the Board, Member of the Clinical Governance Committee.

### Stephen Bendle

Qualifications	Stephen holds a Bachelor of Education and a Master of Science. He is also a Graduate of the Australian Institute of Directors.
Experience	Stephen joined the BCH Board of Directors on 1 April 2021. He is an experienced executive within the public health and community development sectors. He had his own national business working in the corporate health field before becoming the National Director of the peak body for organ and tissue donation. He went on to have senior roles within the YMCA, including being the CEO of YMCA's in Victoria, NSW and Ballarat.  After leaving the YMCA in 2016 he has been a public health consultant working mainly for profit-for-purpose organisations. He is currently an Advocacy Advisor for the Alannah & Madeline Foundation and the General Manager of Dolly's Dream. He is currently also on the Eastern Health Community Advisory Committee.
Special responsibilities	Member of the Board, Member of the Clinical Governance Committee, Member of the Strategic Directions Committee.

## Banyule Community Health

### Directors' report

For the year ended 30 June 2022

#### Anita Brown (Resigned December 2021)

Qualifications	Bachelor of Arts/Bachelor of Laws, Master of Intellectual Property Law and is a graduate of the Australian Institute of Company Directors.
Experience	Anita is a partner at one of Australia's leading intellectual property law firms and has previously worked as a journalist. Anita has expertise in dealing with community and government organisations as well as research institutes, universities and SMEs to protect, commercialise and enforce intellectual property rights.  Anita also regularly writes and presents to various audiences on IP issues. Anita has been a member of the Federal Government's Information Advisory Committee and previously sat on the Committee of Management for Olympic Adult Education.
Special responsibilities	Chair of the Audit and Risk Committee, Member of the Community Participation Committee

#### Peter Ogden (Resigned March 2022)

Experience	Peter retired in 2008 after 30 years as a director of a sign manufacturing business in West Heidelberg and has been a member of the Board of Directors since 1990. Peter is also a member of the Australian Institute of Company Directors.
Special responsibilities	Member of the Board, Chair of the Community Participation Committee, Member of the Finance & Investment Committee.

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

#### Company secretary

The following person held the position of Company secretary at the end of the financial year:

Michael Geary (BSW, BA, Associate Fellow Australasian College of Health Service Management ACHSM) has been company secretary since November 2016. In addition to his role as Company Secretary, Michael has worked at Banyule Community Health for over 10 years and as the CEO since November 2016.

#### Principal activities

The principal activity of Banyule Community Health during the financial year was the provision of health, welfare and community legal services.

#### Members guarantee

Banyule Community Health is a company limited by guarantee.

In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$1 for members that are corporations and \$1 for all other members, subject to the provisions of the Company's constitution.

At 30 June 2022 the collective liability of members was \$466 (2021: \$424).

#### Operating results

The surplus of the Company for the financial year amounted to \$1,279,857 (2021: \$1,772,799).

## Banyule Community Health Directors' report

For the year ended 30 June 2022

### COVID-19

Although various restrictions continued to be enforced and implemented by the government to contain the spread of the virus and to prioritise the health and safety of our communities. Consistent with the prior year, COVID-19 has had no negative financial impact on the operations of Banyule Community Health

With COVID-19 safety protocols in place, Banyule Community Health continued to operate and provide services to clients and meet key contractual funding targets

During the financial year, Banyule Community Health: -

- Maintained work from home arrangements where appropriate.
- Continued use of telehealth services.
- Provided a range of COVID-19 responses on behalf of the state and federal governments.

### Meetings of directors

During the financial year, 32 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors	Board of Directors		Committee Meetings							
			Finance, Investment, Audit & Risk		Clinical Governance		Community Participation		Strategic Directions	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Chris Deakin	11	11	10	9	2	1	0	0	2	2
Craig Trenfield	11	11	11	11	0	0	0	0	0	0
Michael Smith	11	11	5	5	0	0	4	2	2	2
Anthony O'Donnell	11	10	0	0	4	4	0	0	2	2
Stephen Bendle	11	10	0	0	4	3	0	0	2	2
Sonja Vignjevic	11	7	0	0	3	1	0	0	0	0
Peter Ogden	8	5	7	5	0	0	3	2	0	0
Anita Brown	6	6	1	1	0	0	2	1	0	0

### Auditors' Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received.

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



Michael Smith  
Chair



Craig Trenfield  
Treasurer

Dated this 6th day of October 2022



## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	2022	2021
<b>Revenue and Income</b>	3	26,871,655	23,867,304
Employee benefits expense		(20,410,751)	(17,999,978)
Depreciation and amortisation expense	4(a)	(507,085)	(542,220)
Client programs & medical expenses		(2,626,614)	(2,280,429)
Motor vehicle & travel expenses		(50,065)	(74,007)
Repairs & maintenance expenses		(306,745)	(272,423)
Equipment purchases		(136,294)	(89,721)
Printing & stationery expenses		(221,850)	(204,184)
Other expenses		(1,048,183)	(1,222,570)
Finance Income	3(d)	225,254	672,820
Finance costs	4(b)	(509,465)	(81,793)
<b>Surplus from operations</b>	17	<b>1,279,857</b>	<b>1,772,799</b>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Other comprehensive income for the year		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>1,279,857</b>	<b>1,772,799</b>

The accompanying notes form part of these financial statements.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Statement of financial position

As at 30 June 2022

	Note	2022	2021
<b>Assets</b>			
Cash and cash equivalents	5	8,471,119	6,734,958
Trade and other receivables	7	1,142,330	954,331
Contract assets	6	1,044,839	507,554
Other financial assets	8	4,916,433	5,695,829
Other assets	9	69,907	17,125
<b>Total Current Assets</b>		<b>15,644,628</b>	<b>13,909,797</b>
Property, plant, and equipment	10	2,338,996	2,290,073
Right of use assets	11	48,915	58,136
Intangible assets	12	6,716	72,127
<b>Total Non-Current Assets</b>		<b>2,394,627</b>	<b>2,420,336</b>
<b>Total Assets</b>		<b>18,039,255</b>	<b>16,330,133</b>
<b>Liabilities</b>			
Trade and other payables	13	2,625,836	2,362,981
Employee benefits	14	2,760,488	2,522,220
Contract liabilities	15	2,220,248	2,350,135
Lease liabilities	16	19,848	53,720
<b>Total Current Liabilities</b>		<b>7,626,420</b>	<b>7,289,056</b>
Employee benefits	14	507,254	438,938
Lease liabilities	16	28,814	5,229
<b>Total Non-Current Liabilities</b>		<b>536,068</b>	<b>444,167</b>
<b>Total Liabilities</b>		<b>8,162,488</b>	<b>7,733,223</b>
<b>Net Assets</b>		<b>9,876,767</b>	<b>8,596,910</b>
<b>Equity</b>			
Retained earnings	17	9,876,767	8,596,910
<b>Total Equity</b>		<b>9,876,767</b>	<b>8,596,910</b>

The accompanying notes form part of these financial statements.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Statement of changes in equity

For the year ended 30 June 2022

#### 2022

	Note	Retained Earnings	Total
Balance at 1 July 2021		8,596,910	8,596,910
Net surplus/(deficit) for the year		1,279,857	1,279,857
Balance at 30 June 2022	17	<b>9,876,767</b>	<b>9,876,767</b>

#### 2021

	Note	Retained Earnings	Total
Balance at 1 July 2020		6,824,111	6,824,111
Net surplus/(deficit) for the year		1,772,799	1,772,799
Balance at 30 June 2021	17	<b>8,596,910</b>	<b>8,596,910</b>

The accompanying notes form part of these financial statements.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Statement of cash flows

For the year ended 30 June 2022

	Note	2022	2021
<b>Cash flows from operating activities:</b>			
Receipts from clients and government grants		26,072,915	25,036,432
Payments to suppliers and employees GST inclusive		(23,767,488)	(21,434,376)
Dividends received		168,210	190,223
Interest received		613	5,332
Finance costs		(509,465)	(81,793)
<b>Net cash provided by operating activities</b>	21(b)	<b>1,964,785</b>	<b>3,715,818</b>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of investments		2,068,215	812,540
Acquisitions of investments		(1,805,176)	(1,038,161)
Proceeds from sale of property, plant, and equipment		-	-
Payments for intangible assets		-	-
Purchase of property, plant, and equipment		(435,115)	(827,983)
<b>Net cash (used in) investing activities</b>		<b>(172,076)</b>	<b>(1,053,604)</b>
<b>Cash flows from financing activities:</b>			
Payment of lease liabilities		(56,548)	(62,878)
<b>Net cash used in financing activities</b>		<b>(56,548)</b>	<b>(62,878)</b>
Net increase (decrease) in cash and cash equivalents held		1,736,161	2,599,336
Cash and cash equivalents at beginning of financial year		6,734,958	4,135,622
<b>Cash and cash equivalents at end of financial year</b>	21(a)	<b>8,471,119</b>	<b>6,734,958</b>

The accompanying notes form part of these financial statements.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

The financial report covers Banyule Community Health as an individual entity. Banyule Community Health is a not-for-profit Company limited by guarantee, incorporated, and domiciled in Australia.

#### 1 Basis of preparation

##### Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards Simplified Disclosures made by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

There was no impact on the recognition and measurement of amounts recognised in the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows of the company as a result of the change in the basis of preparation.

##### Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in preparing these financial statements, except for the cash flow information. Under the accrual basis assets, liabilities, equity, income, and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are prepared on a going concern basis. These financial statements are presented in Australian dollars, the functional and presentation currency of Banyule Community Health.

##### Rounding

All amounts shown in the financial statements are expressed to the nearest \$1 unless otherwise stated.

##### Comparative Information

Where necessary, the previous year's figures have been reclassified to facilitate comparison.

##### Critical accounting estimates and judgments

In preparing this financial report, directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### Significant accounting policies

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 2 Summary of Significant Accounting Policies

##### a) Expenses

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

##### *Client program and medical expenses*

Client program and medical expenses include items utilised in the provision direct patient care such as consumables used in dental health services, allied health and general medical services and contract fees.

##### *Supplies and consumables*

Suppliers and consumables are recognised as an expense in the reporting period in which they are incurred.

##### b) Employee benefit expenses

Employee expenses include:

- salaries and wages (including fringe benefit tax, leave entitlements, termination payments)
- superannuation expenses (i.e., employer contributions)
- Workcover premium
- Agency expenses

##### c) Property, Plant, and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment. Costs include purchase price, other directly attributable costs, and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### *Land and buildings*

Land and buildings are measured using the cost model. Freehold land and buildings that have been contributed at nil or nominal consideration have been recorded at the acquisition date fair value.

##### *Plant and equipment*

Plant and equipment are measured using the cost model. 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*

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use. The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings/Leasehold Improvements	5%-10%
Plant and Equipment	20%
Furniture, Fixtures and Fittings	10%
Motor Vehicles	12.5%
Intangibles	33%
Computer Equipment	33%

At the end of each annual reporting period, the depreciation method, useful life, and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### d) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

##### Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### d) Financial instruments (continued)

###### ***Impairment of financial assets (continued)***

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### ***Trade receivables***

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

###### ***Other financial assets measured at amortised cost***

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### ***Financial liabilities***

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

##### e) Employee benefits

###### ***Short-term employee benefits***

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.



## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### e) Employee benefits (continued)

###### *Long-term employee benefits*

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

##### f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

##### g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

##### h) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position. Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

##### i) Economic dependence

Banyule Community Health is dependent on grant funding, the majority of which came from State, Federal and local sources to operate the business. At the date of this report the directors have no reason to believe these sources of grant funding will not continue to support Banyule Community Health.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### j) Intangible Assets

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It is amortised at a rate of 33% per annum.

##### k) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### l) Fair value of assets and liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. "Fair value" is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie 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 (ie the 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 Company at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or 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 Company's own equity instruments (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.

##### m) New accounting standards and interpretations

The Company has not elected to early adopt any standards, amendments to standards and interpretations available for early adoption at reporting date.

##### n) Key estimates - impairment of property, plant and equipment and financial assets

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### o) Revenue

When Banyule Community Health receives revenue, it assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15. When both these conditions are satisfied, Banyule Community Health:

- identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time of which services are rendered.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, Banyule Community Health:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue, or contract liability arising from a contract with a customer) and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

##### Government Grants

Community and Home Support Allied Health and Therapy Services

This program funds allied health services. Banyule Community Health is required to provide a set number of hours-of-service delivery. Revenue is recognised over time, as and when the services are provided.

Department of Health (State)  
HACC PYP Allied Health

This program funds a range of allied health services including dietetics, speech therapy, physiotherapy, podiatry, and occupational therapy. Banyule Community Health is required to provide a set number of hours-of-service delivery. Revenue is recognised over time, as and when the services are provided.

Department of Health (State)  
Community Health

This program includes the provision of health promotion, Integrated Chronic disease management and allied health services. Banyule Community Health is to provide a set number of hours-of-service delivery each financial year. Revenue is recognised over time as and when services are provided.

Department of Health  
(Commonwealth)

This program funds a comprehensive range of services including, allied health and therapy services, community, and home support social support. Banyule Community Health is required to provide a set number of hours-of-service delivery. Revenue is recognised over time, as and when the services are provided.

Dental Health Services  
Victoria State Dental Health

Banyule Community Health provides low cost or free dental care to concession card holders, children of low-income earners, first nations people, registered clients of mental health and disability services, refugees and asylum seekers and homeless people. Funding is claimed in arrears after the service is provided based on the number of DWAU (Dental Weighted Average Units) claimed.

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

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### o) Revenue (Continued)

###### **Patient fees**

Patient fees are charges that can be levied on patients for some services they receive. Patient fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied.

###### **Donations**

Donations are generally recognised as income upon receipt as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

###### **Rental income**

Income is recognised on a straight-line basis over the lease term.

###### **Finance income and finance costs**

Finance income comprises interest income on funds invested, fair value gains on financial assets at fair value through profit or loss, dividend distributions and imputation credits on funds invested.

Interest income is recognised as it accrues in the profit and loss, using the effective interest method. Finance costs comprise fair value losses on financial assets at fair value through profit or loss and investment management fees (except for impairment on trade receivables).

###### **Volunteer services**

As a not-for-profit entity Banyule Community Health may as an accounting policy choice elect to recognise volunteer services, if the fair value of those services can be measured reliably, whether the services would have been purchased if they had not been donated.

Banyule CH receives volunteer services from members of the community. Whilst the provision of such volunteer services is important to the achievement of Banyule CH objectives, as an accounting policy choice, Banyule CH has elected not to recognise such volunteer contributions as revenue and expenditure within profit or loss. This election has no impact on its financial position.

##### p) Contract balances

###### **Contract assets**

Contract assets relate to the company's right to consideration in exchange for goods or services transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered early next year.

###### **Contract liabilities**

Contract liabilities represent the company's obligation to transfer 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 services to the customer.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### q) Leases

At inception of a contract, the company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the company where the company is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at lease commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability, where applicable, are as follows:

- fixed lease payments less any lease incentives
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- lease payments under extension options, if the lessee is reasonably certain to exercise the options
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

Each of the company's lease arrangements are for use in the production of supply of goods or services.

##### **Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

##### r) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 3 Revenue and other sources of income

	2022	2021
<b>(a) Revenue from contract with customers - AASB 15</b>		
Grant revenue	19,366,972	17,543,976
Other Income	5,439,938	4,292,918
Client fees and Medicare payments	1,944,485	1,919,251
Rental income	86,439	89,328
	<u>26,837,834</u>	<u>23,845,473</u>
<b>(b) Revenue recognised under AASB 1058</b>		
Donations	33,821	21,831
<b>Total revenue</b>	<u>26,871,655</u>	<u>23,867,304</u>
<b>(c) Disaggregation of revenue from contracts with customers</b>		
Health care services	26,837,834	23,845,473
Revenue recognised under AASB 1058	33,821	21,831
	<u>26,871,655</u>	<u>23,867,304</u>
<b>Timing of revenue recognition</b>		
Services transferred to customers		
at a point in time	9,832,123	8,575,424
over time	17,005,711	15,270,049
	<u>26,837,834</u>	<u>23,845,473</u>
<b>(d) Finance income</b>		
Dividend income	206,704	235,380
Unrealised gain on financial assets at fair value through profit or loss	-	432,108
Interest	18,550	5,332
<b>Total finance income</b>	<u>225,254</u>	<u>672,820</u>

#### 4 Expenses

	2022	2021
<b>(a) Depreciation and amortisation</b>		
Depreciation - Buildings	154,202	147,372
Depreciation - Plant and equipment	96,360	97,676
Depreciation - Furniture, fixtures, and fittings	22,997	29,452
Depreciation - Motor vehicles	3,545	3,545
Depreciation - Computer equipment	109,089	179,260
Amortisation - Other intangibles	65,412	21,856
Depreciation - (ROU Assets)	55,480	63,060
<b>Total depreciation and amortisation</b>	<u>507,085</u>	<u>542,220</u>
<b>(b) Finance costs</b>		
Unrealised loss on investments	464,357	52,000
Interest and other charges	45,108	29,793
<b>Total finance cost</b>	<u>509,465</u>	<u>81,793</u>

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 5 Cash and cash equivalents

	2022	2021
Cash on hand	1,380	1,383
Cash at bank	8,469,739	6,533,575
Deposits at call	-	200,000
<b>Total cash and cash equivalents</b>	<b>8,471,119</b>	<b>6,734,958</b>

#### 6 Contract Assets

	2022	2021
Contract assets		
Work performed on programs not yet able to be invoiced	1,044,839	507,554
	<b>1,044,839</b>	<b>507,554</b>

#### 7 Trade and other receivables

	2022	2021
Trade receivables	589,516	323,494
Other receivables	514,320	584,614
Franking credits	38,494	46,223
<b>Total current trade and other receivables</b>	<b>1,142,330</b>	<b>954,331</b>

##### (a) Provision for Impairment of receivables

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 8 Other financial assets

	2022	2021
Financial assets at fair value through profit or loss:		
- Listed investments (at fair value)	4,916,433	5,695,829
<b>Total current other financial assets</b>	<b>4,916,433</b>	<b>5,695,829</b>

Management has designated these financial assets at fair value through the profit and loss. They consist of hybrid securities and managed funds

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 9 Other assets

	2022	2021
Prepayments	69,907	17,125
<b>Total current other assets</b>	<b>69,907</b>	<b>17,125</b>

#### 10 Property, plant, and equipment

	2022	2021
Land		
At cost	350,000	350,000
<b>Total land</b>	<b>350,000</b>	<b>350,000</b>

Building and leasehold		
At cost	2,492,069	2,447,381
Accumulated depreciation	(1,205,507)	(1,064,663)
<b>Total buildings and leasehold</b>	<b>1,286,562</b>	<b>1,382,718</b>

Plant and equipment		
At cost	720,685	540,746
Accumulated depreciation	(408,409)	(312,048)
<b>Total plant and equipment</b>	<b>312,276</b>	<b>228,698</b>

Furniture, fixture, and fittings		
At cost	407,787	344,565
Accumulated depreciation	(232,614)	(209,617)
<b>Total furniture, fixture, and fittings</b>	<b>175,173</b>	<b>134,948</b>

Motor vehicles		
At cost	28,359	28,359
Accumulated depreciation	(19,792)	(16,248)
<b>Total motor vehicles</b>	<b>8,567</b>	<b>12,111</b>

Computer equipment		
At cost	555,599	516,736
Accumulated depreciation	(349,181)	(335,138)
<b>Total computer equipment</b>	<b>206,418</b>	<b>181,598</b>

<b>Total property, plant, and equipment</b>	<b>2,338,996</b>	<b>2,290,073</b>
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## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 10 Property, plant, and equipment (continued)

##### (a) Movements in Carrying Amounts

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

	Land	Buildings and Leasehold	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Total
<b>Balance at 1 July 2021</b>	<b>350,000</b>	<b>1,382,718</b>	<b>228,698</b>	<b>134,948</b>	<b>12,111</b>	<b>181,598</b>	<b>2,290,073</b>
Additions	-	58,046	179,939	63,221	-	133,909	435,115
Depreciation expense	-	(154,202)	(96,360)	(22,997)	(3,545)	(109,089)	(386,192)
<b>Balance at 30 June 2022</b>	<b>350,000</b>	<b>1,286,562</b>	<b>312,277</b>	<b>175,173</b>	<b>8,566</b>	<b>206,418</b>	<b>2,338,996</b>

#### 11 Right of use assets

	2022	2021
Vehicles	143,454	178,420
Accumulated amortisation	(94,539)	(120,284)
<b>Net carrying value</b>	<b>48,915</b>	<b>58,136</b>

#### 12 Intangible Assets

	2022	2021
<b>Other intangibles</b>		
Cost	46,357	104,872
Accumulated amortisation	(39,641)	(32,745)
<b>Net carrying value</b>	<b>6,716</b>	<b>72,127</b>
<b>Total Intangibles</b>	<b>6,716</b>	<b>72,127</b>

#### 13 Trade and other payables

	2022	2021
Current		
Trade payables	333,366	377,871
Sundry payables and accrued expenses	2,292,470	1,985,110
<b>Total current trade and other payables</b>	<b>2,625,836</b>	<b>2,362,981</b>

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 14 Employee benefits

	2022	2021
Current		
Long service leave	1,367,618	1,274,659
Annual leave	1,392,870	1,247,561
<b>Total current employee benefits</b>	<b>2,760,488</b>	<b>2,522,220</b>
Non-Current		
Long service leave	507,254	438,938

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion of the provision for employee benefits includes the total amount accrued for annual leave 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 annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts 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 2(b).

#### 15 Contract liabilities

	2022	2021
Current		
Grants received in advance	2,220,248	2,350,135
<b>Total current other liabilities</b>	<b>2,220,248</b>	<b>2,350,135</b>

#### 16 Lease liabilities

	2022	2021
Current	19,848	53,720
Non-Current	28,814	5,229
<b>Total current other liabilities</b>	<b>48,662</b>	<b>58,949</b>

#### 17 Retained Earnings

	2022	2021
Retained earnings at the beginning of the financial year	8,596,910	6,824,111
Net surplus for the year	1,279,857	1,772,799
<b>Retained earnings at end of the financial year</b>	<b>9,876,767</b>	<b>8,596,910</b>

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 18 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and interest-bearing liabilities. The totals for each category of financial instruments, measured in accordance with AASB 9

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022	2021
<b>Financial Assets</b>			
Cash and cash equivalents	5	8,471,119	6,734,958
Trade and other receivables	7	1,142,330	954,331
Financial assets at fair value through profit or loss:			
- listed investments	8	4,916,433	5,695,829
Other financial assets			
- contract assets	6	1,044,839	507,554
<b>Total financial assets</b>		<b>15,574,721</b>	<b>13,892,672</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- trade and other payables	13	2,625,836	2,362,981
- lease liability	16	48,662	58,949
<b>Total financial liabilities</b>		<b>2,674,498</b>	<b>2,421,930</b>

None of the Company's financial instruments are recorded at fair value subsequent to initial recognition.

#### 19. Key Management Personnel

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

Board of Directors  
 Chief Executive officer  
 Chief Financial Officer  
 GM Community Programs and Improvement  
 GM Wellbeing  
 GM Client Services and Infrastructure  
 GM Primary Care  
 GM Oral Health  
 GP People and Culture

The totals of remuneration paid to the key management personnel (including Board Directors) of Banyule Community Health during the year are as follows:

	2022	2021
<b>Total remuneration of KMP</b>	<b>\$1,237,955</b>	<b>\$1,168,692</b>

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 20. Related Party Disclosures

Outside of ordinary business operation transactions with Banyule Community Health, 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 (2021: None noted).

#### 21 Cash Flow Information

##### (a) Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Note	2022	2021
Cash and cash equivalents	5	8,471,119	6,734,958
<b>Balance as per statement of cash flows</b>		<b>8,471,119</b>	<b>6,734,958</b>

##### (b) Reconciliation of result for the year to cashflows from operating activities

<b>Net surplus/(deficit) for the year</b>	<b>1,279,857</b>	<b>1,772,799</b>
Non-cash flows in surplus/(deficit):		
- amortisation	65,411	21,856
- depreciation ROU assets	55,480	63,060
- depreciation	386,194	457,304
- unrealised (gains)/losses on investments	516,357	(432,108)
Changes in assets and liabilities, net of the effects of acquisition:		
- (increase)/decrease in trade and other receivables	(187,999)	(36,478)
- (increase)/decrease in other assets	(52,782)	6,540
- (increase)/decrease in contract assets	(537,285)	(147,527)
- increase/(decrease) in trade and other payables	262,855	765,390
- increase/(decrease) in contract liabilities	(129,887)	875,868
- increase/(decrease) in employee benefits	306,584	369,114
<b>Cashflow from operations</b>	<b>1,964,785</b>	<b>3,715,818</b>

#### 22. Contingent liability

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

#### 23. Events occurring after the reporting date

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

#### 24. Company details

The registered office of the Company is:  
Banyule Community Health 21 Alamein Road West Heidelberg Victoria 3081

## Banyule Community Health

(A company limited by guarantee and registered with the ACNC)

### Notes to the Financial Statements

For the year ended 30 June 2022

#### 25. Auditor's remuneration

	2022	2021
Remuneration of the Auditors for:		
Auditing the financial report - Victorian Auditor General's Office	35,500	22,770
Other Audit and Assurance Services - Mann Judd	9,450	20,250
Auditing of Program Acquittals - Sean Denham & Associates	18,500	15,500
Total Auditor's remuneration	63,450	58,520

## Directors' declaration

The responsible persons declare that, in the responsible persons' opinion:

1. The financial statements and notes, as set out on pages 6 to 26, 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 the Australian Charities and Not for profits Commission Regulations 2012; and
  - b) give a true and fair view of the financial position as at 30 June 2022 and of the performance and cash flows for the year ended on that date of the Company.
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.

This declaration is made in accordance with a resolution of the Board of Directors.



.....  
**Michael Smith**  
Chair



.....  
**Craig Trenfield**  
Treasurer

Dated this 6th day of October 2022.



Victorian Auditor-General's Office

## Auditor-General's Independence Declaration

### To the Board of Directors, Banyule Community Health

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 Banyule Community Health for the year ended 30 June 2022, 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  
17 October 2022

A handwritten signature in black ink, appearing to read "Sanchu Chummar".

Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

## Independent Auditor's Report

### To the Directors of Banyule Community Health

<b>Opinion</b>	<p>I have audited the financial report of Banyule Community Health (the company) which comprises the:</p> <ul style="list-style-type: none"> <li>statement of financial position as at 30 June 2022</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 2022 and of its financial performance and its cash flows for the year then ended</li> <li>complying with Australian Accounting Standards – Simplified Disclosures 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 – Simplified Disclosures 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.



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

MELBOURNE  
17 October 2022



bch



**Banyule  
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Health**

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