



2020 / 2021

# Annual Report





# CHAIR REPORT

Ballarat Health Services Foundation is an essential supporter of Ballarat Health Services. It provides an independent community run and managed fundraising opportunity for the health service as well as an investment model which returns considerable return year on year with the support of our investment partners JB Were.

During this past financial year the Ballarat Health Service Foundation has continued to build on the base level assets and more will be forthcoming when the Treasurer's Report is presented.

In the 2020/21 financial year the Foundation were able to support a number of projects at Ballarat Health Services including supporting a new bus for Residential Aged Care.

From a business point of view a decision was made to close a low performing term deposit at Bank of Melbourne Term Deposit and place with JB Were at a higher rate of return. A bequest from the Estate of Ethel May Billing to Ballarat Health Services of \$244,500 was placed conditionally with the Foundation.

Ballarat Health Services agreed to sell a property at 619 Windemere Street South which was received in a bequest and to have the proceeds placed with Foundation with a view to a capital campaign aligned with the construction of the new Base Hospital.

Dry July continued to be a steady performer with \$30k raised to continue support for the BRICC Wellness Centre.

The Foundation continued to be briefed regularly around the merger with 3 other services in the region to form Grampians Health. It is worth noting that this merger will have no effect on fundraising efforts at any of the services as funds raised by each community stay in that community.

The Foundation investment policy has been reviewed and updated, and will continue to be annually.

We have conducted a review of our operations with the assistance of Geoff Sharp of Rebus Consulting, and have worked to finalise an Organisation Plan which will guide Foundation through the work needed in the next three years.

We welcome Tom Hunt from Heinz Law as the newest member of the Foundation Council and thank Heinz Law for their support of Foundation over time.

As in previous years I acknowledge the work of the Council members and their commitment to the Foundation and to the Ballarat Health Services.

**LINDSAY FLORENCE**

*Chair*



**BALLARAT HEALTH SERVICES FOUNDATION LIMITED**  
**ACN 007 199 037**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

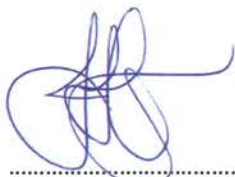
**30 JUNE 2021**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF BALLARAT HEALTH SERVICES FOUNDATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- i) no contraventions of the independence requirements as set out in Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*CountPro Audit Pty Ltd*  
CountPro Audit Pty Ltd



Jason Hargreaves  
Director

20 Lydiard Street South, Ballarat

26 November 2021

**STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Income</b>			
Revenue	2	304,351	716,258
Changes in Market Value of Investments		<u>373,400</u>	<u>(181,868)</u>
Total Revenue		677,751	534,390
<b>Expenditure</b>			
Advisor & Audit Fees		43,809	34,958
Funding Provided to Beneficiaries	3	50,000	111,939
Other Expenses		8,587	241
Subscriptions & Memberships		<u>464</u>	<u>60</u>
Total Expenses		102,860	147,198
Profit Before Income Tax		<u>574,891</u>	<u>387,192</u>
Income Tax Expense	1(c)	-	-
Total Comprehensive Income		<u>574,891</u>	<u>387,192</u>

This statement should be read in conjunction with the accompanying notes

**STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2021**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	177,744	52,874
Trade and Other Receivables	5	183,904	150,314
Financial Assets	6	<u>4,841,820</u>	<u>4,422,260</u>
<b>TOTAL CURRENT ASSETS</b>		<u>5,203,468</u>	<u>4,625,448</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	<u>11,301</u>	<u>8,172</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>11,301</u>	<u>8,172</u>
<b>NET ASSETS</b>		<u>5,192,167</u>	<u>4,617,276</u>
<b>EQUITY</b>			
Retained Earnings		<u>5,192,167</u>	<u>4,617,276</u>
<b>TOTAL EQUITY</b>		<u>5,192,167</u>	<u>4,617,276</u>

This statement should be read in conjunction with the accompanying notes

**STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 30 June 2019	4,230,084	4,230,084
Profit Attributed to the Entity	<u>387,192</u>	<u>387,192</u>
Balance at 30 June 2020	4,617,276	4,617,276
Profit Attributed to the Entity	<u>574,891</u>	<u>574,891</u>
Balance at 30 June 2021	<u>5,192,167</u>	<u>5,192,167</u>

This statement should be read in conjunction with the accompanying notes.



**STATEMENT OF CASH FLOWS  
AS AT 30 JUNE 2021**

	Notes	2021 \$	2020 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Donations, Fundraising and Bequests		42,772	517,214
Commissions Received		-	5,730
Interest Received		17,172	38,849
Trust Distribution		157,109	109,853
Dividends Received		54,648	35,711
Funding Provided to Beneficiaries		(50,000)	(111,939)
Payments to suppliers		<u>(49,731)</u>	<u>(44,552)</u>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	8(b)	<u>171,970</u>	<u>550,866</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net Payments for Investments		<u>(47,100)</u>	<u>(552,156)</u>
<b>Net Cash used in Investing Activities</b>		<u>(47,100)</u>	<u>(552,156)</u>
<b>Net Increase (Decrease) in Cash Held</b>		124,870	(1,290)
<b>Cash at Beginning of the Financial Year</b>		<u>52,874</u>	<u>54,164</u>
<b>Cash at End of the Financial Year</b>	8(a)	<u>177,744</u>	<u>52,874</u>

This statement should be read in conjunction with the accompanying notes.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of Section 60.40 of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

**ACCOUNTING POLICIES**

a) **REVENUE**

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

Interest revenue is recognised using the effective interest rate method, which for the floating rate of financial assets is the rate inherent of the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

b) **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short term highly liquid investments.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2021**

c) **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*.

e) **FINANCIAL INSTRUMENTS**

Financial instruments are recognised initially on the date that the Association 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 Association classifies its financial assets at;

- Amortised Cost
- Fair Value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Association 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 Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

## FOR THE YEAR ENDED 30 JUNE 2021

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.

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

### *Impairment of financial assets*

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

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 Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

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 finance lease liabilities.

## f) **COMPARATIVE FIGURES**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 2: REVENUE**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Commissions Received	-	5,730
Interest Received	17,172	38,849
Donations, Fundraising and Bequests Received	42,772	517,214
Dividends Received	42,271	50,171
Trust Distributions Received	203,077	111,157
Realised Gains/(Losses) on Investments	(941)	(6,863)
	<u>304,351</u>	<u>716,258</u>

**NOTE 3: FUNDING PROVIDED TO BENEFICIARIES**

Funding – Dry July	30,000	40,000
Funding – Ballarat Health Services	20,000	69,024
Funding – Tap and Go Machines	-	1,915
Funding – Youth Mental Health	-	1,000
	<u>50,000</u>	<u>111,939</u>

**NOTE 4: CASH & CASH EQUIVALENTS**

Westpac Cheque Account	127,924	8,379
ANZ V2 Plus	48,802	43,477
Westpac Cash Reserve Account	1,018	1,018
	<u>177,744</u>	<u>52,874</u>

**NOTE 5: TRADE AND OTHER RECEIVABLES**

Dividends and Distributions Receivable	162,337	81,308
Imputation Credits Receivable	21,567	67,423
Accrued Interest	-	1,583
	<u>183,904</u>	<u>150,314</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 6: FINANCIAL ASSETS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
JB Were Cash Trust	<u>375,672</u>	<u>235,683</u>
Listed Shares at cost	3,952,327	3,170,306
Add Market Value Adjustments	<u>513,821</u>	<u>142,427</u>
	<u>4,466,148</u>	<u>3,312,733</u>
BOM Term Deposit	<u>-</u>	<u>873,844</u>
Total Financial Assets	<u>4,841,820</u>	<u>4,422,260</u>

**NOTE 7: TRADE AND OTHER PAYABLES**

Advisor Fees Payable	<u>11,301</u>	<u>8,172</u>
	<u>11,301</u>	<u>8,172</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 8: RECONCILIATION OF CASH FLOWS**

	<b>2021</b>	<b>2020</b>
(a)	\$	\$
Westpac Cheque Account	127,924	8,379
ANZ V2	48,802	43,477
Westpac Cash Reserve Account	<u>1,018</u>	<u>1,018</u>
 Total Cash	 <u>177,744</u>	 <u>52,874</u>
 (b)		
Reconciliation of Cash Flows from Operations		
Profit After Income Tax	574,891	387,192
 Non-Cash Flows in Profit		
- Changes in Market Value	(373,400)	181,868
- Realised (Gains)/Losses on Investments	941	6,863
 Changes in Assets and Liabilities		
- (Increase)/Decrease in Accrued Interest	1,583	5,075
- (Increase)/Decrease in Receivables	(35,174)	(20,839)
- Increase/(Decrease) in Payables	<u>3,129</u>	<u>(9,293)</u>
 Cash Flows provided by operating activities	 <u>50,546</u>	 <u>550,886</u>

**NOTE 9: ENTITY DETAILS**

The registered office of the entity is:  
Ballarat Health Services Foundation Ltd  
Level 2, 909 Sturt Street  
Ballarat VIC 3350

The principal place of business is:  
Ballarat Health Services Foundation Ltd  
Drummond St  
Ballarat VIC 3350



### **DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes to the financial statements:
  - a. comply with accounting standards as detailed in Note 1 to the financial statements and the Corporations Law, and
  - b. give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
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.
3. The financial statements satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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



Mr L Florence  
Chairman



Mr GI Millar  
Director

9 December 2021

## Independent Audit Report to the members of Ballarat Health Services Foundation

### Opinion

We have audited the financial report of Ballarat Health Services Foundation, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

In our opinion the financial report of Ballarat Health Services Foundation has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of the Directors

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 of the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

## Independent Audit Report to the members of Ballarat Health Services Foundation

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Director's 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

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CountPro Audit Pty Ltd

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Jason Hargreaves  
Director

20 Lydiard Street South, Ballarat

30 November 2021