

# Ballarat Community Health

Financial Report  
2024 - 2025



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## **Directors' Report**

### **For the year ended 30 June 2025**

The directors present their report, together with the financial statements of Ballarat Community Health Limited (BCH) for the year ended 30 June 2025.

#### **Directors**

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

- Kerry Bradley
- Mikel Dean
- Rebecca Fraser (Corporate Governance Committee Chair)
- Joanna Hambling (term expired 06/11/24)
- Jessie Harman (Board Chair)
- Robert Hook
- Mathew Muldoon (Finance & Audit Committee Chair, resigned 25/06/25)
- Maria Palmer (Deputy Board Chair, Quality of Care Committee Chair)
- David Pierce
- Shelley Wood
- Andrew Howard (elected 06/11/24)
- David Malone (elected 06/11/24)

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

#### **Principal activities**

BCH continued to implement and deliver against its 2024–2029 Strategic Plan, guided by our strategic purpose of creating healthy communities through the provision of accessible, affordable and quality health and wellbeing services. Activities throughout the year have supported the growth and delivery of services aligned to our four key pillars:

- Healthy ageing in the community
- Health and wellbeing for children and young people
- Supporting people with complex health and wellbeing needs
- Improved mental health and wellbeing in the community

With more than 100 programs and services operating at any one time, the following highlights reflect some of our most significant achievements during the 2024–25 financial year.

#### **Healthy Ageing in the Community**

BCH commenced providing Home Care Package (HCP) Management Services during the financial year, supporting older Australians with tailored, coordinated services that promote independence and wellbeing. Our first participants commenced in June, with further growth anticipated as we transition to the national Support at Home (SAH) program in 2025. This milestone supports our strategic goal of providing integrated care that meets the needs of our ageing community and strengthens BCH's role in the delivery of trusted, interdisciplinary health supports.

## **Directors' Report**

### **For the year ended 30 June 2025**

We also created additional gym and clinical spaces to enhance our capacity to deliver services for older clients and those living with disability. This transformation has enabled us to support an additional 100 group clients per week, as well as extend allied health appointments for National Disability Insurance Scheme (NDIS) and aged care clients, without increasing staff or facility costs. These efficiencies improve access, consistency, and client outcomes.

### **Health and Wellbeing for Children and Young People**

This year, BCH strengthened its support for children and young people by consolidating services under a single division, including headspace Ballarat. This new structure allows for a more integrated and coordinated approach to youth health and wellbeing, delivered by teams with diverse skillsets and shared goals.

The Pathways to Good Health program, funded by the Victorian Government, which delivers health screening, assessment, referrals and planning for children aged 0–17 entering statutory care commenced this year. BCH is proud to deliver this program across the Central Highlands region through multidisciplinary teams of paediatricians, nurses and allied health professionals.

### **Supporting People with Complex Health and Wellbeing Needs**

Ballarat Community Health was successful in securing funding to expand our Multidisciplinary Team (MDT) care model into the Wimmera Grampians sub-region. This expansion will support smaller, rural general practices and bush nursing centres in towns such as Woomelang and Harrow by improving access to allied health services and better managing chronic conditions in communities with limited local resources.

We continued to deliver targeted health access programs for people at greater risk of poor health outcomes. The Homelessness Access Program (HAP) was launched in partnership with Uniting Vic.Tas and the Western Victoria Primary Health Network. This new Ballarat-based health clinic offers nurse-led care, monthly podiatry, outreach, and broader referral services for people experiencing or at risk of homelessness. HAP reduces barriers to care and provides critical connections to ongoing support.

In partnership with the Ballarat Regional Multicultural Council and the Western Victoria Primary Health Network, we also introduced the Multicultural Access Program (MAP). This nurse-led initiative provides culturally safe healthcare to people from culturally and linguistically diverse backgrounds. Based at BRMC, MAP focuses on prevention and early intervention through health assessments, care planning, and referrals. It aims to address health inequality by improving access and engagement among multicultural communities in our region.

### **Improved Mental Health and Wellbeing in the Community**

Following the natural disasters that impacted our region in February 2024, BCH established the Community Resilience and Recovery Program in partnership with Emergency Recovery Victoria. A team of Recovery Support Workers was deployed to assist affected individuals and families through trauma-informed care. The program helps connect people with mental health services, financial counselling, legal support, and other recovery resources—reinforcing our commitment to mental health and community resilience in times of need.

### **Environmental Sustainability**

BCH is committed to managing our environmental sustainability and impact through the provision of low carbon high value care settings, supporting people's health in a community and minimising preventable hospital admissions. To further this goal, BCH commenced the installation of rooftop solar systems across five of our sites. Supported by the Western Renewables Link (WRL) project and AusNet, this initiative will reduce our reliance on non-renewable energy by an estimated 64% and deliver cost savings of up to \$180,000 over the next 15 years. Installation is being carried out by local Ballarat businesses, with the project representing a significant step forward in our commitment to environmental responsibility.

## **Directors' Report**

**For the year ended 30 June 2025**

### **Supporting our Workforce**

Internally, we continued to prioritise staff wellbeing and professional development. BCH participated in an independent survey delivered by BPA Analytics. Results showed 81% of staff agreed that BCH is “a truly great place to work,” with retention rates significantly exceeding sector benchmarks. Our results indicate BCH has a culture of succeeding, with 68% of the workforce engaged. This is the highest level of employee engagement and culture since BCH began utilising the BPA Analytics survey.

We also partnered with Federation University to deliver the Common Leadership Program (CLP), enrolling staff in a Diploma of Business alongside colleagues from 11 rural community health providers. This 12-month program covered strategic management, policy, finance, communication and organisational behaviour. BCH participants represented the organisation with professionalism and enthusiasm, contributing to a stronger leadership pipeline for the future.

### **Performance measures**

BCH measures performance using both a qualitative and quantitative methodology.

As an organisation funded by both State and Commonwealth funding, BCH is required to report performance outcomes at different intervals as specified by funding and service agreements. Usually this is monthly and/or quarterly. Reporting to our funders comes in various forms including predetermined activity or business plans.

Strategically BCH is required to measure and report on performance as it pertains to the legislative and regulatory frameworks that govern our services. Each area is accredited and assessed periodically against the standards set by the funding body. Additionally, BCH have robust processes in place for monitoring, analysing and responding to client feedback.

Internally BCH has three Board Subcommittees that oversee and monitor organisational performance. These Subcommittees are the Quality of Care Committee, the Finance and Audit Committee, and the Corporate Governance Committee. Operational reporting processes ensure BCH has an annual operational business plan that reports on overall operational performance and a Strategic Plan that progress is reported quarterly to the BCH Board of Directors.

**Directors' Report**

**For the year ended 30 June 2025**

<b>Kerry Bradley</b>	
Qualification	MBA, BBus. HAdmin, Grad Cert Applied Risk M'ment, Diploma Risk Management and Business Continuity, RN, GAICD
Special responsibilities	Member of Quality of Care Committee
<b>Mikel Dean</b>	
Qualification	BComm, CCEO, CPA
Special responsibilities	Member of Corporate Governance Committee (from 01/07/24 – 06/11/24) Member of Finance & Audit Committee (from 06/11/24)
<b>Rebecca Fraser</b>	
Qualification	BA, MEmplabRellaw, GDipEmp&LRelLaw, MAICD
Special responsibilities	Chair of Corporate Governance Committee
<b>Joanna Hambling (term expired 06/11/24)</b>	
Qualification	BA (Hons) Business Management with Economics, Leadership Development
Special responsibilities	Member of Corporate Governance Committee (from 01/07/24 – 06/11/24) Member of Finance & Audit Committee (from 01/07/24 – 06/11/24)
<b>Jessie Harman AM</b>	
Qualification	PhD, MBA, BA(Hons), GAICD
Special responsibilities	Board Chair (leave of absence 21/04/25 – 14/05/25) Member of Corporate Governance Committee (from 06/11/24)
<b>Robert Hook AM</b>	
Qualification	FCPA
Special responsibilities	Member of Finance & Audit Committee
<b>Andrew Howard (elected 06/11/24)</b>	
Qualification	Grad Dip Admin (Mgt), GAICD
Special responsibilities	Member of Quality of Care Committee (from 06/11/24; leave of absence 26/04/25 – 03/06/25)
<b>David Malone (elected 06/11/24)</b>	
Qualification	MBA, B.App.Sc. (Physio), B.Sc., GAICD
Special responsibilities	Member of Corporate Governance Committee (from 06/11/24)
<b>Mathew Muldoon (resigned 25/06/25)</b>	
Qualification	BEC (Accounting), Chartered Accountant, Registered Liquidator, MAICD
Special responsibilities	Chair of Finance & Audit Committee (from 01/07/24 – 25/06/25)
<b>Maria Palmer</b>	
Qualification	BSc, GAICD
Special responsibilities	Chair of Quality of Care Committee Deputy Board Chair
<b>David Pierce</b>	
Qualification	MB BS, MGPP, MMed, MD (Research), FRACGP, FASPM, GradDipTheol, MAICD
Special responsibilities	Member of Quality of Care Committee (from 01/07/24 – 06/11/24) Member of Finance & Audit Committee (from 06/11/24)

**Directors' Report**

For the year ended 30 June 2025

Shelley Wood	
Qualification	BCom (Acct & Fin), CPA
Special responsibilities	Chair of Finance & Audit Committee

**Company Secretary**

Danielle Walker was appointed Company Secretary on 10 November 2021 and held this position at the end of the of the 2024-2025 financial year.

Danielle Walker	Appointed 10 November 2021
Qualifications:	B.Comm, CPA, GAICD
Experience:	CFO/Executive Manager across Finance and Corporate Service for more than 10 years. Previous roles as Company Secretary.

**Meetings of Directors**

During the financial year, the following meetings of Directors were held: 11 Board meetings, 10 Finance & Audit Committee meetings, 4 Quality of Care Committee meetings and 4 Corporate Governance Committee meetings. Attendances by each Director were as follows.

	Directors' meetings							
	Board		Finance & Audit Committee		Quality of Care Committee		Corporate Governance Committee	
	<i>Eligible</i>	<i>Attended</i>	<i>Eligible<sup>1</sup></i>	<i>Attended</i>	<i>Eligible<sup>1</sup></i>	<i>Attended</i>	<i>Eligible<sup>1</sup></i>	<i>Attended</i>
Kerry Bradley	11	10			4	4		
Mikel Dean	11	11	7	5			1	1
Rebecca Fraser	11	9					4	4
Jessie Harman	10	9					3	3
Joanna Hambling	4	3	3	2			1	1
Robert Hook	11	11	10	9				
Andrew Howard	6	6			2	1		
David Malone	7	6					3	3
Mathew Muldoon	11	9	10	8				
Maria Palmer	11	11			4	4		
David Pierce	11	11	7	7	1	1		
Shelley Wood	11	10	10	8				

<sup>1</sup> Board members attended committee meetings on occasion during the year although not being a formal member of the Committee.

**Directors' Report**

**For the year ended 30 June 2025**

**After balance date events**

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of BCH, or the results of those operations.

**Contributions on winding up**

In the event of BCH being wound up, ordinary members are not required to contribute.

**Auditor's independence declaration**

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found immediately after this directors' report.

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



.....  
Jessie Harman, Board Chair



.....  
Shelley Wood, Finance & Audit Chair

Dated this 6th day of October 2025

## Auditor-General's Independence Declaration

### To the Directors, Ballarat 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 Ballarat Community Health for the year ended 30 June 2025, 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  
8 October 2025



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

BALLARAT COMMUNITY HEALTH LIMITED

ABN 98 227 492 950

**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 30 June 2025

	Note	2025	2024
		\$	\$
<b>Revenue and income</b>			
Grant revenue	2.1	24,853,793	23,083,119
Services revenue	2.2	5,727,833	6,168,701
Investment income	2.3	571,690	440,468
Other	2.4	281,312	60,204
<b>Total revenue and income</b>		<b>31,434,628</b>	<b>29,752,492</b>
<b>Expenses</b>			
Employee expenses		25,409,838	24,118,254
Operating expenditure	3.1	5,570,370	5,707,263
Depreciation and amortisation	4.6	1,192,393	1,253,246
Impairment	4.4	194,389	-
Finance costs		27,612	34,351
<b>Total expenses</b>		<b>32,394,602</b>	<b>31,113,114</b>
<b>Deficit for the year</b>		<b>(959,974)</b>	<b>(1,360,622)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on revaluation of properties		623,617	664,296
Gain on the revaluation of equity instruments at fair value through other comprehensive income		412,726	529,760
<b>Other comprehensive income for the year</b>		<b>1,036,343</b>	<b>1,194,056</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>76,369</b>	<b>(166,566)</b>

# BALLARAT COMMUNITY HEALTH LIMITED

ABN 98 227 492 950

## Statement of Financial Position

As at 30 June 2025

	Note	2025	2024
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1	1,902,372	1,138,016
Receivables	5.1	2,273,180	1,322,534
Investments and other financial assets	4.1	7,958,783	8,213,102
Other assets	5.2	321,787	328,989
<b>Total Current Assets</b>		<b>12,456,122</b>	<b>11,002,641</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	4.2	26,333,742	25,613,602
Intangible assets	4.3	140,397	283,549
Right-of-use assets	4.5	93,638	621,504
<b>Total Non-Current Assets</b>		<b>26,567,777</b>	<b>26,518,655</b>
<b>TOTAL ASSETS</b>		<b>39,023,899</b>	<b>37,521,296</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.3	2,308,836	2,083,554
Contract liabilities	5.4	2,655,479	1,126,981
Lease liabilities	6.2	79,708	180,467
Provisions	3.2	2,964,670	2,759,796
<b>Total Current Liabilities</b>		<b>8,008,693</b>	<b>6,150,798</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	6.2	20,940	476,356
Provisions	3.2	508,090	484,335
<b>Total Non-Current Liabilities</b>		<b>529,030</b>	<b>960,691</b>
<b>TOTAL LIABILITIES</b>		<b>8,537,723</b>	<b>7,111,489</b>
<b>NET ASSETS</b>		<b>30,486,176</b>	<b>30,409,807</b>
<b>EQUITY</b>			
Financial asset revaluation reserve		1,378,115	1,339,575
Property asset revaluation reserve		7,880,389	7,256,772
Retained surpluses		21,227,672	21,813,460
<b>TOTAL EQUITY</b>		<b>30,486,176</b>	<b>30,409,807</b>

BALLARAT COMMUNITY HEALTH LIMITED

ABN 98 227 492 950

**Statement of Changes in Equity**

For the year ended 30 June 2025

	Financial asset revaluation reserve	Property asset revaluation reserve	Retained surpluses	Total equity
	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	809,896	6,592,476	23,174,001	30,576,373
Deficit for the year	-	-	(1,360,622)	(1,360,622)
Transfer of gains/losses on derecognition of financial assets	(81)	-	81	-
Total other comprehensive income for the year	529,760	664,296	-	1,194,056
<b>Balance at 30 June 2024</b>	<b>1,339,575</b>	<b>7,256,772</b>	<b>21,813,460</b>	<b>30,409,807</b>
<b>Balance at 1 July 2024</b>	1,339,575	7,256,772	21,813,460	30,409,807
Deficit for the year	-	-	(959,974)	(959,974)
Transfer of gains/losses on derecognition of financial assets	(374,186)	-	374,186	-
Total other comprehensive income for the year	412,726	623,617	-	1,036,343
<b>Balance at 30 June 2025</b>	<b>1,378,115</b>	<b>7,880,389</b>	<b>21,227,672</b>	<b>30,486,176</b>

# BALLARAT COMMUNITY HEALTH LIMITED

ABN 98 227 492 950

## Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025	2024
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		5,011,949	6,330,721
Receipts from Government and communities		26,382,291	23,201,182
Payments to suppliers and employees		(30,419,225)	(29,509,831)
Interest paid		(27,612)	(34,351)
<b>Net cash provided by/(used in) operating activities</b>	6.1.1	<b>947,403</b>	<b>(12,279)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property plant and equipment		(1,105,967)	(754,153)
Purchase of intangible assets		(40,699)	(41,783)
Proceeds from disposal of property plant and equipment		46,550	-
Dividends received		383,074	285,144
Interest received		122,000	136,802
Payments for investment portfolio		(1,012,557)	(1,285,110)
Proceeds from sale of investment portfolio		1,646,348	1,171,016
<b>Net cash provided by/(used in) investing activities</b>		<b>38,749</b>	<b>(488,084)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(221,796)	(147,431)
<b>Net cash used in financing activities</b>		<b>(221,796)</b>	<b>(147,431)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>764,356</b>	<b>(647,794)</b>
Cash and cash equivalents at beginning of financial year		1,138,016	1,785,810
<b>Cash and cash equivalents at end of financial year</b>	6.1	<b>1,902,372</b>	<b>1,138,016</b>

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 1 Summary of material accounting policies

The financial statements cover Ballarat Community Health Limited (BCH) as an individual entity, incorporated and domiciled in Australia. BCH is a company limited by guarantee.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

#### New or amended Accounting Standards and Interpretations adopted

BCH has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

#### Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and associated regulations. BCH is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

The financial statements are prepared on a going concern basis.

#### *Critical accounting estimates*

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

#### a) Company details

The registered office and principal place of business is:

Ballarat Community Health Limited  
12 Lilburne Street, Lucas VIC 3350

#### b) 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 Taxation 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 is included with other receivables or payables in the statement of financial position.

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

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 1 Summary of material accounting policies (cont.)

#### c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in BCH's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in BCH's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

#### d) Income tax

No provision for income tax has been raised as BCH is exempt from income tax pursuant to Division 50, section 50-10 of the *Income Tax Assessment Act 1997*.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 2 Funding Delivery of Our Services

BCH's overall objective is creating healthy communities through the provision of accessible, affordable and quality health and wellbeing services. BCH now delivers services to community members across much of Western Victoria, including but not limited to Ballarat, Grampians, Loddon Mallee, Golden Plains and Central Highlands in accordance with identified community needs and the formal objectives of BCH. To enable BCH to fulfil its objective it receives income primarily from government funding. BCH also receives income from the supply of services as outlined in the statement of profit or loss and other comprehensive income.

- 2.1: Grant funding
- 2.2: Services revenue
- 2.3: Investment income
- 2.4: Other income

	2025	2024
	\$	\$
<b>Note 2.1: Grant funding</b>		
State Government grants	14,564,957	12,518,795
Commonwealth Government grants	9,682,958	9,816,011
Other grants	605,878	748,313
<b>Total grants funding</b>	<b>24,853,793</b>	<b>23,083,119</b>
Operating grant revenue recognised over time	5,891,960	4,880,944
Other operating grant income recognised at a point in time	18,961,833	18,202,175
<b>Total grant funding</b>	<b>24,853,793</b>	<b>23,083,119</b>
<b>Note 2.2: Services revenue</b>		
Client revenue	4,267,623	4,327,744
Program revenue	1,389,073	1,770,091
Occupancy	71,137	70,866
<b>Total services revenue</b>	<b>5,727,833</b>	<b>6,168,701</b>
<b>Note 2.3: Investment income</b>		
Interest	122,000	136,802
Dividends	449,690	303,666
<b>Total investment revenue</b>	<b>571,690</b>	<b>440,468</b>
<b>Note 2.4: Other income</b>		
Profit/(loss) on disposal of assets	46,550	(7,275)
Donations and other income	234,762	67,479
<b>Total other income</b>	<b>281,312</b>	<b>60,204</b>
<b>Total income</b>	<b>31,434,628</b>	<b>29,752,492</b>

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 2 Funding Delivery of Our Services (cont.)

#### Revenue recognition

All revenue is stated net of the amount of Goods and Services Tax (GST).

#### *Grant funding and economic dependence*

BCH is dependent upon both the State and Federal Government (Departments) for the majority of its income, with revenue from Departments constituting approximately 79% in 2025 (2024: 78%) of BCH's total income. At the date of this report the Board of Directors has no reason to believe the Departments will not continue to support BCH.

When BCH obtains control of a government grant, it recognises the associated asset in accordance with the applicable Australian Accounting Standard. In addition, BCH recognises the following 'related amounts', when applicable:

- any related contributions by owners, customer contract liabilities, financial liabilities and other liabilities and revenue, measured in accordance with the applicable Australian Accounting Standards;
- any liabilities for obligations arising from transfers to enable BCH to acquire or construct non-financial assets to be controlled by BCH; and
- donation income, representing the residual amount of the resources received.

As per AASB 1058, a related amount is accounted for as a customer contract liability in line with AASB 15 when, and only when, the associated agreement with the grantor:

- creates enforceable rights and obligations between the parties; and
- includes performance obligations by BCH to transfer a good or service and that the performance obligations are sufficiently specific in order to determine when each obligation is satisfied.

Where the grant agreement is not subject to enforceable rights of return or does not have sufficiently specific performance obligations, the grant funding is recognised as income when the funding is received in accordance with AASB 1058.

Where the grant agreement meets the recognition criteria of AASB 15 and is classified as a contract with customer, it is accounted for consistent with AASB 15, which requires BCH to:

- identify the performance obligation(s) under the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligation(s) under the contract; and
- recognise revenue when (or as) BCH satisfies the performance obligation(s).

BCH received grant funding that met the recognition criteria of AASB 15. Performance obligations arisen from these funding agreements are generally satisfied over time. The methods used to measure BCH's progress towards achieving these performance obligations are either inputs or outputs based. Revenue recognised for performance obligations that have been satisfied and the balance of funding that is subject to outstanding performance obligation are reported in note 2.1 and note 5.4 respectively.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 2 Funding Delivery of Our Services (cont.)

#### Services Revenue

*Client revenue* is recognised at a point in time upon the delivery of the service to the customers. This includes services in relation to Medicare Benefits Schedule (MBS) and National Disability Insurance Scheme (NDIS) revenue. These services provided to customers include, but are not limited to:

- Doctors and specialists including:
  - Doctors clinic
  - Chronic diseases management
  - Pathology
  - Sexual health
  - Trans and gender diverse clinic
  - Women's health
  - Child Health Assessments
- Other health services including:
  - NDIS Support Coordination
  - Alcohol and other drug services
  - Diabetes education
  - Dietetics
  - Exercise Physiology
  - Cardiac rehabilitation
  - Physiotherapy
  - Podiatry
  - Speech pathology
  - Counselling

*Program revenue* is recognised either over time or at a point in time upon the delivery of the community related programs.

Such programs run by BCH include but are not limited to:

- Mental health
- Social connection programs
- Children and young people at risk programs
- Case management
- School Focused Youth Services
- Health Promotion Programs
- Community Recovery and Resilience

#### Interest

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

#### Dividends

Dividend revenue is recognised when the right to receive payment is established. Dividends represent the revenue arising from BCH's investment in financial assets.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 3 The Cost of Delivering Services

This section provides an account of the expenses incurred by BCH in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

- 3.1: Breakdown of operating expenditure
- 3.2: Employee benefits in the statement of financial position
- 3.3: Superannuation

	2025	2024
	\$	\$
<b>Note 3.1: Breakdown of operating expenditure</b>		
Administration	1,792,048	1,679,602
Community engagement	57,277	89,023
Program expenses	2,961,675	3,129,233
Motor vehicle expenses	93,231	94,773
Occupancy expenses	666,139	714,632
<b>Total operating expenditure</b>	<b>5,570,370</b>	<b>5,707,263</b>

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, and Work Cover premiums. Other operating expenses generally represent the day-to-day running costs incurred in normal operations. Other operating expenses are recognised as an expense in the reporting period in which they are incurred.

	2025	2024
	\$	\$
<b>Note 3.2: Employee benefits in the Statement of Financial Position</b>		
<b>Current</b>		
Provision for annual leave	1,373,543	1,304,547
Provision for accrued days off	128,548	93,287
Provision for long service leave	1,421,734	1,319,814
Provision for purchased leave	40,845	42,148
<b>Total current provisions</b>	<b>2,964,670</b>	<b>2,759,796</b>
<b>Non-current</b>		
<b>Provision for long service leave</b>	<b>508,090</b>	<b>484,335</b>

Provision is made for the BCH'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. 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 outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Employee benefits – Material accounting estimates and judgments

As discussed above, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	2025	2024
	\$	\$
<b>Note 3.3: Superannuation</b>		
<b>Superannuation expense</b>	<b>2,354,762</b>	<b>2,115,370</b>

Contributions are made by BCH to an employee superannuation fund and are charged as expenses when incurred.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 4 Key Assets to Support Service Delivery

BCH controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources to be utilised for delivery of those outputs.

- 4.1: Investments and other financial assets
- 4.2: Property, plant and equipment
- 4.3: Intangible assets
- 4.4: Impairment of assets
- 4.5: Right-of-use assets
- 4.6: Depreciation

	2025	2024
	\$	\$
<b>Note 4.1: Investments and other financial assets</b>		
Portfolio investments – Fair value through other comprehensive income	7,958,783	8,213,102
<b>Total investments and other financial assets</b>	<b>7,958,783</b>	<b>8,213,102</b>
JB Were currently manages the portfolio of investments on behalf of BCH. Refer note 7 for further information of the investments and other financial assets recognition policies.		
<b>Note 4.2: Property, plant and equipment</b>		
<b>Land</b>		
Land at valuation	6,123,000	5,985,000
	<b>6,123,000</b>	<b>5,985,000</b>
<b>Buildings</b>		
Buildings at valuation	15,248,040	13,956,670
Buildings at cost	-	223,434
Less accumulated depreciation	(704,213)	(696,891)
	<b>14,543,827</b>	<b>13,483,213</b>
<b>Leasehold Improvements</b>		
Leasehold improvements at cost	5,974,500	5,941,670
Less accumulated depreciation	(1,114,564)	(705,691)
	<b>4,859,936</b>	<b>5,235,979</b>
<b>Total land and buildings</b>	<b>25,526,763</b>	<b>24,704,192</b>
<b>Plant and equipment</b>		
Furniture, fittings and equipment at cost	3,168,566	3,035,572
Less accumulated depreciation	(2,536,054)	(2,224,376)
	<b>632,512</b>	<b>811,196</b>
<b>Motor vehicles</b>		
Motor vehicles at cost	853,544	813,990
Less accumulated depreciation	(679,077)	(715,776)
	<b>174,467</b>	<b>98,214</b>
<b>Total plant and equipment</b>	<b>806,979</b>	<b>909,410</b>
<b>Total property, plant and equipment</b>	<b>26,333,742</b>	<b>25,613,602</b>

**Notes to the Financial Statements**

For the year ended 30 June 2025

**Note 4 Key Assets to Support Service Delivery (cont.)**

**Note 4.2: Property, plant and equipment (cont.)**

**i) Reconciliations of the carrying amounts of each class of asset**

	Land (at valuation) \$	Buildings (at valuation) \$	Leasehold improvements (at cost) \$	Furniture, fittings and equipment (at cost) \$	Motor vehicles (at cost) \$	Total \$
<b>Balance at 1 July 2023</b>	<b>5,985,000</b>	<b>12,882,385</b>	<b>5,188,337</b>	<b>935,392</b>	<b>78,717</b>	<b>25,069,831</b>
Additions	-	142,227	251,692	283,691	76,543	754,153
Revaluations	-	664,296	-	-	-	664,296
Disposals	-	-	-	(7,275)	-	(7,275)
Depreciation expense	-	(205,695)	(204,050)	(400,612)	(57,046)	(867,403)
<b>Carrying amount at 30 June 2024</b>	<b>5,985,000</b>	<b>13,483,213</b>	<b>5,235,979</b>	<b>811,196</b>	<b>98,214</b>	<b>25,613,602</b>
<b>Balance at 1 July 2024</b>	<b>5,985,000</b>	<b>13,483,213</b>	<b>5,235,979</b>	<b>811,196</b>	<b>98,214</b>	<b>25,613,602</b>
Additions	370,000	418,653	32,830	166,381	118,103	1,105,967
Revaluations	(232,000)	855,617	-	-	-	623,617
Impairment	-	-	(194,389)	-	-	(194,389)
Depreciation expense	-	(213,656)	(214,484)	(345,065)	(41,850)	(815,055)
<b>Carrying amount at 30 June 2025</b>	<b>6,123,000</b>	<b>14,543,827</b>	<b>4,859,936</b>	<b>632,512</b>	<b>174,467</b>	<b>26,333,742</b>

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 4 Key Assets to Support Service Delivery (cont.)

#### Note 4.2: Property, plant and equipment (cont.)

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 valuations by external independent valuers, less subsequent depreciation for buildings, with the next valuation scheduled for 30 June 2026. An independent valuation of BCH's land and buildings was last performed by Preston Rowe Paterson with the effective date of 30 June 2022. Valuations are based on a depreciated replacement cost basis given their specialised nature which is a level 3 input. Annually management perform an assessment of indices and for June 2025, we have determined that the land decreased by \$232,000 however for buildings we have recognised an increment of \$855,617.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in the statement of profit or loss and other comprehensive income and accumulated in the property asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of asset shall be recognised in the statement of profit or loss and 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 and 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.

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.

Items of property, plant and equipment are recorded as capital work in progress until such a time that the asset is ready for use. Once the asset is deemed ready for use, the capital work in progress will be transferred to property, plant and equipment and depreciation will commence at that time.

	2025	2024
<b>Note 4.3: Intangible assets</b>		
<b>Software development</b>		
At cost	811,512	770,813
Less accumulated amortisation	(671,115)	(487,264)
<b>Total intangible assets</b>	<b>140,397</b>	<b>283,549</b>

## Notes to the Financial Statements

For the year ended 30 June 2025

### Reconciliations of the carrying amounts of each class of asset

	Software (at cost)	Total
	\$	\$
<b>Balance at 1 July 2024</b>	<b>283,549</b>	<b>283,549</b>
Additions	40,699	40,699
Amortisation	(183,851)	(183,851)
<b>Carrying amount at 30 June 2025</b>	<b>140,397</b>	<b>140,397</b>

#### Intangible assets – software

Intangible assets relate to the written down value associated with the Client Management Systems and Finance/General Ledger System.

Ballarat Community Health implemented the Client Management System in FY22. The system is used to record, report and bill services delivered to BCH clients in all services excluding those related to our Medical and Sexual Health Services and headspace Ballarat. At the end of FY25, the software continued to be utilised to its full capacity and has a written down value is \$33,755.

A new Client Management System was implemented for our Medical Services in March 2024. This system is used to record, report and bill services delivered to BCH Medical and Sexual Health Services. The written down value at year end is \$25,734.

The Finance/General Ledger System was implemented in FY23. The Financial Management System includes all the functionality that BCH requires (for example cash management, grant tracking and billing, general ledger). The written down value at year end is \$80,908.

Internally generated development cost to tailor both the Client Management and Finance/General Ledger system to meet BCH's specific use requirements have also been incurred, including the development of Application Programming Interface (API) and other systems integrations.

BCH recognises internally generated intangible assets arising from development if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset to that it will be available for use
- an intention to complete the intangible asset and use it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

All intangible assets are initially recognised at cost and subsequently adjusted for accumulated amortisation and impairment losses.

#### **Note 4.4: Impairment of assets – Material accounting estimates and judgements**

At the end of each reporting period, BCH evaluate conditions specific to BCH and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when BCH would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where it is not possible to estimate the

## Notes to the Financial Statements

### For the year ended 30 June 2025

recoverable amount of an assets class, BCH estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Impairment testing has been conducted on Leasehold Improvements, Motor Vehicles and Clinical Equipment asset classes. The result of the testing shows that 23 assets related to Clinical Equipment are obsolete and no longer provide business benefit. These assets were disposed from the Fixed Asset Register as at 30 June 2025. The impact of the disposal is minimal as most assets were fully depreciated.

The evaluation for impairment triggers and the determination of recoverable amounts involve a number of estimates and assumptions.

	2025	2024
	\$	\$
<b>Note 4.5: Right-of-use assets</b>		
<b>Non-Current</b>		
<b>Property</b>		
At cost	280,319	772,727
Accumulated depreciation	(242,070)	(238,613)
	38,249	534,114
<b>Motor Vehicles</b>		
At cost	101,391	101,391
Accumulated depreciation	(46,002)	(14,001)
	55,389	87,390
<b>Total right-of-use assets</b>	<b>93,638</b>	<b>621,504</b>

#### Reconciliations of the carrying amounts of each class of asset

	Property	Vehicles	2025
	\$	\$	\$
<b>Balance at the beginning of year</b>	<b>534,114</b>	<b>87,390</b>	621,504
Termination of lease arrangements	(334,379)	-	(334,379)
Depreciation	(161,486)	(32,001)	(193,487)
<b>Balance at the end of the year</b>	<b>38,249</b>	<b>55,389</b>	93,638

#### Right-of-use asset recognition

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where BCH expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

BCH has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 4 Key Assets to Support Service Delivery (cont.)

	2025	2024
	\$	\$
<b>Note 4.6: Depreciation and amortisation</b>		
Buildings	213,656	205,695
Leasehold improvements	214,484	204,050
Furniture, fittings and equipment	345,065	400,612
Motor vehicles	41,850	57,046
Right-of-use assets	193,487	173,438
Software development	183,851	212,405
<b>Total depreciation</b>	<b>1,192,393</b>	<b>1,253,246</b>

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to BCH commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation rates are consistent with the prior year.

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

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

Class of fixed asset	Depreciation rate
Buildings	1.3% – 5%
Leasehold improvements	5% – 25%
Equipment, furniture and fittings	13% – 40%
Motor vehicles	22%
Right-of-use assets	33%

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 5 Other Assets and Liabilities

This section sets out those assets and liabilities that arose from BCH's operations.

- 5.1: Receivables
- 5.2: Other assets
- 5.3: Payables
- 5.4: Contract liabilities
- 5.5: Committed funds

	2025	2024
	\$	\$
<b>Note 5.1: Receivables</b>		
Trade receivables	957,681	636,269
Accrued income	989,098	536,993
Accrued investment income	234,475	134,605
Other receivables	77,257	-
Bond deposits	14,669	14,667
<b>Total receivables</b>	<b>2,273,180</b>	<b>1,322,534</b>

Receivables consist of debtors in relation to goods and services and accrued grants and interest.

Receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. BCH holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Due to the short-term nature of current trade and other receivables, their carrying value is assumed to approximate their fair value. Details about the BCH's impairment policies and its exposure to credit risk is set out in note 7.

<b>Note 5.2: Other assets</b>		
Prepayments	321,787	328,989
<b>Total other assets</b>	<b>321,787</b>	<b>328,989</b>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

<b>Note 5.3: Payables</b>		
Trade creditors	153,121	460,672
Accrued expenses and sundry payables	1,639,943	1,232,366
GST payable	515,772	390,516
<b>Total payables</b>	<b>2,308,836</b>	<b>2,083,554</b>

Payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the BCH prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 5 Other Assets and Liabilities (cont.)

	2025	2024
	\$	\$
<b>Note 5.4: Contract liabilities</b>		
Deferred revenue	29,900	-
Grant funding	2,625,579	1,126,981
<b>Total contract liabilities</b>	<b>2,655,479</b>	<b>1,126,981</b>

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

	At 30 June 2025	At 30 June 2024
	\$	\$
<b>Funding committed for restricted use</b>		
Peer Cadet Program	-	243,662
Health Promotion Targeted Grants	29,900	-
Nurse Practitioner	165,000	-
Connecting to Community	130,788	-
Step Thru Care	441,008	-
Headspace Core	354,588	219,770
Headspace EMHSIS	10,472	12,334
Victorian Early Leaver Connection Initiative	66,250	-
Headspace Suicide Prevention	-	51,982
Kickstart AOD	154,251	148,962
AOD Traineeships	12,070	234,173
School Readiness	679,015	-
Intensive Psychosocial Support	31,956	-
Service Navigator	45,996	-
Head to Health	38,163	97,196
Wimmera MDTC	42,500	-
Community Recovery & Resilience	115,585	-
Pathways to Good Health	275,276	-
Mental Health & Wellbeing Connect	20,076	118,902
Sexual Health Hub	42,585	-
<b>Total commitments</b>	<b>2,655,479</b>	<b>1,126,981</b>

### Note 5.5: Committed funds

There are some instances where the accounting treatment and recognition of revenue under AASB 1058 may result in a different accounting treatment in relation to the project accounting to government departments of funding bodies.

Where this generally occurs is when a grant agreement does not have sufficiently specific performance obligations and therefore does not meet the recognition requirements of AASB 15. In this case the income is recognised in when the grant is received although the balance is not spent in the same financial year causing an accounting mismatch between income and expenditure.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 6 How We Finance Our Operations

This section provides information on the sources of finance utilised by BCH during its operations, along with other information related to financing activities of BCH.

This section includes disclosures of balances that are financial instruments.

- 6.1: Cash and cash equivalents
- 6.2: Lease liabilities
- 6.3: Commitments for expenditure

	2025	2024
	\$	\$
<b>Note 6.1: Cash and cash equivalents</b>		
<b>Current</b>		
Cash at bank	1,418,511	1,044,282
Cash on hand	1,850	1,850
Investment portfolio cash account	482,011	91,884
<b>Total cash and cash equivalents</b>	<b>1,902,372</b>	<b>1,138,016</b>

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

#### Note 6.1.1: Reconciliation of operating surplus to net cash flows from operations

	2025	2024
Surplus/(Deficit) for the year	<b>(959,974)</b>	<b>(1,360,622)</b>
<b>Reconciling items</b>		
- Depreciation and impairment	1,386,782	1,253,246
- (Profit)/loss on disposal of assets	(46,550)	7,275
- Interest received	(122,000)	(136,802)
- Dividends received	(449,690)	(285,322)
- Increase in trade and other receivables	(950,646)	(111,078)
- (Increase)/decrease in other assets	107,072	(71,697)
- Increase in payables	225,282	184,833
- Increase in contract liabilities	1,528,498	305,338
- Increase in provisions	228,629	202,550
<b>Net cashflows provided by/(used in) operating activities</b>	<b>947,403</b>	<b>(12,279)</b>

#### Note 6.2: Lease liabilities

<b>Current</b>		
Lease liability	79,708	180,467
<b>Non-current</b>		
Lease liability	20,940	476,336
<b>Total lease liabilities</b>	<b>100,648</b>	<b>656,803</b>

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 6 How We Finance Our Operations (cont.)

#### Note 6.2: Lease liabilities (cont.)

##### Lease liabilities recognition

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the BCH's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index or a rate used;
- residual guarantee;
- lease term; and
- certainty of a purchase option and termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

#### Note 6.3: Contracted commitments

##### Capital commitments

In May 2025, BCH signed a contract with Western Victoria PHN to complete a relocation of its Headspace, Camp Street office. The overall project capital funding is \$1.2M, which is scheduled in financial year 2026. The project is at the early consultation phase where concept drawings and cost plans are being developed. It is anticipated that the funds received will be fully expended on the fitout of the new building.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 7 Risks, Contingencies and Valuation Uncertainties

BCH is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for BCH is related mainly to fair value determination.

- 7.1: Financial instruments
- 7.2: Contingent assets and contingent liabilities
- 7.3: Fair value measurement

#### Note 7.1: Financial instruments

Financial instruments arise out of agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. BCH applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

##### *Financial assets at amortised cost*

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the group to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

BCH recognises the following assets in this category:

- cash and cash equivalents;
- receivables; and
- term deposits.

##### *Financial assets at fair value through other comprehensive income*

BCH holds equity units in the managed investment scheme with JB Were. Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and BCH has irrevocably elected at initial recognition to recognise in this category, which is the case. These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.

Upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

##### *Financial liabilities at amortised cost*

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

BCH recognises the following liabilities in this category:

- payables;
- lease liabilities; and
- contract liabilities.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 7 Risks, Contingencies and Valuation Uncertainties (cont.)

#### Note 7.1: Financial instruments (cont.)

##### Derecognition of financial assets and financial liabilities

###### *Financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- BCH retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- BCH has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where BCH has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the BCH's continuing involvement in the asset.

###### *Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

##### Reclassification of financial instruments

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through profit or loss, fair value through other comprehensive income and amortised cost when and only when the BCH's business model for managing its financial assets has changed such that its previous model would no longer apply.

##### Financial risk management objectives and policies

BCH's activities do create exposure to some financial risks which need to be actively managed.

###### *Market risk*

BCH's exposure to market risk is primarily through interest rate risk and equity price risk.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. BCH has some exposure to cash flow interest rate risks through cash and deposits that are at floating rates. BCH manages this risk by mainly undertaking fixed rate or non-interest-bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate.

BCH is exposed to equity price risk through its investments in the managed investment scheme which primarily hold listed investments. BCH works closely with JB Were to assist with the management of its investment portfolio in accordance with the Investment Strategy approved by the Board of Directors. The fund manager on behalf of the BCH closely monitors performance and manages the equity price risk through diversification of its investment portfolio and provides updates to the Board of Directors on a timely basis.

###### *Interest rate risk*

Changes in interest rates effects the ability for BCH to earn returns on investment. Management negotiates with banking institutions to get the best available rates for these deposit accounts and also uses the service of JB Were to manage its investment portfolio. On this basis, BCH is exposed to interest rate risk although this risk is mitigated where possible.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 7 Risks, Contingencies and Valuation Uncertainties (cont.)

#### Note 7.1: Financial instruments (cont.)

##### *Liquidity risk*

Vigilant liquidity risk management requires BCH to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable. BCH manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

##### *Credit risk*

BCH is not exposed to any significant credit risk.

##### *Foreign currency risk*

BCH is not exposed to any significant foreign currency risk.

##### *Price risk*

BCH is not exposed to any significant price risk.

#### Note 7.2: Contingent assets and contingent liabilities

There are no known contingent assets or contingent liabilities for BCH as at 30 June 2025 (2024: NIL).

#### Note 7.3: Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques, that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that BCH can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

BCH measures the following assets at fair value on a reoccurring basis:

- land and buildings; and
- managed investment scheme - Fair Value Through Other Comprehensive Income (FVOCI).

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 7 Risks, Contingencies and Valuation Uncertainties (cont.)

#### Note 7.3: Fair value measurement (cont.)

##### *Fair Value Hierarchy*

The following tables detail BCH's assets measured or disclosed at fair value, using a three-level hierarchy as described above.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>2024</b>				
Property, plant and equipment				
Land	-	-	5,985,000	5,985,000
Buildings	-	-	13,318,718	13,318,718
Investments and other financial assets				
Managed investment scheme	8,213,102	-	-	8,213,102
<b>Total assets</b>	<b>8,213,102</b>	<b>-</b>	<b>19,303,718</b>	<b>27,516,820</b>
<b>2025</b>				
Property, plant and equipment				
Land	-	-	6,123,000	6,123,000
Buildings	-	-	14,543,827	14,543,827
Investments and other financial assets				
Managed investment scheme	7,958,783	-	-	7,958,783
<b>Total assets</b>	<b>7,958,783</b>	<b>-</b>	<b>20,666,827</b>	<b>28,625,610</b>

BCH engages external, independent and qualified valuers to determine the fair value of BCH land and buildings periodically. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors at each reporting date.

There were no transfers between levels during the financial year.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 8 Other Disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

- 8.1: Insurance
- 8.2: Related parties
- 8.3: Key management personnel compensation
- 8.4: Remuneration of the auditors
- 8.5: Events occurring after balance sheet date
- 8.6: Member's guarantee
- 8.7: Issued but not yet effective Australian accounting and reporting pronouncements

#### Note 8.1: Insurance

The Department of Health and Aged Care (DHAC) advised BCH that the total amount of insurance premiums paid by DHAC on its behalf to VMIA was \$164,391 for the 2025 financial year (2024: \$85,278).

#### Note 8.2: Related parties

##### *Key management personnel*

Disclosures relating to key management personnel are set out in note 8.3.

##### *Transactions with related parties*

There were no material transactions with related parties during the current and previous financial year.

##### *Receivables from and payables to related parties*

There were no material receivables from or payables to related parties at the current and previous reporting date.

##### *Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 8 Other Disclosures (cont.)

#### Note 8.3: Key management personnel compensation

Any persons having authority and responsibility for planning, directing and controlling the activities of BCH, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Board of Directors	Period	
Kerry Bradley	1 July 2024	to 30 June 2025
Mikel Dean	1 July 2024	to 30 June 2025
Rebecca Fraser	1 July 2024	to 30 June 2025
Joanna Hambling	1 July 2024	to 6 November 2024
Jessie Harman	1 July 2024	to 30 June 2025
Robert Hook	1 July 2024	to 30 June 2025
Andrew Howard	6 November 2024	to 30 June 2025
David Malone	6 November 2024	to 30 June 2025
Mathew Muldoon	1 July 2024	to 25 June 2025
Maria Palmer	1 July 2024	to 30 June 2025
David Pierce	1 July 2024	to 30 June 2025
Shelley Wood	1 July 2024	to 30 June 2025

Executive Management		
Sean Duffy (Chief Executive Officer)	1 July 2024	to 30 June 2025
Danielle Walker (Chief Operating Officer)	1 July 2024	to 30 June 2025
Joanne Gell (Executive Manager Community and Public Health)	1 July 2024	to 30 June 2025
Ellery Hickson (Executive Manager – People & Culture)	1 July 2024	to 30 June 2025
Claire Shaw (Executive Manager, Age Care Project & Organisational Governance & Quality)	29 July 2024	to 30 June 2025

The total of compensation for key management personnel is shown below.

	2025	2024
	\$	\$
Short-term employee benefits	888,970	680,742
Post-employment benefits	116,488	88,434
Other long-term benefits	39,295	-
<b>Total key management personnel compensation</b>	<b>1,044,753</b>	<b>769,176</b>
<b>Note 8.4: Remuneration of the auditors</b>		
Audit of the financial statements	36,700	35,300
Other accounting services	-	-
	<b>36,700</b>	<b>35,300</b>

Director's remuneration was introduced on 1 July 2024, in line with the provisions of the BCH constitution and Government Board Appointment and Remuneration Guidelines.

#### Note 8.5: Events occurring after balance sheet date

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of BCH, or the results of those operations.

## Notes to the Financial Statements

For the year ended 30 June 2025

### Note 8 Other Disclosures (cont.)

#### Note 8.6: Member's guarantee

BCH is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If BCH is wound up, the constitution states that each member is not required to contribute towards meeting any outstanding and obligations of the company.

#### Note 8.7: Issued but not yet effective Australian accounting and reporting pronouncements

The AASB has issued a list of other amending standards that are not effective for the 2024-25 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on BCH's reporting.

- *AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments (effective from annual periods beginning on or after 1 January 2026)*
- *AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 (effective from annual periods beginning on or after 1 January 2026)*

## Directors' Declaration

For the year ended 30 June 2025

In the directors' opinion:

1. The attached financial statements and notes comply with the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards – Simplified Disclosures and associated regulations and other mandatory professional reporting requirements;
2. The attached financial statements and notes give a true and fair view of Ballarat Community Health's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
3. There are reasonable grounds to believe that Ballarat Community Health will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors

Jessie Harman  
Board Chair



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Shelley Wood  
Finance & Audit Chair



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Dated this 6th day of October 2025

# Independent Auditor's Report

## To the Directors of Ballarat Community Health

<b>Opinion</b>	<p>I have audited the financial report of Ballarat Community Health (the company) which comprises the:</p> <ul style="list-style-type: none"> <li>• statement of financial position as at 30 June 2025</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 material accounting policy information</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 2025 and of its financial performance and its cash flows for the year then ended</li> <li>• complying with Australian Accounting Standards– Simplified Disclosures Requirements and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2022</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 Victoria. 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 of a financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures Requirements and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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


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

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

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

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

MELBOURNE  
8 October 2025



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

**Ballarat Community Health Ltd.**  
**ABN 98 227 492 950**  
**ACN 136 362 993**

