



GATEWAY HEALTH LTD ABN 76 640 576 694



ANNUAL REPORT

2016-2017

REPORT FROM THE CHAIR

The year 2016-2017 has been a year of change and challenge, but nonetheless a year in which the staff of Gateway Health have continued to provide dedicated and high quality health services to the communities of North East Victoria.

Early in the 2016 financial year, Leonard Peady, CEO, indicated to the Board his intention to resign his position. Following a lengthy break Leonard reiterated that it was time for him to hand over the reins to a new CEO, and that he would retire as of the end of June 2017.

The Board engaged an external Recruitment Company, SHK, to expedite the search for a new CEO and, after a lengthy and exhaustive process, Leigh Rhode was appointed to take up the CEO position with Gateway Health in early July 2017. The Board welcomes Leigh to the position and looks forward to a productive working relationship.

The Board would like to take this opportunity to publicly acknowledge and thank Leonard Peady for his thoughtful leadership and exceptionally good management of Gateway Health over a period of ten years. Leonard had oversight of the organisation through a period of rapid change encompassing the building and foundation of the Super Clinic in Wodonga, the merger of Gateway Community Health with Ovens and King Community Health Services to form Gateway Health, the completion of the new Gateway Health facility in Wangaratta, and the thorough due diligence exploration of Gateway Health's capacity to participate in delivering on the National Disability Insurance Scheme.

The Board wishes Leonard all the best in his future endeavours.

The Directors of Gateway Health have been diligent in their governance of the organisation during the year, ensuring its financial viability, that its clinical governance responsibilities are met and that attention is paid to employee sentiment and satisfaction, and to stakeholder engagement.



Gateway Health employees are the backbone of the organisation and it is critical that they are valued and acknowledged for the great work that they do. This is of paramount importance in reinforcing and maintaining the positive culture of the organisation.

In early 2017 Gateway Health undertook a new Strategic Planning process with the assistance of external facilitators, and with the inclusion of staff from all levels of the organisation. The 2017-2019 Strategic Plan sets some strong goals for the future and will give the new CEO and Senior Management Team a solid platform from which to craft the yearly operational plans.

One of Gateway Health's Directors, Chris Halburd resigned during the year to take up a new role as NSW Magistrate. Chris brought his forensic legal mind and social justice skills to the table. I am sure I am speaking on behalf of all Directors in thanking Chris for his valuable and insightful contribution to all Board deliberations. Congratulations Chris on your very well deserved appointment.

The 2017-18 year sees in a new CEO with considerable work to be done in orienting to the organisation and implementing the first phase of the Strategic Plan. The Board too has much to do - in the recruitment of new Directors, in undertaking governance assessment of its capability, in working on some crucial areas such as marketing and risk.

Thank you fellow Directors for your good governance throughout the 2016-17 financial year!

Catherine Upcher, Chair.

DIRECTOR'S REPORT

The directors present their report, together with the financial statements of Gateway Health Limited (referred to hereafter as the 'company') for the financial year ended 30 June 2017 and the auditor's report thereon.

DIRECTORS

The following persons were directors of Gateway Health Limited during the whole of the financial year and up to the date of this report:

- Catherine Upcher – Chairperson (appointed 2007)
- Anthony Howard – Deputy Chair (appointed 2011)
- Michael Ferris – Treasurer (appointed 2010)
- Klaus Baumgartel (appointed 1997)
- Guinever Threlkeld (appointed 1997)
- Felicity Williams (appointed 27/05/15)
- Chris Halburd (appointed in 2015 and resigned July 2017)

COMPANY SECRETARY

Leonard Peady held the role of Company Secretary from 1 April 2009, and was the CEO of Gateway Health for the 2016-17 year. On 3 July 2017 a new CEO commenced; Ms Leigh Rhode, and Leigh now holds the position of Company Secretary.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the year were the provision of primary health and welfare service at sites in Wodonga, Wangaratta and Myrtleford in Victoria, and through outreach services provided across North East Victoria and Southern NSW.

REVIEW OF OPERATIONS

The net operating profit of the Company for the year ended 30 June 2017 was \$1,161,048 (2016: \$862,648).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Company during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

Gateway Health formerly endorsed "gifting" the Whitfield site to the King Valley Children's Group Incorporated on the 24 February 2016. The transfer of this property was finalised on the 11 September 2017, and the value of the property transferred was \$25,600.

LIKELY DEVELOPMENTS

No material likely developments are foreseen at this time that may affect the Company's operations.

Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would likely to result in unreasonable prejudice to the Company.

INDEMNITY AND INSURANCE OF OFFICERS

No indemnities have been given or insurance premiums paid by the Company, during or since the end of the financial year, for any person who is or has been a Director or officer of the Company.

During the financial year the Victorian Department of Health and Human Services paid a premium to insure the Company's directors and officers in respect to liabilities that may arise from their position as directors and officers of the Company.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company against a liability incurred by the auditor.

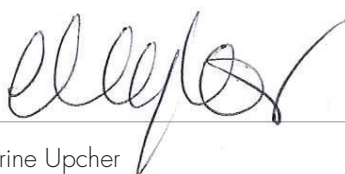
During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor independence declaration for the year ended 30 June 2017 has been received and is set out immediately after this director's report.

This report is made in accordance with a resolution of the directors.

On behalf of the directors



Catherine Upcher
Chairperson



Michael Ferris
Treasurer

Dated at Wodonga this 25th day of October 2017

Crowe Horwath Albury

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Member Crowe Horwath International

Audit and Assurance Services
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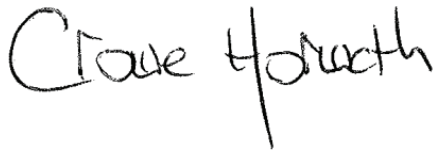
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LEAD AUDITOR'S INDEPENDENCE DECLARATION

To: The Directors of Gateway Health Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2017 there has been:

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



CROWE HORWATH ALBURY



BRADLEY D BOHUN

Partner

Dated at Albury this 25th day of October 2017

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

		2017	2016
	Notes	\$	\$
REVENUE	2	24,080,705	22,720,676
Employee related expenses		18,669,065	17,115,171
Depreciation		1,164,650	1,226,281
Finance costs		9,438	39,055
Program expenses		466,363	627,700
Motor vehicle expenses		222,868	269,917
Occupancy expenses		394,760	403,647
Other expenses		1,992,513	2,176,257
		22,919,657	21,858,028
Surplus before income tax		1,161,048	862,648
Income tax expense	1(c)	-	-
Net surplus for the year		1,161,048	862,648
Other comprehensive income		-	-
Total comprehensive result for the year		1,161,048	862,648

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

		2017	2016
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	3	4,723,045	2,810,788
Trade and other receivables	4	449,113	70,699
Other	5	67,877	50,612
Total current assets		5,240,035	3,332,099
Non-current assets			
Property, plant and equipment	6	19,140,738	19,570,343
Total non-current assets		19,140,738	19,570,343
Total assets		24,380,773	22,902,442
LIABILITIES			
Current liabilities			
Trade and other payables	7	888,694	862,761
Employee provisions	8	2,010,030	1,555,217
Borrowings	9	-	-
Other	10	418,022	442,893
Total current liabilities		3,316,746	2,860,871
Non-current liabilities			
Employee provisions	11	505,387	591,614
Borrowings	12	44,267	96,632
Total non-current liabilities		549,654	688,246
Total liabilities		3,866,400	3,549,117
Net assets		20,514,373	19,353,325
EQUITY			
Accumulated surplus		20,514,373	19,353,325
Total equity		20,514,373	19,353,325

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	2017	2016
	\$	\$
Accumulated surplus at the beginning of the financial year	19,353,325	18,490,677
Net surplus for the year	1,161,048	862,648
Other comprehensive income	-	-
Accumulated surplus at the end of the financial year	20,514,373	19,353,325

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

		2017	2016
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from – Government grants		18,955,518	15,770,359
Other		6,887,382	7,047,709
Payments to suppliers and employees		(23,252,123)	(20,891,971)
		2,590,777	1,926,097
Interest received		89,107	73,731
Interest paid		(9,438)	(39,055)
Net cash inflow (outflow) from operating activities	13	2,670,446	1,960,773
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(859,671)	(574,226)
Proceeds from sale of property, plant & equipment		153,847	71,159
Net cash inflow (outflow) from investing activities		(704,824)	(503,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(52,365)	(671,144)
Net cash inflow (outflow) from financing activities		(52,365)	(671,144)
Net increase (decrease) in cash and cash equivalents held		1,912,257	786,562
Cash and cash equivalents at the beginning of the financial year		2,810,788	2,024,226
Cash and cash equivalents at the end of the financial year	3	4,723,045	2,810,788

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Gateway Health Ltd ("the Company") as an individual entity, incorporated and domiciled in Australia. Gateway Health Ltd is a company limited by guarantee.

The financial statements were authorised for issue on 25 October 2017 by the directors of the company.

(a) Basis of accounting

The company is not a reporting entity because in the opinion of the directors there are no users dependent upon general purpose financial statements.

These are special purpose financial statements that have been prepared for the sole purpose of complying with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 to prepare and distribute financial statements to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

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

The financial statements have been prepared in accordance with applicable Accounting Standards and Australian Accounting Interpretations with the exception of the disclosure requirements of the following:

AASB 7	Financial Instruments: Disclosures
AASB 13	Fair Value Measurement
AASB 119	Employee Benefits
AASB 124	Related Party Disclosures
AASB 132	Financial Instruments: Presentation
AASB 139	Financial Instruments: Recognition and Measurement

The financial statements are prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information has been reclassified where appropriate to enhance comparability.

(b) Revenue recognition

(I) GRANTS AND OTHER CONTRIBUTIONS

Grants and other contributions are generally recognised as revenue when the company obtains control over the granted asset. Control over granted assets normally occurs at the time they are received. Where funds are received and held on behalf of a third party and the company has no control over the disbursement of such funds, or where funds are received in advance for a project commencing in the following year, these funds are treated as a liability called either 'funds held in trust' or 'grants in advance' (refer note 10).

(II) CLIENT FEES AND BROKERAGE

Client fees are recognised as revenue following the provision of services to clients.

(III) INTEREST

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

(c) Income tax

Income tax is not provided for in the financial statements as the Company is recognised as tax exempt under the Income Tax Assessment Act and therefore not subject to tax.

(d) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes deposits at call, which are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of any outstanding bank overdrafts.

(e) Trade and other receivables

Debtors are brought to account at their nominal amounts. A provision for doubtful debts is raised when some doubt as to collection exists.

(f) Property, plant and equipment

The purchase method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets at the date of acquisition plus incidental costs directly attributable to the acquisitions. Items with a cost in excess of \$1,000 are recognised as an asset. All other assets acquired are expensed. Land is not depreciated. Depreciation has been calculated on a straight line basis in order to write off the cost of assets over their expected useful lives. The expected useful lives are as follows:

Buildings	50 years
Computer equipment	3 years
Plant and equipment	5-7 years
Furniture and fittings	5-15 years
Motor vehicles	7 years

Maintenance and repair costs are charged as expenses as they are incurred.

(g) Leases

Operating lease payments are charged to the statement of profit or loss and other comprehensive income in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased asset.

(h) Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss. As the company is a not-for-profit entity, the value in use is the depreciated replacement cost of the asset.

(i) Trade and other payables

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

(j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Employee provisions

SHORT-TERM EMPLOYEE PROVISIONS

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

OTHER LONG-TERM EMPLOYEE PROVISIONS

Provision is made for employees' long service leave not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

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

(l) Accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future

periods that are affected by the revision. Judgements and assumptions made by management in the application of the Australian Accounting Standards that have significant effects on the financial statements and estimates relate to:

- the value of land, buildings, plant and equipment (refer to Note 1 (f))
- the determination of depreciation for buildings, plant and equipment (refer to Note 1 (f))
- the determination of employee provisions (refer to Note 1 (k))

2. REVENUE

	2017	2016
	\$	\$
REVENUE FROM OPERATING ACTIVITIES		
State Government Grants	10,616,326	11,936,518
Commonwealth Government Grants	6,615,963	3,453,709
Other Grants	644,372	2,104,023
Brokerage fees	859,385	824,075
Client Fees	4,208,160	3,354,825
	22,944,206	21,673,150
REVENUE FROM OUTSIDE OPERATING ACTIVITIES		
State Government Grants - capital	17,500	36,721
Donations	89,598	124,479
Rental Income	353,813	382,626
NDIS	92	-
Interest received/receivable	89,107	73,731
Profit/(loss) from sale of non-current assets	29,221	(38,437)
Other	557,168	468,406
	1,136,499	1,047,526
TOTAL REVENUE	24,080,705	22,720,676

3. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Petty Cash	2,580	3,280
NAB Corporate Cheque Account	4,599,371	2,566,263
WAV PCP Investment	-	84,483
Gifts & Donations Account	38,220	38,220
Headspace Donations	82,874	118,542
	4,723,045	2,810,788
RESTRICTIONS ON CASH		
Current employee entitlements (note 8)	2,010,030	1,555,217
Non-current employee entitlements (note 11)	505,387	591,614
Grants in advance (note 10)	373,263	313,652
Funds held in trust & primary care partnership funds (note 10)	44,758	129,241
Unexpended grants (note 15)	2,267,861	976,031
	5,201,299	3,567,755

The above highlights that the restrictions on cash exceed cash reserves by \$478,254 (2016: \$756,967). The restriction on cash includes internally imposed restrictions for the full funding of employee entitlements of \$2,515,417 (2016: \$2,146,831) which are not likely to require full payment in the next 12 months.

The balance of any cash shortfall can be primarily funded by the Company's re-draw facility with the Bendigo Bank which has available funds of \$3,155,733 as at 30 June 2017 (2016: \$3,103,368).

4. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2017	2016
	\$	\$
Trade Debtors	449,113	470,699

The directors are of the opinion that all debtors are collectible and no provision for doubtful debts is required.

5. CURRENT ASSETS – OTHER

	2017	2016
	\$	\$
Prepayments	67,877	50,612

6. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
LAND		
Land at cost	2,884,053	2,884,053
BUILDINGS		
Buildings at cost	13,668,567	13,667,430
Less: accumulated depreciation	(1,096,047)	(822,692)
	12,572,520	12,844,738
PLANT & EQUIPMENT		
Plant & equipment at cost	1,930,033	1,921,229
Less: accumulated depreciation	(1,734,007)	(1,449,992)
	196,026	471,237
MOTOR VEHICLES		
Motor vehicles at cost	1,282,735	1,286,056
Less: accumulated depreciation	(420,221)	(442,120)
	862,514	843,936
FURNITURE & FITTINGS		
Furniture & fittings at cost	3,723,980	3,645,403
Less: accumulated depreciation	(1,505,774)	(1,148,311)
	2,218,206	2,497,092
COMPUTER EQUIPMENT		
Leasehold improvements at cost	376,387	-
Less: accumulated depreciation	(68,092)	-
	308,295	-
Works in Progress – at cost	99,124	29,287
Total property, plant & equipment	19,140,738	19,570,343

7. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

RECONCILIATIONS

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	WDV at 1 July 2016	Additions	Disposals	Depreciation	WDV at 30 June 2017
Land	2,884,053	-	-	-	2,884,053
Buildings	12,844,738	1,137	-	(273,355)	12,572,520
Plant & equipment	471,237	8,804	-	(284,015)	196,026
Motor vehicles	843,936	324,929	(124,625)	(181,726)	862,514
Furniture & Fittings	2,497,092	78,577	-	(357,463)	2,218,206
Computer Equipment	-	376,387	-	(68,092)	308,295
Work in Progress	29,287	69,837	-	-	99,124
	19,570,343	859,671	(124,625)	1,164,651	19,140,738

8. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
Trade creditors	147,502	98,326
GST payable / PAYG	362,657	370,237
Accrued expenses	355,725	363,434
Other payables	22,810	30,764
	888,694	862,761

9. CURRENT LIABILITIES – EMPLOYEE PROVISIONS

	2017	2016
	\$	\$
Provision for annual leave	915,248	862,761
Provision for long service leave	863,029	692,456
Provision for paid parental leave	2,490	-
Provision for award payments	229,263	-
	2,010,030	1,555,217

9. CURRENT LIABILITIES - BORROWINGS

	2017	2016
	\$	\$
Bendigo Bank loan	-	-

SECURITY

The Bendigo Bank loan is secured by a first registered mortgage over the property known as 151-153 High Street Wodonga.

10. CURRENT LIABILITIES – OTHER

	2017	2016
	\$	\$
Grants in advance	373,263	313,652
Primary care partnership funds	-	84,483
Funds held in trust	44,758	44,758
	418,021	442,893

11. NON-CURRENT LIABILITIES – EMPLOYEE PROVISIONS

	2017	2016
	\$	\$
Provision for long service leave	505,387	591,614

12. NON-CURRENT LIABILITIES - BORROWINGS

	2017	2016
	\$	\$
Bendigo Bank loan	44,267	96,632

SECURITY

Refer to note 9 regarding security provided over borrowings.

13. CREDIT STANDBY ARRANGEMENTS

	2017	2016
	\$	\$
TOTAL FACILITIES		
Bank redraw loan facility	2,381,267	2,623,883
USED AT BALANCE DATE		
Bank redraw loan facility	44,267	96,632
UNUSED AT BALANCE DATE		
Bank redraw loan facility	2,337,000	2,527,521

14. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES WITH OPERATING SURPLUS AFTER INCOME TAX

	2017	2016
	\$	\$
Net surplus for the year	1,161,048	862,648
Depreciation	1,164,650	1,226,281
(Surplus)/Deficit on sale of non-current assets	(29,221)	38,437
(Increase)/Decrease in trade and other receivables	21,586	(212,885)
(Increase)/Decrease in other current assets	(17,264)	(50,612)
Increase/(Decrease) in creditors & accruals	25,933	(46,469)
Increase/(Decrease) in provisions	368,586	(202,198)
Increase/(Decrease) in other liabilities	(24,872)	345,571
NET CASH INFLOW FROM OPERATING ACTIVITIES	2,670,446	1,960,773

15. CONTINGENT LIABILITIES

COMMONWEALTH GOVERNMENT DEED OF AGREEMENT

The Company has entered into a deed of agreement with the Commonwealth Government which stipulates that in return for receiving capital funding to construct the building located at 155 High Street, Wodonga it must use the property for specific purposes over a 20 year period from the date of completion. Should the Company breach this agreement a repayment obligation to the Commonwealth would arise. No liability has been brought to account in respect to this deed as the Company is committed to complying with the terms of the deed and therefore considers it unlikely that a liability would arise.

AWARD OBLIGATIONS

The VHIA on behalf of the Company is currently in negotiations with Health Workers Union regarding additional payments of salary and wages that will be required under the Victorian Stand-Alone Community Health Services (Health and Allied Services, Managers and Administrative Officers) Multiple Enterprise Agreement 2011-2015.

Due to ongoing negotiations as at 30 June 2017 regarding payments required under this award, the Company is unable to determine the final amount to be paid out to employees for prior periods up to including 30 June 2017. A provision of \$229,263 has been estimated and recorded by the Company as at 30 June 2017, as per Note 8. This provision may be misstated as at 30 June 2017 due to the current state of negotiations.

16. COMMITMENTS FOR EXPENDITURE

	2017	2016
	\$	\$
OPERATING LEASES		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	43,445	105,605
Later than one year but not later than 5 years	19,759	90,306
	63,204	195,911
UNEXPENDED GRANTS		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Mental health	444,369	121,720
Counselling & support	256,625	46,006
Health promotion	64,347	47,684
Family relationships youth	252,742	115,325
Primary Care Partnership	519,759	491,288
Auspiced funds	383,961	118,542
Alcohol, tobacco & other drugs	164,146	8,473
Allied Health	56,482	26,993
Community inclusion	66,582	-
Service Assessment and Support	57,848	-
	2,267,861	976,031
TOTAL COMMITMENTS		
Within one year	2,310,576	1,081,636
Later than one year but not later than 5 years	19,759	90,306
	2,330,335	1,171,942

17. REMUNERATION OF AUDITORS

The amount received, or due and receivable, by the External Auditor of the Company (including GST) for:

	2017	2016
	\$	\$
Audit of the financial statements	18,150	18,700
Other services	4,565	6,380
Total remuneration	22,715	25,080

18. EVENTS OCCURRING AFTER BALANCE DATE

No events have occurred since the end of the financial year that have significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the ensuing or any subsequent financial years.

As noted in Note 1 to the financial statements, in the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements prepared to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared in accordance with Accounting Standards and other mandatory professional reporting requirements to the extent described in Note 1.

The directors declare that the financial statements and notes set out on pages 5 to 17:

- (a) comply with Accounting Standards to the extent detailed above; and
- (b) give a true and fair view of the company's financial position as at 30 June 2017 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

the financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Catherine Upcher
Chairperson



Michael Ferris
Treasurer

Dated at Wodonga this 25th day of October 2017

Gateway Health Limited

Independent Auditor's Report to the Members of Gateway Health Ltd

Opinion

We have audited the financial statements, being special purpose financial statements of Gateway Health Ltd (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial statements of the Company are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) 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 *Corporations Act 2001* 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(a) to the financial statements, which describe the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial statements and have determined that the accounting policies described in Note 1 to the financial statements are appropriate to provide a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and meet the needs of the members. Directors are responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

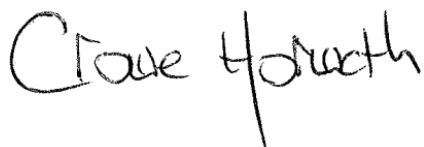
In preparing the financial statements, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 statements as a whole are 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 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.



CROWE HORWATH ALBURY



BRADLEY D BOHUN

Partner

Dated at Albury this 25th day of October 2017



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