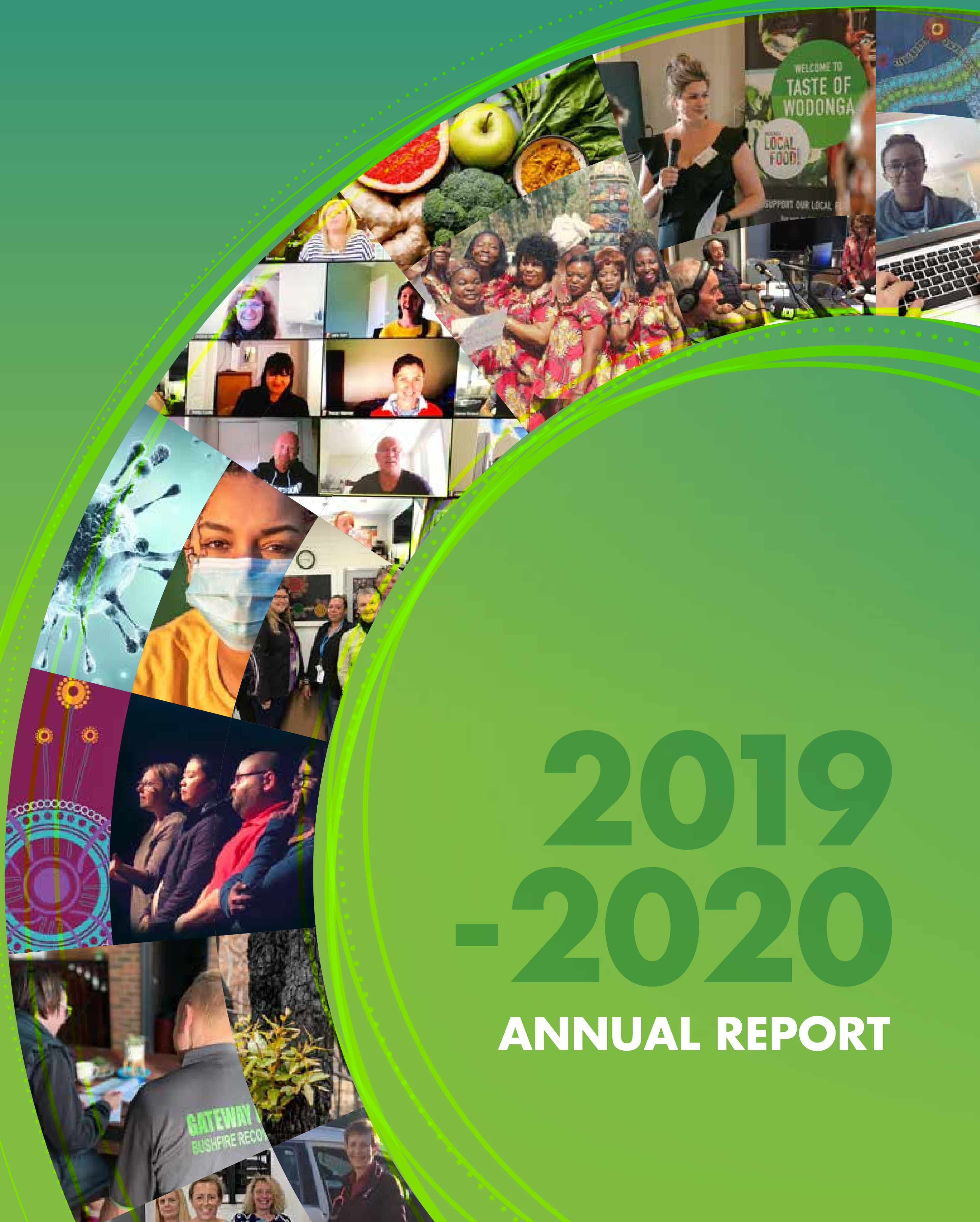
GATEWAY HEALTH LTD ABN 76 640 576 694

gatewayhealth



2019 -2020

ANNUAL REPORT

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REPORT FROM THE CHAIR

This report covers the period July 1st 2019 to June 30th 2020.

It is difficult to reflect back beyond the first six months of 2020 as the events of this period completely changed the way Gateway Health operated to ensure that its many clients were able to receive the services they needed.

Bushfires that began in New South Wales in Spring 2019 erupted in the north east of Victoria in early January 2020. Hot and tinder dry conditions made for a combustible landscape across most of south eastern Australia.

Fire devastated properties and communities in Towong Shire and threatened the towns in Alpine Shire throughout January and February. This was a very tense and worrying time for residents across North East Victoria, amongst whom of course were many Gateway Health staff.

Gateway Health was called upon to step up very quickly in the provision of mental health and counselling services, particularly to residents in Corryong and surrounds who had lost everything – houses, stock, pasture, machinery, their entire livelihoods. Gateway Health staff took a lead role, rapidly pulled together a team of clinicians, engaged and co-ordinated with other providers and effectively communicated at all public gatherings. This work is ongoing and Gateway Health has been recognised and commended for its service response.

In late January 2020 there were a small number of cases of Coronavirus in Australia, mainly emanating from travellers returning from COVID-19 hotspots in other parts of the world. By March, however, the situation in Australia had deteriorated with increasing and rapid community transmission. Suddenly we were in the middle of a pandemic with a disease that had no known cure.

Gateway Health pulled together a Disaster Response Team under the capable guidance of Jacki Eckert and Jonelle Hill-Uebergang. The Board was impressed with the immediate response of Gateway Health and the development of a comprehensive and concise pandemic plan with stages to be activated depending on advicefrom health and government departments. The regularupdates and communiques have been vital in keeping staffconnected and supported.

Most staff have been working effectively from home and, in spite of the many challenges this poses for them and their clients, services have been maintained in a consistent and

high quality manner. Telehealth and other innovative ways of keeping connected to clients have been successful. Our admiration and thanks are extended to all Gateway Health staff for their ability to quickly adjust, for their flexibility and for their 'care' for their clients.

The development of a new Strategic Plan has been the main focus of the last 6 months with early face to face meetings with the Project Control Group and in focus groups but latterly all the planning has taken place through e-meetings and discussions. The process involving a range of staff and good consultation with a range of stakeholders has been impressive and the final plan is one we commend to you.

The Board has worked hard during the year to maintain a high level of governance and to support the CEO. The use of 'Zoom' for meetings has challenged us on occasions but on the whole we have adjusted and been effective in our deliberations. Thank you fellow Directors for your one hundred percent commitment to your duties, and to your thoughtful and thorough consideration of Gateway Health business.

I would like to thank CEO, Leigh Rhode and staff of Gateway Health for the fabulous work that has been undertaken over the last year. In spite of the bushfires and COVID-19 the organisation has continued to operate at full throttle, adapt to changing and challenging circumstances, take on new funding, deliver in new and creative ways and never lose sight of the all-important connection to its clients.

Catherine Upcher, Chairperson
Gateway Health

THE BOARD

The Board operates under Governance principles, which means that Gateway Health has an effective control environment in which business risks are properly identified and managed. This in turn gives us a clear operational framework through which the organisation will achieve its strategic objectives.

Currently the Board of Directors is made up of community members who have been duly elected. If you are interested in contacting any of our Board Members, please make enquiries through reception services at 155 High St, Wodonga.

Catherine Upcher - Chairperson
Catherine is a resident of Kancoona and prior to her recent retirement was the CEO of Rural Housing Network Limited.

Michael Ferris - Treasurer
Michael is a resident of Wallan. He is an Accountant, GAICD and Principal of his accounting practice.

Ruth Davenport
Ruth is a resident of Markwood and prior to her retirement was a General Manager for Mind Australia.

David Koschitzke
David is a resident of Albury and is a Director of Harris Lieberman Solicitors Pty. Ltd.

Klaus Baumgartel - Deputy Chair
Klaus is a resident of Beechworth and is recently retired from the position of Regional Coordinator of the NSW Industry Capability. He is on the Board of the Murray Hume Business Enterprise Centre and also has a part time role as Business advisor for them.

Dr Guin Threlkeld
Guin is a resident of Ettamogah and the Head of School at La Trobe University Albury/ Wodonga Campus.

Felicity Williams
Felicity is a resident of Corowa and is the CEO of The Centre for Continuing Education, which is an adult community education provider working throughout the Hume Region.

Geoff Lowe
Geoff is a resident of Albury and CEO of Proven Products a specialist manufacturing company. Geoff is also a director of MTA NSW, MTAA Super, RDA Murray & a business advisor with the BEC.

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 2020 and the auditor's report thereon.

DIRECTORS

The following persons were directors of the Company during the financial year and up to the date of this report:

- Catherine Upcher – Chairperson (appointed 2007)
- Michael Ferris – Treasurer (appointed 2010)
- Klaus Baumgartel (appointed 1997)
- Guinever Threlkeld (appointed 1997)
- Felicity Williams (appointed 2015)
- David Koschitzke (appointed 2017)
- Ruth Davenport (appointed 2018)
- Geoffrey Lowe (appointed 2018)

COMPANY SECRETARY

Ms Leigh Rhode (Chief Executive Officer) 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 loss of the Company for the year ended 30 June 2020 was $47,882 (2019: $2,191,785 loss).

In January 2020, the Company was affected by a significant bushfire event in North East Victoria, which impacted the Company's ability to provide service delivery to some clients. Post this event, the Company was provided funding to provide Bushfire Support and Recovery services to regions in North East Victoria.

In March 2020, the Coronavirus (COVID-19) was declared a world-wide pandemic by the World Health Organisation. COVID-19 as well measures to slow the virus, have since had a significant impact on the Australian and local economy and also the operations, service delivery and results of the Company.

As at the date of preparation of these financial statements the impact of the COVID-19 pandemic is ongoing and the situation is rapidly changing. The speed and recovery of economic activity is largely dependent on measures imposed by State and Commonwealth Governments and any economic stimulus that may be provided.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO BALANCE DATE

There have been no significant events occurring after the balance date which may affect the Company's operations or the results of those operations, except for noting the ongoing COVID-19 pandemic and its associated impact on the operations and service delivery at the Company and that it is not practicable to estimate the pandemic's potential impact after reporting date.

The proposed changes to the Long Service Leave Portability Scheme may impact Gateway Health subsequent to balance date. Gateway Health continues to monitor these ongoing changes.

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 be likely to result in unreasonable prejudice to the Company.

DIRECTOR'S REPORT cont.

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 2020 has been received and is set out immediately after this directors' 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 on 29 October 2020 Wodonga

Crowe Albury
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Gateway Health Limited

ABN: 76 640 576 694

Auditor's Independence Declaration

To: The Directors of Gateway Health Ltd.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

(i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CROWE ALBURY

BRADLEY B BOHUN
Partner

Dated at Albury this 28th day of October 2020

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2020 $	2019 $
Revenue	4	27,540,025	26,783,615
Employee benefits expense	5	(23,417,952)	(22,940,183)
Depreciation	11	(1,223,973)	(1,227,357)
Amortisation	12	(6,078)	-
Impairment loss		-	(1,408,637)
Interest expense		(5,530)	(7,441)
Program expenses		(222,126)	(359,143)
Motor Vehicle expenses		(321,274)	(250,776)
Occupancy expenses		(444,059)	(486,038)
Other expenses	6	(1,946,915)	(2,295,825)
Total expenses		**(27,587,907)**	(28,975,400)
Surplus/(Deficit) for the year		**(47,882)**	(2,191,785)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive result for the year		**(47,882)**	**(2,191,785)**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Note	2020 $	2019 $
Assets			
CURRENT ASSETS			
Cash and cash equivalents	7	3,668,160	800,345
Other financial assets	8	4,115,711	4,918,533
Trade and other receivables	9	392,749	377,445
Other assets	10	144,628	163,875
TOTAL CURRENT ASSETS		8,321,248	6,260,198
NON-CURRENT ASSETS			
Property, plant and equipment	11	16,973,320	17,483,253
Right-of-use asset	12	66,852	-
TOTAL NON-CURRENT ASSETS		**17,040,172**	17,483,253
TOTAL ASSETS		**25,361,420**	**23,743,451**

Liabilities			
CURRENT LIABILITIES			
Trade and other payables	13	1,377,183	834,506
Other liabilities	14	1,598,780	261,765
Short-term provisions	15	2,634,685	2,320,092
Lease liabilities	12	35,976	-
TOTAL CURRENT LIABILITIES		5,646,624	3,416,363
NON-CURRENT LIABILITIES			
Long-term provisions	15	833,952	631,275
Lease liabilities	12	31,097	-
TOTAL NON-CURRENT LIABILITIES		865,049	631,275
TOTAL LIABILITIES		**6,511,673**	**4,047,638**
NET ASSETS		**18,849,747**	**19,695,813**

Equity			
Accumulated surplus		18,849,747	19,695,813
TOTAL EQUITY		**18,849,747**	**19,695,813**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

2020	Note	ACCUMULATED SURPLUS $	TOTAL $
Balance at 1 July 2019		**19,695,813**	**19,695,813**
Cumulative adjustment upon adoption of new Accounting Standard - AASB15	2	(798,184)	(798,184)
Balance at 1 July 2019 restarted		**18,897,629**	**18,897,629**
Surplus/(Deficit) for the year		(47,882)	(47,882)
Balance at 30 June 2020		**18,849,747**	**18,849,747**

2019	Note	ACCUMULATED SURPLUS $	TOTAL $
Balance at 1 July 2018		**21,887,598**	**21,887,598**
Surplus/(Deficit) for the year		(2,191,785)	(2,191,785)
Balance at 30 June 2019		**19,695,813**	**19,695,813**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

	Note	2020 $	2019 $
Cash Flows From Operating Activities:			
Payments to suppliers and employees		(27,984,170)	(28,461,489)
Interest received		113,490	160,093
Finance costs		-	(7,441)
Finance cost on leases		(477)	-
Receipt from government grants		24,169,422	18,446,197
Other receipts		4,543,623	8,696,737
GST Refund/(paid)		1,907,801	1,628,181
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	**22**	**2,749,689**	**462,278**
Cash Flows From Investing Activities:			
Proceeds from sale of plant and equipment		157,098	166,069
Purchase of property, plant and equipment		(835,937)	(773,575)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**(678,839)**	**(607,506)**
Cash Flows From Financing Activities:			
Payment for lease liability		(5,857)	-
Payment for borrowings		-	(39,939)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		**(5,857)**	**(39,939)**
Net increase/(decrease) in cash and cash equivalents held		**2,064,993**	**(185,167)**
Cash and cash equivalents at beginning of year		**5,718,878**	**5,904,045**
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**7, 8**	**7,783,871**	**5,718,878**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The financial report covers Gateway Health Limited as an individual entity. Gateway Health Limited ("the Company") is a not-for-profit Company, registered and domiciled in Australia. Further information on the nature of the operations and principal activities of the Company is provided in the director's report.

The financial report was authorised for issue by the Directors on 28 October 2020.

1 BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

During the year ended 30 June 2020 the Company became a public body under s5(1)(e)(j) of the Audit Act 1994, due to the Company being a registered community health centre within the meaning of the Health Services Act 1988. This resulted in the Company falling within the Victorian Auditor-General's mandate. As a result of this change, the special purpose financial statements produced by the Company in the year ended 30 June 2019 have been replaced in the year ended 30 June 2020 by general purpose financial statements – Reduced Disclosure Requirements as detailed above.

(B) BASIS OF ACCOUNTING, PREPARATION AND MEASUREMENT

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2020, and the comparative information presented in these financial statements is for the year ended 30 June 2019.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Company.

All amounts shown in the financial statements have been rounded to the nearest dollar, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is, they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Critical Accounting Estimates and Judgments

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates relate to:

- Revenue: the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3(c) and 4).
- Receivables and assessment of provision for expected losses, refer to Note 3(i) and 9.
- The assessment of the recoverable amount of land, buildings and plant and equipment and determination of depreciation (refer to Note 3(e) and 11)

- Employee benefit provisions: determining if these are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3(k) and 15).
- Leases: the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value refer to Note 3(j) and Note 12.

COVID-19

The global health pandemic COVID-19, has impacted Australia and the world in a significant manner. Victoria was originally declared a state of emergency on 16 March 2020 and subsequently moved to a state of disaster on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including the Company.

In response:

- the Company introduced a telehealth service;
- the Company applied for and received Job Keeper government assistance and Cash Flow Boost Incentive income from the Australian Taxation Office;
- reduced/closed certain services i.e., disability support and Allied Health services, for periods of time due to restrictions in place;
- introduced restrictions for entry and reduced activity to office premises;
- purchased protective personal equipment; and
- implemented work from home arrangements where appropriate and in accordance with DHHS directives.

The changes that restricted operations of the Company, resulted in the Company incurring lost revenue as well as direct and indirect COVID-19 costs.

The Department of Health and Human Services confirmed that funding provided in 2019-20 for delivery of services, which were impacted by COVID-19, could be retained as compensation for lost revenue.

For further disclosures regarding COVID-19, refer to, Note 11 Property, plant and equipment and Note 23 Events occurring after balance date.

(C) GOING CONCERN

The financial statements have been prepared on the basis that the Company will be able to continue as a going concern. The Company has reported a loss for the year of $47,882 (2019: loss of $2,191,785),

The loss of $47,882 as at 30 June 2020 is attributable to the impact of Coronavirus (COVID-19) on the Company's operations. COVID-19, as well as measures including government directives to slow the spread of the virus in Australia, have impacted the Company's operations as detailed above.

The above COVID-19 impacts and the impacts of the 2020 North East bushfires on the Company during the year ended 30 June 2020, have led to a reduction in income and increased expenditure in some areas, which has had a significant impact to the Company's 30 June 2020 financial statements.

The loss of $2,191,782 in the prior year, is largely attributable to the $1.4 million impairment loss recorded for land and buildings, post independent valuation.

The Company however meets the requirements of specific financial tests and ratios and has in place various government funding agreements for the 2020/21 year.

Consequently, the ability of the Company to continue as a going concern and to discharge its liabilities in the ordinary course of business is dependent upon the continuing financial support of government departments and ongoing profitability of services provided.

The Board have reviewed the future budgeted operating and cashflow position, service and programme opportunities to support existing and future revenue streams and are satisfied that it is appropriate to prepare the financial statements on the going concern basis.

If the Company is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

2 CHANGE IN ACCOUNTING POLICY

AASB 15 Revenue from Contracts with Customers & AASB 1058 Income for Not-for-Profit Entities

Initial Application of AASB 15 Revenue from Contracts with Customers & AASB 1058 Income for Not-for-Profit Entities

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for Profit Entities, became mandatory on 1 January 2019. Adoption of this standard has resulted in an adjustment being required to retained earnings as at 1 July 2019 using the cumulative effective method of initially applying AASB 15 to calculate the amount of this adjustment. Therefore, the comparative information has not been restated and continues to be presented under AASB 118 Revenue.

The table below provides details of the significant changes and quantitative impact of these changes on the initial date of application, being 1 July 2019.

REVENUE FROM CONTRACTS WITH CUSTOMERS - ADOPTION OF AASB 15

	As presented on 30 June 2019	Application impact of AASB 15	As at 1 July 2019
Statement of Financial Position			
Other liabilities	261,764	798,184	1,059,948
Retained earnings	19,695,813	(798,184)	18,897,629

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in other liabilities (refer Note 14) whereas grant revenue in relation to the construction of capital assets which the Company controls would be recognised in accordance with AASB 1058 and recognised as deferred grant revenue in Note 14. The Company has no deferred grant income in relation to the construction of capital assets as at 30 June 2020.

LEASES - ADOPTION OF AASB 16

The Company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

IMPACT OF ADOPTION OF AASB 16

The impact of adopting AASB 16 is outlined in Note 12.

COMPANY AS A LESSEE

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies adopted have been consistently applied and are consistent with those of the previous year, unless otherwise stated.

(A) COMPARATIVE FIGURES

When required by Accounting Standards, figures have been adjusted to conform to changes in presentation for the current financial year.

(B) INCOME TAX

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

The Company is registered with the Australian Charities and Not-For-Profits Commission as a Charitable Institution and is endorsed as a deductible gift recipient.

(C) REVENUE AND OTHER INCOME

Revenue from contracts with customers

FOR CURRENT YEAR - 30 JUNE 2020

The core principle of AASB 15 *Revenue from Contracts with Customers* is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer.
2. Identify the performance obligations.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations.
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there are less than 12 months between receipt of funds and satisfaction of performance obligations.

Government grants

The Company recognise government grant income in accordance with the five step model described above. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied. Performance obligations under the agreements are varied.

Each performance obligation is assessed to ensure that revenue recognition reflects transfer of control. Within grant agreements there may be some performance obligations where control transfers at a point in time and others where continuous transfer of control takes place over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred, are deemed to be the most appropriate methods to reflect the transfer of benefit.

Where control is transferred at a point in time, revenue is recognised at the completion of the relevant milestone.

If the Company has determined that there are no performance obligations attached to the grant, the grant is recognised as revenue on receipt.

NDIS

The National Disability Insurance Scheme (NDIS) income is billed monthly in arrears. NDIS fees are recognised as income upon the completion of services in line with service agreements with participants.

Client fees and brokerage

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

Donations

Donations are recognised as revenue when received.

Voluntary services

Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. The Company operates with very minimal volunteer services and does not consider a reliable fair value can be determined and any amount of income and expenditure would be immaterial.

Rental income

Rental income from leases is recognised on a straight-line basis over a period of the relevant lease term.

Other income

Other income is recognised when the Company is entitled to it.

FOR COMPARATIVE YEAR - 30 JUNE 2019

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

(D) GOODS AND SERVICES TAX (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(E) PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment. Items with a cost in excess of $1,000 are recognised as an asset. All other assets acquired are expensed. Land is not depreciated.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost is determined as the fair value of the assets at the date of acquisition plus incidental costs directly attributable to the acquisitions.

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Depreciation

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	40 years
Plant and Equipment	10 years
Furniture, Fixtures and Fittings	10 years
Motor Vehicles	8 years
Computer Equipment	3 years

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

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

The useful life of assets has not changed from the prior year.

Impairment

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

Independent valuations are also obtained by the Company every 3 years or earlier if required, to provide evidence on recoverable amount and to ensure freehold land and buildings are recorded at a carrying value, not in excess of recoverable amount.

(F) FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

FINANCIAL ASSETS AT AMORTISED COST

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

These are measured at amortised cost using the effective interest method.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL LIABILITIES

The Company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Impairment

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.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

(G) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(H) OTHER FINANCIAL ASSETS

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(i) Receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business and are carried at invoice amount. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the balance is not considered collectible. The impairment provision is based on the best information at the reporting date. The Directors have determined that there was no expected credit loss on receivables as at 30 June 2020 (2019: $0).

(j) Leases

The Company has adopted AASB 16: Leases using the modified retrospective approach on 1 July 2019.

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

RIGHT-OF-USE ASSET

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease termon a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

LEASE LIABILITY

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

APPLICATION

The Company has chosen the modified retrospective approach in applying this new accounting standard. Therefore, the comparative numbers have not been adjusted.

(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) TRADE PAYABLES AND OTHER PAYABLES

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

Trade and other payables are initially measured at their fair value and subsequently measured at amortised cost using the effective interest method.

4 REVENUE AND OTHER INCOME

	2020 $	2019 $
Revenue from operating activities		
- State Government Grants	12,509,952	11,889,037
- Commonwealth Government Grants	6,805,365	6,360,397
- Other grants	798,699	839,295
- NDIS	1,875,885	1,708,209
- Brokerage fees	564,696	295,882
- Client Fees	3,370,176	4,321,534
	25,924,773	**25,414,354**
Revenue from outside operating activities		
- State Government Grants - capital	43,114	200,000
- Commonwealth Government Grants - capital	250,000	-
- Donations	28,646	63,948
- Rental income	271,094	298,373
- Interest income	113,490	160,093
- Other income	873,707	604,462
- Profit from sale of non-current assets	35,201	42,385
	1,615,252	**1,369,261**
Total Revenue	**27,540,025**	**26,783,615**

PERFORMANCE OBLIGATIONS

The performance obligations of the major revenue streams of the Company are as follows:

Grant Revenue

The Performance obligations of Gateway's grant revenue streams are both qualitative and quantitative in nature and relate to meeting funded program objectives in service agreements with funding providers (Commonwealth and State governments, and non-government organisations). Quantitative performance measures relate to hours of service, number of clients serviced, number of training courses delivered, or families educated. Qualitative performance measures, include quality of care, responsiveness, workforce development and community engagement activities. Revenue is recognised upon receipt for income tied to qualitative measures, and for income paid after performance measures have been met. Income tied to quantitative service delivery is recognised as a service is provided unless the contract is deemed unenforceable.

Client Fees

The performance obligations related to client fees are based on the delivery of services to clients. Revenue from the rendering of a service is recognised upon the delivery or billing of the service to the individual client, in the month of service.

NDIS Fees

The performance obligations related specifically to NDIS client fees are based on the delivery of services to NDIS clients. Revenue from the rendering of a service is recognised upon billing of the service to the individual client, their supporting manager or directly to the NDIA in the month of service.

5 EMPLOYEE BENEFITS EXPENSES

	2020 $	2019 $
Salaries and wages	**17,900,727**	18,413,190
Superannuation	**1,738,181**	1,706,518
Contractors payments General Practitioners	**1,385,847**	1,295,438
Consultant fees	**731,007**	487,247
Workcover	**221,953**	188,350
Other employee costs	**1,440,237**	849,440
Total Employee benefits expense	**23,417,952**	**22,940,183**

6 OTHER EXPENSES

Client brokered funds	**458,437**	351,976
Computer expenses	**210,228**	150,101
Hume Rural Health Alliance costs	**313,432**	348,587
Office costs	**722,714**	747,840
Repairs and maintenance	**74,366**	86,772
Other costs	**167,738**	610,549
Total Other expenses	**1,946,915**	**2,295,825**

7 CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash on hand	**2,480**	2,580
Bank balances	**3,472,794**	797,765
Term deposits	**192,886**	-
	3,668,160	**800,345**

8 OTHER FINANCIAL ASSETS

Term deposits	**4,115,711**	4,918,533
	4,115,711	**4,918,533**

9 TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	**341,710**	347,467
Accrued income	**51,039**	29,978
	392,749	**377,445**

10 OTHER ASSETS

CURRENT		
Prepayments	**144,628**	163,875
	144,628	**163,875**

11 PROPERTY, PLANT AND EQUIPMENT

	2020 $	2019 $
LAND AND BUILDINGS		
FREEHOLD LAND		
At cost	**2,495,279**	2,495,279
Total Land	**2,495,279**	**2,495,279**
BUILDINGS		
At cost	**12,693,423**	12,693,423
Accumulated depreciation	**(1,883,797)**	(1,629,928)
Total buildings	**10,809,626**	11,063,495
Total land and buildings	**13,304,905**	**13,558,774**
CAPITAL WORKS IN PROGRESS		
At cost	**73,366**	108,699
Total capital works in progress	**73,366**	**108,699**
PLANT AND EQUIPMENT		
At cost	**379,421**	355,256
Accumulated depreciation	**(323,418)**	(295,150)
Total plant and equipment	**56,003**	**60,106**
FURNITURE, FIXTURES AND FITTINGS		
At cost	**4,449,547**	4,427,354
Accumulated depreciation	**(2,518,393)**	(2,083,201)
Total furniture, fixtures and fittings	**1,931,154**	**2,344,153**
MOTOR VEHICLES		
At cost	**1,500,194**	1,333,815
Accumulated depreciation	**(420,256)**	(396,839)
Total motor vehicles	**1,079,938**	**936,976**
COMPUTER EQUIPMENT		
At cost	**1,344,674**	984,678
Accumulated depreciation	**(816,720)**	(510,133)
Total computer equipment	**527,954**	**474,545**
Total plant and equipment	**3,668,415**	**3,924,479**
Total property, plant and equipment	**16,973,320**	**17,483,253**

MOVEMENTS IN CARRYING AMOUNTS

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

Year ended 30 June 2020

	Land $	Buildings $	Plant and Equipment $	Furniture, Fixtures and Fittings $	Motor Vehicles $	Computer Equipment $	Other works in progress $	Total $
Balance at the beginning of year	2,495,279	11,063,495	60,106	2,344,153	936,976	474,545	108,699	17,483,253
Additions	-	-	24,164	22,192	464,918	359,996	169,632	1,040,902
Disposals	-	-	-	-	(121,897)	-	-	(121,897)
Internal Transfers	-	-	-	-	-	-	(204,965)	(204,965)
Depreciation expense	-	(253,869)	(28,267)	(435,191)	(200,059)	(306,587)	-	(1,223,973)
Balance at the end of the year	**2,495,279**	**10,809,626**	**56,003**	**1,931,154**	**1,079,938**	**527,954**	**73,366**	**16,973,320**

The freehold land and buildings which are recorded at cost, were subject to full independent valuation during December 2018 and January 2019 by Taylor Byrne, accredited independent valuers. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction, highest and best use. The valuation was based on independent assessments undertaken by the valuer. As per note 3 (e) the independent valuations are obtained to provide evidence to assess recoverable amount.

In the year ended 30 June 2020, Company Management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2020. The latest indices did not identify that a further revaluation was required in 2020.

The directors do not believe there has been a material movement in fair value of the freehold land and buildings since the December 2018 valuation date. There has been no material financial impact or change in the fair value of land and buildings or on the carrying values at which they are recorded as at 30 June 2020.

12 LEASES

The Company has adopted AASB 16: Leases and this standard has resulted in the recognition of the future rights and obligations associated with property leases being recognised in the statement of financial position. Lease expenses were previously disclosed as occupancy expenses and under the new standard is represented by financing cost (notional interest) and depreciation of right-of-use asset.

To determine the incremental borrowing rate, the Company used a rate provided by a third party financing organisation for a similar class of asset for a similar term. The incremental borrowing rate for the building is 4%.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset

RIGHT-OF-USE ASSETS	**$**
Year ended 30 June 2020	
Buildings	72,930
Accumulated amortisation	(6,078)
Balance at end of year	**66,852**

Additions to the right-of-use assets during the 2020 financial year was $72,930.

LEASE LIABILITIES	
Current	35,976
Non-current	31,097
Total Lease liability	**67,073**

Amounts recognised in the statement of profit or loss and other comprehensive income

Amortisation charge of right-of-use assets	6,078
Interest expense on lease liabilities	477
Expense relating to leases of low value assets	-

LEASE TERM AND OPTION TO EXTEND UNDER AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key judgement that Directors of the Company will make. The Company determines the likeliness to exercise the options on a lease by lease basis, looking at various factors such as which assets are strategic and which are key to future strategy of the Company.

The Company has a lease with 5 further extension options of 2 years each, totalling 10 years at 4446 Rowan Street Wangaratta. The directors are uncertain if the extension options will be utilised. Therefore, the extension options have not been included in the calculation of the lease liability.

13 TRADE AND OTHER PAYABLES

	2020 $	2019 $
CURRENT		
Trade payables	162,099	84,120
GST payable	542,850	346,819
JobKeeper payable	63,798	-
Other payables	17,560	17,560
Accrued expenses	590,876	386,007
	1,377,183	**834,506**

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14 OTHER LIABILITIES

CURRENT		
Grants in advance	595,990	-
Funds held in trust	265,644	261,765
Unearned income	737,146	-
	1,598,780	**261,765**

15 PROVISIONS

CURRENT		
Provision for annual leave	1,610,725	1,137,570
Provision for long service leave	1,018,787	1,067,641
Provision for paid parental leave	5,173	4,390
Provision for award payments	-	110,491
	2,634,685	**2,320,092**
NON-CURRENT		
Provision for long service leave	833,952	631,275

Effective 1 July 2020 Gateway Health may be impacted by the LSL portability scheme. This proposed change has no bearing on the value and composition of the 30 June 2020 long service leave provision, but will affect how the Company accounts for and administers long service leave provisions for staff in future years.

16 COMMITMENTS

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

As at 30 June 2020, the Company has no commitments.

For the year ended 30 June 2019, the Company owed the following commitments on leases. These commitments represented the minimum lease payments in relation to non-cancellable leases.

	2020 $	2019 $
LEASES		
Within one year	-	53,877
Later than one year but not later than 5 years	-	214,917
	-	**268,794**

17 FINANCIAL RISK MANAGEMENT

The directors of the Company have overall responsibility for the establishment of Gateway Health Limited's financial risk management framework. This includes the development of policies covering specific risk areas.

It is the Company's policy that surplus funds will primarily be invested in cash and term deposits, with no more than 50% of cash holdings be placed with an individual financial institution at a point in time. The Company's exposure to risk is limited as the Company does not hold major investments in debt and equity instruments. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Gateway Health Limited's activities.

The Company's financial instruments consist mainly of deposits with banks, short-term investments, trade receivables and trade payables.

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

	Note	2020 $	2019 $
FINANCIAL ASSETS			
Financial assets at amortised cost			
Cash and cash equivalents	7	3,668,160	800,345
Other financial assets	8	4,115,711	4,918,533
Trade and other receivables	9	392,749	377,445
Total financial assets		**8,176,620**	**6,096,323**
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
Trade and other payables	13	1,377,183	834,506
Funds held in trust	14	265,644	261,765
Total financial liabilities		**1,642,827**	**1,096,271**

18 KEY MANAGEMENT PERSONNEL REMUNERATION

Key Management Personnel ("KMP") are those people with the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Board of Directors, Chief Executive Officer and the Executive management team of the Company are deemed to be KMP's.

The total remuneration paid to KMP's of the Company during the year is $796,849 (2019: $838,094).

19 AUDITORS' REMUNERATION

Remuneration of the auditor for:		
- Audit of financial services	22,500	21,417
- Other services	3,250	2,915
Total	**25,750**	**24,332**

20 CONTINGENT ASSET AND CONTINGENT LIABILITIES

CONTINGENT ASSETS

The Company had no contingent assets as at 30 June 2020 (2019: Nil).

CONTINGENT LIABILITIES

Except for the contingent liability disclosed below, the Company had no other contingent liabilities as at 30 June 2020 (2019: Nil).

In 2012 the Company entered into a deed of agreement with the Commonwealth Government which stipulates that in return for receiving capital funding of $6,583,500 (incl. GST) to construct the building located at 153 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 Government 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 as at 30 June 2020.

21 RELATED PARTIES

The Company's main related parties are as follows:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 18: Key Management Personnel Remuneration.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members, or the ultimate parent entity.

There were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions required to be disclosed for the Company's Board of Directors, Chief Executive Officer and Executive Management team in 2020.

The total remuneration paid to the key management personnel of the Company during the year is $796,849 (2019: $838,094).

22 CASH FLOW INFORMATION

RECONCILIATION OF RESULT FOR THE YEAR TO CASHFLOWS FROM OPERATING ACTIVITIES

Reconciliation of net income to net cash provided by operating activities:

	2020 $	2019 $
Net surplus/(deficit) for the year	(47,882)	(2,191,785)
Cash flows excluded from profit attributable to operating activities		
NON-CASH FLOWS IN SURPLUS		
Amortisation	6,078	-
Depreciation	1,223,973	1,227,357
Impairment expense	-	1,408,637
Net (gain)/loss on sale of non-current assets	(35,201)	(42,385)
Adoption of AASB 15 Revenue from Contracts with Customers	(798,184)	-
CHANGES IN ASSETS AND LIABILITIES		
(Increase)/decrease in trade and other receivables	(15,304)	(148,651)
(Increase)/decrease in other current assets	19,247	(72,585)
Increase/(decrease) in trade and other payables	542,677	(13,188)
(Increase)/decrease in other liabilities	1,337,015	109,891
Increase/(decrease) in provisions	517,270	184,987
Cashflows from operations	2,749,689	462,278

23 EVENTS OCCURRING AFTER BALANCE DATE

Subsequent to the balance date, there has been a continuing impact of the global outbreak of Coronavirus disease (COVID-19) that has caused a significant impact to the global economy. There are no adjusting events to the financial statements as at 30 June 2020, however this outbreak has impacted the extent and nature of the activities undertaken by Gateway Health Limited and may have an impact to the Company's future financial performance and position. Management do not believe that the impact of COVID-19 will impact the ability of the Company to continue as a going concern.

Except for the above, no matters or circumstances have arisen since the end of the financial year which 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 future financial years.

24 AASBS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 reporting period.

As at 30 June 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. The Company has not and does not intend to adopt these standards early.

Standard/ Interpretation	**Summary**	**Applicable for annual reporting periods beginning on**	**Impact on public sector entity financial statements**
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The standard is not expected to have a significant impact on the Company.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on the Company.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2019-20 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business.*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework.*
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.*
- AASB 2019-4 *Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.*
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*

25 STATUTORY INFORMATION

The registered office and principal place of business of the Company is:

Gateway Health Limited
41-47 Mackay St
Wangaratta VIC 3677

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes for the year ended 30 June 2020 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
   a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
   b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year then ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Catherine Upcher
Director

Michael Ferris
Director

Dated 29 October 2020

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

Opinion

We have audited the financial statements of Gateway Health Limited (the Company), which comprises the statement of financial position as at 30 June 2020, 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 2020 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 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.

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors' Report for the year ended 30 June 2020, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Directors for the Financial Statements

Management is responsible for the preparation of the financial statements that gives a true and fair view in accordance with Australian Accounting and for such internal control as management determines 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, management is 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 management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the financial statements.

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

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

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

Crowe

CROWE ALBURY

BRADLEY D BOHUN

Partner

Dated at Albury this 28th day of October 2020

Independent Auditor's Report

VAGO
Victorian Auditor-General's Office

To the Directors of Gateway Health Limited

Opinion	I have audited the financial report of Gateway Health Limited (the company) which comprises the: • statement of financial position as at 30 June 2020 • statement of profit or loss and other comprehensive income for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • directors' declaration. In my opinion the financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012,* including: • giving a true and fair view of the financial position of the company as at 30 June 2020 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013.*
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with 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 my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Directors' responsibilities for the financial report	The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. 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.

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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.

MELBOURNE
2 November 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

gatewayhealth

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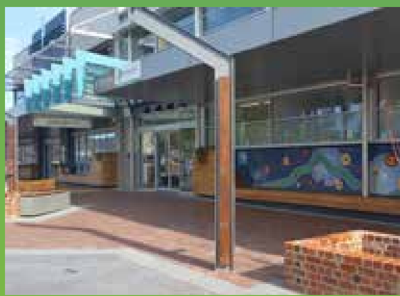

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