gateway health

People living well

ABN: 76 640 576 694

Annual Report 2022

Contents

Gateway Health acknowledges the Traditional Custodians of this land on which we stand and pay our respect to the Elders, past, present and future, for they hold the memories, the traditions and the culture of all Aboriginal and Torres Strait Islander peoples.

Gateway Health acknowledges and recognises people from different nationalities, cultures and identities. We are committed to providing an inclusive service and work environment where individuals feel safe, accepted, affirmed and celebrated.

Report from the Chair

It is a pleasure to report on another year of achievement for Gateway Health.

We strive to continuously improve and to do that we invest in the future of Gateway Health.

This year the Board authorised the adoption of a new executive structure which has now been fully staffed. We expect to reap the benefits of this in the coming years as the new executives get into their stride.

Of particular significance to Gateway Health has been the establishment of the Business Development Unit, the priorities of which include:

- identifying new opportunities and scrutinising their merit
- providing assistance to existing programs to enhance their viability.

Sarimah Hellyer and her business development team are already making great advances in this area and we expect even more benefits from this team in the coming years.

We have long-term plans to improve Gateway Health's infrastructure, and some immediate needs were satisfied this year. The Nissen Hut building at the Wangaratta site was substantially improved by the construction of a new façade and at the Wodonga site the front reception and the underutilised space on the first floor were refurbished.

We also completed a signage masterplan which will be rolled out across all sites as we create new facilities and refresh our existing facilities. More informative and accessible signage guidelines will make it much easier for our staff and clients to navigate their way through Gateway Health's world!

We have also completed an ICT upgrade with the assistance of Victorian state government funding.

The year has not been without its challenges. We undertook a review of the disability services Gateway Health offers, which resulted in withdrawing from some National Disability Insurance Scheme funded services. I am happy to report that we were able to transition the affected clients to new providers and that many of the impacted Gateway Health staff have set themselves up independently to continue to provide these important services.

As more difficult times seem to be upon us, we will need to be good stewards of all our programs and services.

In that regard we are also mindful of our environmental responsibilities – this is an element we consider whenever we make decisions.

Our principal obligation as the Board of Gateway Health is to ensure that we discharge our governance responsibilities diligently.

We now administer six sub-committees under the board structure.

One of the most recently formed board sub-committees is the Risk Governance Committee. It has been a journey of discovery as we have established the committee and developed our risk management policy and framework.

We have come to recognise that opportunities cannot be taken without also taking risk, but we are working to ensure the risks are well managed and that we have good strategies in place for avoiding or mitigating them.

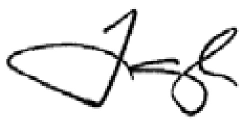
We measure our degree of assurance about risk, and the Board's assurance has increased substantially since the establishment of the Risk Governance Sub-Committee. Through the development of these important governance documents the organisation's risk maturity has improved as we embed these risk practices across the organisation.

I acknowledge the efforts of our Chief Executive Officer Leigh Rhode, who so capably leads Gateway Health. We benefit greatly from her knowledge of community health and her leadership within the industry.

Gateway Health is fortunate to benefit from a talented, conscientious and committed board. It is not hard to be Chair when everyone pulls their weight. I thank each of you for taking your responsibilities to our organisation so seriously.

The biggest task for the Board this coming year will be the preparation and adoption of a new six-year strategic plan. This will be a process that challenges us but will help us clarify our vision and objectives for the future. It will be a reinvigorating process.

As ever, our primary focus is to ensure that we help the people in our community to live well.



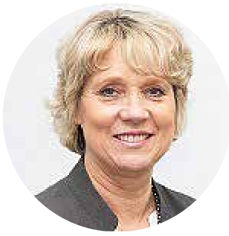
David Koschitzke – Chairperson

The Board of Directors

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.

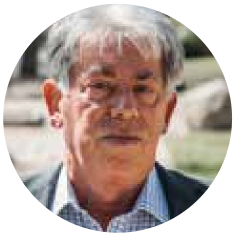
Currently the Board of Directors is made up of community members who have been duly elected. If you are interested in contacting any of our board members, please make enquiries through Gateway Health reception at 155 High Street in Wodonga.

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



Felicity Williams – Deputy Chair
Felicity is a resident of Corowa and the CEO of Upper Murray Family Care, which provides support for children and families.

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



Klaus Baumgartel
Klaus is a resident of Beechworth and is recently retired from the position of Regional Coordinator of the NSW Industry Capability. He is also on the Board of the Murray Hume Business Enterprise Centre.

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

Dr Guin Threlkeld
Guin is a resident of Ettamogah and the Head of Campus at La Trobe University Albury-Wodonga. Guin is a member of the Albury-Wodonga Health Human Research Ethics Committee.

Ruth Davenport
Ruth is a resident of Markwood. She is a GAICD and prior to her retirement was a general manager for Mind Australia.

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, Spirit Super and RDA Murray.

Megan Pearce
Megan is a resident of Wodonga. She is a social worker who currently works at Junction Support Services as the Families Program Manager and lectures at La Trobe University.

Note: GAICD - Graduate of the Australian Institute of Company Directors

Directors' report

For the year ended 30 June 2022

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 2022 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:

- David Koschitzke – Chairperson (appointed 2017)
- Michael Ferris – Treasurer (appointed 2010)
- Catherine Upcher (appointed 2007)
- Klaus Baumgartel (appointed 1997)
- Guinever Threlkeld (appointed 1997)
- Felicity Williams (appointed 2015)
- Ruth Davenport (appointed 2018)
- Geoffrey Lowe (appointed 2018)
- Megan Pearce (appointed 2020)

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 deficit result of the Company for the year ended 30 June 2022 was $802,863 (2021: surplus $2,135,361).

In March 2020, the Coronavirus (COVID-19) was declared a world-wide pandemic by the World Health Organisation. COVID-19 as well as 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 continues to change. 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

In January 2022 Gateway Health commenced operations of the Wangaratta Therapy Centre. This facility is a 30-bed residential rehabilitation facility which operates from a newly established site on Greta Road, Wangaratta.

At 30 June 2022 Gateway Health ceased being the funds holder for the Upper Hume Primary Care Partnership (UHPCP); and subsequently the UHPCP financials will no longer be recorded within Gateway Health's statements.

Events subsequent to balance date

The ongoing COVID-19 pandemic continues to impact some elements of service delivery at the Company, and that it is not practicable to estimate the pandemic's potential impact after reporting date.

In September 2022 Gateway Health will cease providing some of its NDIS funded disability services; the cessation of these services is the result of an independent review of the service by RSM. This change will result in transition of clients to other disability service providers and 28 staff being made redundant. Gateway Health has committed to supporting staff and clients through this transition period by engaging clients with suitable service providers and assisting staff to secure alternative employment.

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.

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 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.

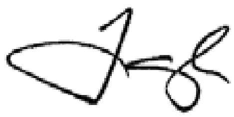
During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company.

Auditor's independence declaration

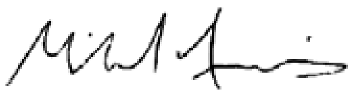
The auditor independence declaration for the year ended 30 June 2022 has been received and is set out immediately after this directors' report.

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

On behalf of the directors



David Koschitzke
Chairperson
26 October 2022
Wodonga



Michael Ferris
Treasurer
26 October 2022
Wodonga

VAGO
Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board of Directors, Gateway Health Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Gateway Health Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
8 November 2022

Sanchu Chummar
as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Statement of income and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue and income	4	34,246,690	32,488,497
Employee benefits expense	5	(29,071,777)	(25,190,977)
Depreciation	11	(1,456,957)	(1,273,979)
Amortisation	12	(37,235)	(36,465)
Interest expense		(1,110)	(2,028)
Program expenses		(297,571)	(183,792)
Motor Vehicle expenses		(255,671)	(198,920)
Occupancy expenses		(546,922)	(481,582)
Other expenses	6	(3,382,312)	(2,985,393)
Total expenses		**(35,049,553)**	**(30,353,136)**
Surplus/(deficit) for the year		**(802,863)**	**2,135,361**
Other comprehensive income			
Items that will not be reclassified subsequently to surplus or deficit		-	-
Items that will be reclassified to surplus or deficit when specific conditions are met		-	-
Total comprehensive result for the year		**(802,863)**	**2,135,361**

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

Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	7	5,706,966	5,253,886
Other financial assets	8	4,187,731	4,168,807
Trade and other receivables	9	278,457	425,611
Other assets	10	173,450	122,838
Total current assets		**10,346,604**	**9,971,142**
Non current assets			
Property, plant and equipment	11	19,484,247	18,557,669
Right of use asset	12	75,318	30,387
Total non current assets		**19,559,565**	**18,588,056**
Total assets		**29,906,169**	**28,559,198**
Liabilities			
Current liabilities			
Trade and other payables	13	2,013,153	1,390,358
Contract liabilities	14	2,921,196	2,238,001
Short term provisions	15	3,626,790	2,958,654
Lease liabilities	12	40,531	31,097
Total current liabilities		**8,601,670**	**6,618,110**
Non current liabilities			
Long term provisions	15	1,087,216	955,977
Lease liabilities	12	35,034	-
Total non current liabilities		**1,122,250**	**955,977**
Total liabilities		**9,724,190**	**7,574,087**
Net assets		**20,182,248**	**20,985,111**
Equity			
Accumulated surplus		20,182,248	20,985,111
Total equity		**20,182,248**	**20,985,111**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity
For the year ended 30 June 2022

	Accumulated surplus $	Total $
2022		
Balance at 1 July 2021	20,985,111	20,985,111
Surplus/(Deficit) for the year	(802,863)	(802,863)
Balance at 30 June 2022	**20,182,248**	**20,182,248**
2021		
Balance at 1 July 2020	18,849,747	18,849,747
Surplus/(Deficit) for the year	2,135,361	2,135,361
Balance at 30 June 2021	**20,985,111**	**20,985,111**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities:			
Payments to suppliers and employees		(33,554,252)	(29,949,860)
Interest received		31,328	60,229
Finance cost on leases		(7,598)	(5,333)
Receipt from government grants		25,620,086	22,942,962
Other receipts		8,401,709	9,456,481
GST refund/(paid)		2,354,200	1,999,819
Net cash provided by/(used in) operating activities	22	**2,845,473**	**4,504,298**
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		75,555	74,232
Purchase of property, plant and equipment		(2,411,328)	(2,903,736)
Proceeds from sale of other financial assets		-	657,041
Purchase of other financial assets		(18,924)	(96,321)
		(2,354,697)	**(2,268,784)**
Cash flows from financing activities:			
Repayment of lease liability		(37,698)	(35,972)
Net cash provided by/(used in) financing activities		**(37,698)**	**(35,972)**
Net increase/(decrease) in cash and cash equivalents held		453,080	1,585,726
Cash and cash equivalents at beginning of year		5,253,886	3,668,160
Cash and cash equivalents at end of financial year	7	**5,706,966**	**5,253,886**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements
For the year ended 30 June 2022

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 directors' report.

The financial report was authorised for issue by the Directors on 26th October 2022.

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 - Simplified Disclosures and the Australian Charities and Not-for-profits Commission Act 2012.

(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 2022, and the comparative information presented in these financial statements is for the year ended 30 June 2021.

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.

(c) New or amended Accounting Standards and Interpretations adopted

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

(d) Critical Accounting Estimates and Judgements

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(m) 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(l) and Note 12).

(e) 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:

- continued to provide services via telehealth
- reduced/closed certain services i.e., disability support and Allied Health services, for periods of time due to restrictions in place
- maintained restrictions for entry and reduced activity to office premises
- purchased protective personal equipment
- continued to maintain work from home arrangements where appropriate and in accordance with DHS directives.

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

(f) 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 deficit for the year of $802,863 (2021: surplus $2,135,361).

The deficit of $802,863 as at 30 June 2022 is attributable to income received during 2022 being repurposed into the 2023 financial year and unearned revenue in accordance with AASB15.

The Company however meets the requirements of specific financial tests and ratios and has in place various government funding agreements for the 2022-23 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 Accounting Standards Issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Company and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: *Insurance Contracts*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-6: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Company in future periods.

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.

Consultancy expenses were previously reflected in staff expenses; to provide a more accurate reflection of staff costs, consultancy expenses have been removed and are now included in other expenses (note 6).

(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

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.

Government Grants - Capital

Capital grants are recognised as revenue when received. Grants are paid upon meeting project milestones as detailed in project plan and funding agreement. Project expenses must be supported by proof of purchase order being raised or tax invoice from the supplier. End of project acquittals are required to be provided for each grant.

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.

(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 payables 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. 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.

Depreciation

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

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

Fixed asset class	Useful life	
	2022	2021
Buildings	50 years	50 years
Plant and Equipment	10 years	10 years
Furniture, Fixtures and Fittings	10 years	10 years
Motor Vehicles	6.72 years	6.72 years
Computer Equipment	3 years	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 5 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 surplus or deficit. 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 surplus or deficit (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 surplus or deficit.

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 comprise 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 the 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 2022 (2021: $0).

(j) Leases

The Company 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.

(k) 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 term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(l) 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 surplus or deficit if the carrying amount of the right-of-use asset has been reduced to zero.

(m) 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 on costs. 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 surplus or deficit 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.

(n) 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. They are unsecured, non-interest bearing and 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. 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.

4 Revenue and Income

	2022 $	2021 $
Revenue from Contracts with Customers		
Government Grants (State) - Operating	18,228,855	14,845,759
Government Grants (Commonwealth) - Operating	7,391,231	7,344,499
Other Grants	543,268	1,629,652
NDIS	1,958,278	1,872,504
Brokerage fees	211,290	652,633
Client fees	3,179,398	3,195,245
	31,512,320	**29,540,292**
Other Sources of Income		
Government Grants (Commonwealth) - Capital	-	752,704
Government Grants (State)- Capital	1,130,002	320,000
Donations	25,173	49,201
Rental income	302,502	311,247
Interest income	31,328	60,229
Other income	1,197,603	1,425,999
Profit from sale of non-current assets	47,762	28,825
	2,734,370	**2,948,205**
Total Revenue and Income	**34,246,690**	**32,488,497**

Performance Obligations

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

Grant Revenue

The performance obligations of Gateway Health'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 which have sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*. Qualitative performance measures include quality of care, responsiveness, workforce development and community engagement activities and does not have sufficiently specific performance obligations in accordance with AASB 1058: *Income for not-for-profit entities*. 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

	2022 $	2021 $
Salaries and wages	23,479,042	20,463,902
Superannuation	2,315,180	1,908,943
Contractors payments General Practitioners	1,364,545	1,491,006
Workcover	371,456	273,810
Other employee costs	1,541,554	1,053,316
Total Employee benefits expense	**29,071,777**	**25,190,977**

6 Other expenses

	2022 $	2021 $
Client brokered funds	405,566	680,841
Computer expenses	393,500	345,300
Hume Rural Health Alliance costs	453,797	364,528
Office costs	736,637	831,458
Repairs and maintenance	168,130	114,458
Consultant fees	537,791	452,731
Other costs	686,891	196,077
Total Other expenses	**3,382,312**	**2,985,393**

7 Cash and cash equivalents

	2022 $	2021 $
Cash on hand	3,380	1,880
Bank balances	5,703,586	5,058,143
Term deposits	-	193,863
	5,706,966	**5,253,886**

Cash and cash equivalents include funds held in trust amounting to $326,798 (2021: $309,716). Refer note 14.

8 Other financial assets

	2022 $	2021 $
Term deposits	4,187,731	4,168,807
	4,187,731	**4,168,807**

9 Trade and other receivables

	2022 $	2021 $
CURRENT		
Trade receivables	272,305	381,085
Accrued income	6,152	44,526
	278,457	**425,611**

10 Other assets

	2022 $	2021 $
CURRENT		
Prepayments	173,450	122,838
	173,450	**122,838**

11 Property, plant and equipment

LAND AND BUILDINGS	2022 $	2021 $
Freehold land		
At cost	3,783,882	3,780,697
Total land	**3,783,882**	**3,780,697**
Buildings		
At cost	12,831,148	12,693,423
Accumulated depreciation	(2,391,763)	(2,137,665)
Total buildings	**10,439,385**	**10,555,758**
Total land and buildings	**14,223,267**	**14,336,455**
Capital works in progress		
At cost	-	216,346
Total capital works in progress	**-**	**216,346**
Plant and equipment		
At cost	452,417	417,933
Accumulated depreciation	(377,805)	(356,074)
Total plant and equipment	**74,612**	**61,859**
Furniture, fixtures and fittings		
At cost	6,252,390	5,132,734
Accumulated depreciation	(3,382,577)	(2,923,781)
Total furniture, fixtures and fittings	**2,869,813**	**2,208,953**
Motor vehicles		
At cost	1,713,996	1,593,994
Accumulated depreciation	(717,020)	(557,351)
Total motor vehicles	**996,976**	**1,036,643**
Computer equipment		
At cost	2,926,555	1,875,891
Accumulated depreciation	(1,606,976)	(1,178,477)
Total computer equipment	**1,319,579**	**697,414**
Total plant and equipment	**5,260,980**	**4,221,215**
Total property, plant and equipment	**19,484,247**	**18,557,669**

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 2022	Land $	Buildings $	Equipment $	Furniture Fixtures and Fittings $	Motor Vehicles $	Computer Equipment $	Other works in progress $	Total $
Balance at the beginning of the year	3,780,697	10,555,758	61,859	2,208,953	1,036,643	697,414	216,346	18,557,670
Additions		137,725	40,529	1,121,917	241,414	869,743		2,411,328
Disposals	-	-	-	-	(27,794)	-		(27,794)
Internal Transfers	3,185	-	-	11,143		202,018	(216,346)	-
Depreciation expense	-	(254,098)	(27,776)	(472,200)	(253,287)	(449,596)		(1,456,957)
Balance at the end of the year	**3,783,882**	**10,439,385**	**74,612**	**2,869,813**	**996,976**	**1,319,579**	**-**	**19,484,247**

As per note 3 (e) the independent valuations are obtained to provide evidence to assess recoverable amount. The freehold land and buildings which are recorded at fair value, 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.

In the year ended 30 June 2022, 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 2022. The latest indices did not identify that any impairment was required in 2022 and 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 2022.

But given the uncertainties of the property market in the current economic environment and the commitment which the board of directors has made to a revaluation of land and building every 5 years; Gateway Health will ensure a property valuation has been completed prior to 30 June 2023.

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 4.5%.

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 2022	2022 $	2021 $
Buildings	82,165	72,930
Accumulated amortisation	(6,847)	(42,543)
Balance at end of year	**75,318**	**30,387**
Additions to the right-of-use assets during the 2022 financial year were Nil.		
Lease liabilities		
Current	40,531	31,097
Non-current	35,034	-
Total Lease liability	**75,565**	**31,097**
Amounts recognised in the statement of income and other comprehensive income		
Amortisation charge of right-of-use assets	37,235	36,465
Interest expense on lease liabilities	1,110	2,028
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 9 further extension options of 2 years each, totalling 18 years at 44 - 46 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

	2022 $	2021 $
CURRENT		
Trade payables	814,439	70,103
GST payable	-	524,656
Other payables	18,735	17,560
Backpay Provision	150,150	-
LSL Provision	80,429	-
Accrued expenses	949,400	778,039
	2,013,153	**1,390,358**

14 Contract Liabilities

	2022 $	2021 $
CURRENT		
Operating grants received in advance	1,071,675	1,270,706
Funds held in trust	326,798	309,716
Unearned income	1,522,723	657,579
	2,921,196	**2,238,001**

Unearned Income

Unearned income at 30 June 2022 is funds for which Gateway Health has not met performance targets and therefore cannot recognise the funds in 2022. These funds have been approved to be repurposed by the appropriate funding body for use in the 2023 year.

Under an agreement between the Department of Health and Gateway Health, Gateway Health was acting as the funds holder for the Upper Hume Primary Care Partnership (UHPCP) for these balances. At 30 June 2022 Gateway Health ceased being this funds holder as the UHPCP has transferred to the Public Health Unit of Albury Wodonga Health. The balance remaining is identified UHPCP funds which Gateway Health is waiting for Albury Wodonga Health to issue a tax invoice for in the first quarter of 2023; and Department of Health funds being held for future project work.

15 Provisions

	2022 $	2021 $
CURRENT		
Provision for annual leave	2,178,402	1,930,259
Provision for long service leave	1,223,416	1,017,926
Provision for paid parental leave	13,929	10,469
Super payable	211,043	-
	3,626,790	**2,958,654**
NON-CURRENT		
Provision for long service leave	**1,087,216**	**955,977**

Portable long service

Effective 1 October 2020 Gateway Health was impacted by the LSL portability scheme for approximately 1/3 of its workforce. This change has affected how the Company accounts for and administers long service leave provisions.

In addition to traditional long service, Victoria and ACT offer portable long service benefits for eligible workers in the community services sector. The Portable Long Service Benefits Scheme allows eligible workers to build up long service entitlements based on time spent in their industry, rather than with a single employer. This means that eligible workers can keep their portable long service leave entitlement even if they work for different employers over the years. The Company has identified employees eligible for portable long service benefits in Victoria and pays levy to the respective Authorities of 1.65% of wages for these employees in Victoria. In the year ended 30 June 2022, the Company was invoiced and paid long service leave benefits to the value of $163,467.42 to the Portable Long Service Authority.

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.

The Company has no commitments as at 30 June 2022 (2021 $nil).

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	2022 $	2021 $
Financial assets			
Financial assets at amortised cost			
- Cash and cash equivalents	7	5,706,966	5,253,886
- Other financial assets	8	4,187,731	4,168,807
- Trade and other receivables	9	278,457	425,611
Total financial assets		**10,173,154**	**9,848,304**
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	13	1,782,574	865,702
- Funds held in trust	14	2,921,196	309,716
Total financial liabilities		**4,703,770**	**1,175,418**

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 KMPs.

During financial year ending June 2022, one KMP resigned which has resulted in decreasing value of long-term employee benefits.

The total remuneration paid to KMPs of the Company during the year is $1,315,954 (2021: $1,133,192).

Remuneration of Key Management Personnel:	2022 $	2021 $
Short term employee benefits	1,197,946	1,018,184
Long term employee benefits	11,371	30,310
Post employment benefits	105,718	84,698
Termination benefits	919	-
Total	**1,315,954**	**1,133,192**

19 Auditors' Remuneration

Remuneration of the auditor for:	2022 $	2021 $
- Audit of financial services	35,800	23,500
- Other services	-	9,250
Total	**35,800**	**32,750**

20 Contingent Asset and Contingent Liabilities

Contingent Assets

The Company had no contingent assets as at 30 June 2022 (2021: $nil).

Contingent Liabilities

Except for the contingent liability disclosed below, the Company had no other contingent liabilities as at 30 June 2022 (2021: 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 2022.

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.

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 2022.

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:	2022 $	2021 $
Net surplus/(deficit) for the year	**(802,863)**	**2,135,361**
Non-cash flows in deficit:		
- amortisation	37,235	36,465
- depreciation	1,456,958	1,273,979
- net (gain)/loss on sale of non-current assets	(47,762)	(28,825)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	153,306	(32,862)
- (increase)/decrease in other current assets	211,909	21,790
- increase/(decrease) in trade and other payables	696,865	13,175
- increase/(decrease) in other liabilities	109,872	639,221
- increase/(decrease) in provisions	1,029,653	445,994
Net cash provided by/(used in) operating activities	**2,845,473**	**4,504,298**

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 2022, however this outbreak has impacted the extent and nature of the activities undertaken by Gateway Health Limited and may have an impact on 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.

In September 2022 Gateway Health will cease providing some of its NDIS funded disability services; the cessation of these services is the result of an independent review of the service by RSM. This change will result in transition of clients to other disability service providers and 28 staff being made redundant. Gateway Health has committed to supporting staff and clients through this transition period by engaging clients with suitable service providers and assisting staff to secure alternative employment.

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 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 2022 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

    a. comply with Australian Accounting Standards - Simplified Disclosure Requirements; and

    b. give a true and fair view of the financial position as at 30 June 2022 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.

Director
David Koschitze
26 October 2022

Director
MIchael Ferris
26 October 2022

Independent Auditor's Report

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 2022 • statement of 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 • declaration by directors. 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 2022 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards – Simplified Disclosures 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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* 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 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 – Simplified Disclosures 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.

Level 31 / 35 Collins Street, Melbourne Vic 3000
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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.

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

MELBOURNE
8 November 2022

Sanchu Chummar
as delegate for the Auditor-General of Victoria

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