

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2006/07 \$	2005/06 \$
Revenue from Operating Activities	2	9,117,510	8,887,549
Revenue from Non-operating Activities	2	887,821	766,248
		<u>10,005,331</u>	<u>9,653,797</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>	<b>3</b>		
Employee Entitlements		6,396,016	6,196,334
Supplies and Consumables		675,765	619,033
Depreciation		477,501	452,006
Other Expenses		1,892,654	1,607,126
		<u>9,441,936</u>	<u>8,874,499</u>
<b>NET RESULT FOR THE YEAR</b>		<u><b>563,395</b></u>	<u><b>779,298</b></u>

This Statement should be read in conjunction with the accompanying notes

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**BALANCE SHEET AS AT 30 JUNE 2007**

	Note	2006/07 \$	2005/06 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	844,291	223,603
Receivables	6	112,657	55,325
Other Financial Assets	7	10,895,703	9,935,119
<b>Total Current Assets</b>		<u>11,852,651</u>	<u>10,214,047</u>
<b>Non Current Assets</b>			
Investments Accounted for using the Equity Method		-	( 1,196)
Property, Plant & Equipment	8	8,830,099	8,717,591
Intangibles	9	4,000,000	4,000,000
<b>Total Non-Current Assets</b>		<u>12,830,099</u>	<u>12,716,395</u>
<b>TOTAL ASSETS</b>		<u><b>24,682,750</b></u>	<u><b>22,930,442</b></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	305,613	351,700
Employee Entitlements	11	1,049,367	1,037,547
Monies Held in Trust	12	2,610,089	1,918,792
<b>Total Current Liabilities</b>		<u>3,965,069</u>	<u>3,308,039</u>
<b>Non-Current Liabilities</b>			
Employee Entitlements	11	288,082	361,922
Monies Held in Trust	12	4,291,004	3,685,281
<b>Total Non-Current Liabilities</b>		<u>4,579,086</u>	<u>4,047,203</u>
<b>TOTAL LIABILITIES</b>		<u>8,544,155</u>	<u>7,355,242</u>
<b>NET ASSETS</b>		<u><b>16,138,595</b></u>	<u><b>15,575,200</b></u>
<b>EQUITY</b>			
Accumulated Surplus	13	15,913,250	15,378,176
Reserves	13	225,345	197,024
<b>TOTAL EQUITY</b>	<b>13</b>	<u><b>16,138,595</b></u>	<u><b>15,575,200</b></u>

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

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007**

Note	2006/07 \$	2005/06 \$
<b>Net Result for the year</b>	563,395	779,298
Total Recognised Income and Expense for the Year	563,395	779,298

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

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

Note	Total 2006/07 \$ Inflows (Outflows)	Total 2005/06 \$ Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Government Grants	4,388,795	4,225,419
Commonwealth Subsidies	2,203,442	2,381,875
Patient Fees	1,574,341	1,349,153
Donations & Bequests	97,451	172,904
Interest	864,176	777,893
Other Receipts	1,164,004	1,161,908
<b>Payments</b>		
Employee Entitlements	( 6,458,036)	( 6,062,590)
Supplies & Consumables	( 743,342)	( 680,936)
GST Paid to the ATO	( 127,987)	( 118,956)
Other	( 2,088,577)	( 1,770,719)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	874,267	1,435,951
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of Properties, Plant & Equipment	( 623,455)	( 452,120)
Proceeds from Sale of Properties, Plant & Equipment	34,636	64,617
Purchase of Investments	( 961,780)	( 905,769)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	( 1,550,599)	( 1,293,272)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Proceeds from Refundable Entry Fees	1,794,500	2,351,212
Payments for refund of refundable entry fees	( 497,480)	( 2,650,048)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	1,297,020	( 298,836)
<b>NET INCREASE IN CASH HELD</b>	620,688	( 156,157)
<b>CASH AT 1 JULY</b>	223,603	379,760
<b>CASH AT 30 JUNE</b>	844,291	223,603

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

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**

**Note 1: Statement of Accounting Policies**

This general-purpose financial report has been prepared on an accrual basis in accordance with Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Accounting standards include Australian equivalents to International Financial Reporting Standards (A-IFRS).

The financial report covers Bellarine Community Health Service Inc. as an individual parent entity which is incorporated and domiciled in Australia. The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

**Basis of Preparation**

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

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 Health Service changed its accounting policies on 1 July 2004 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the Health Service's financial position, financial performance and cash flows is discussed in note 21.

The Health Service has elected to apply Accounting Standard AASB 2005-04 Amendments to Accounting Standards (June 2005), even though the Standard is not required to be adopted until annual reporting periods beginning on or after 1 January 2006.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2006, the comparative information presented in these financial statements for the year ended 30 June 2005, and in the preparation of the opening A-IFRS balance sheet at 1 July 2004, the Health Service's date of transition, except for the accounting policies in respect of financial instruments. The Health Service has not restated comparative information for financial instruments, including derivatives, as permitted under the first-time adoption transitional provisions.

**(a) Rounding Off**

All amounts shown in the Financial Statements are expressed to the nearest dollar.

**(b) Receivables**

Revenues are recognised when they are earned. Trade debtors are carried at nominal amounts due and are due for settlement within 30 days. Collectability of debts is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt as to collection exists.

**(c) Other Financial Assets**

Investments are valued at cost and are classified between current and non current assets based on the Board of Management's intention at balance date with respect to the timing of disposal of each investment. Interest revenue from investments is brought to account when it is earned.

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**

**(d) Depreciation**

Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost—or valuation—over their estimated useful lives using the straight-line method. This depreciation charge is not funded by the Department of Human Services.

The following table indicates the expected useful lives of non current assets on which the depreciation charges are based.

	<b>2006/07</b>	<b>2005/06</b>
Buildings	Up to 50 years	Up to 50 years
Plant & Equipment	Up to 5 years	Up to 5 years
Motor Vehicles	Up to 5 years	Up to 5 years

**(e) Payables**

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are Nett 30 days.

**(f) Employee Entitlements**

Based on pay rates expected to apply when the obligation is settled. On-costs such as WorkCover and superannuation are included in the calculation of leave provisions.

**- Long Service Leave**

The provision for long service leave is determined in accordance with AASB1028. Generally, the entitlement under various awards becomes payable upon completion of ten years' service. The proportion of long service leave estimated to be payable within the next financial year is recognised as a current liability. The balance of the provision is classified as a non-current liability measured at the present value of the estimated future cash outflow arising from employee's services to date.

**- Wages and Salaries, Annual Leave and Accrued Days Off**

Liabilities for wages and salaries, annual leave and accrued days off are recognised, and are measured, as the amount unpaid at the reporting date in respect of employee's services up to that date.

**- Sick Leave**

No Sick leave entitlements have been accrued.

**(g) Residential Care Services**

Residential Care Services are an integral part of the service and share its resources. An apportionment of land and buildings has been made based on floor space. The results of the operations have been segregated based on actual revenue earned and expenditure incurred by each operation.

**(h) Intersegment Transactions**

Transactions between segments within BCHS have been eliminated to reflect the extent of the service's operations as a group.

**(i) Leased Property and Equipment**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains all such risks and benefits. Where a non-current asset is acquired by means of a finance lease, the minimum lease payments are discounted at the interest rate implicit in the lease. The discounted amount is established as a non-current asset at the beginning of the lease term and is amortised on a straight line basis over its expected economic life. A corresponding liability is established and each lease payment is allocated between the principal component and the interest expense. Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged against revenue in the periods in which they are incurred.

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**

**Government Grants**

Grants are recognised as revenue when BCHS gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

**Indirect Contributions**

Insurance is recognised as revenue following advice from the Department of Human Services.

**Patient Fees**

Patient fees are recognised as revenue at the time invoices are raised.

**Private Practice Fees**

Private practice fees are recognised as revenue at the time invoices are raised.

**Donations and Other Bequests**

Donations and bequests are recognised as revenue when the cash is received. If donations are for a special purpose, they may be appropriated to a reserve, such as specific restricted purpose reserve.

**(k) Goods and Services Tax**

Revenues, expenses and assets are recognised net of GST, except for receivables and payables which are stated with the amount of GST included and except, where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the Statement of Financial Position. The GST component of a receipt or payment is recognised on a gross basis in the Statement of Cash Flows in accordance with AAS 28.

**(l) Comparative Information**

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

**(m) Specific Restricted Purpose Reserve**

A specific restricted purpose reserve is established where BCHS has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**

**Note 2: Revenue**

	<b>Residential</b>		<b>Primary</b>		<b>Total</b>	<b>Total</b>
	<b>Aged Care</b>		<b>Health</b>			
	<b>2006/07</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2005/06</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue from Operating Activities</b>						
<b>Recurrent</b>						
State Government Contributions						
- Department of Human Services	320,212	472,977	3,095,416	2,858,828	3,415,628	3,331,805
- Dental Health Services Victoria		-	574,186	509,485	574,186	509,485
Insurance Contribution by Human Services		-	72,130	61,516	72,130	61,516
Residential Fees	1,428,050	1,183,283	153,163	163,008	1,581,213	1,346,291
Commonwealth Subsidies	2,337,845	2,381,875	( 134,403)	-	2,203,442	2,381,875
Donations		58,102	-	82,924	-	141,026
Private Practice Fees			368,160	322,227	368,160	322,227
Other	217,171	147,590	588,129	613,856	805,300	761,446
<b>Total Recurrent Revenue</b>	<b>4,303,278</b>	<b>4,243,827</b>	<b>4,716,781</b>	<b>4,611,844</b>	<b>9,020,059</b>	<b>8,855,671</b>
<b>Capital Purpose Income</b>						
Donations	60,000	400	37,451	31,478	97,451	31,878
<b>Total Capital Purpose Income</b>	<b>60,000</b>	<b>400</b>	<b>37,451</b>	<b>31,478</b>	<b>97,451</b>	<b>31,878</b>
<b>Total Revenue from Operating Activities</b>	<b>4,363,278</b>	<b>4,244,227</b>	<b>4,754,232</b>	<b>4,643,322</b>	<b>9,117,510</b>	<b>8,887,549</b>
<b>Revenue from Non-Operating Activities</b>						
Interest	557,538	626,724	329,093	135,724	886,631	762,448
Net Gain/(Loss) on Disposal of Non Current Assets	-	( 625)	1,190	4,425	1,190	3,800
<b>Total Revenue from Non-Operating Activities</b>	<b>557,538</b>	<b>626,099</b>	<b>330,283</b>	<b>140,149</b>	<b>887,821</b>	<b>766,248</b>
<b>Total Revenue from All Sources</b>	<b>4,920,816</b>	<b>4,870,326</b>	<b>5,084,515</b>	<b>4,783,471</b>	<b>10,005,331</b>	<b>9,653,797</b>

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**

**Note 3: Expenditure**

	<b>Residential</b>		<b>Primary</b>		<b>Total</b>	<b>Total</b>
	<b>Aged Care</b>		<b>Health</b>			
	<b>2006/07</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2005/06</b>		
	\$	\$	\$	\$	\$	\$
<b>Employee Entitlements</b>						
Salaries and Wages	2,512,665	2,672,950	3,148,683	2,822,099	5,661,348	5,495,049
WorkCover	84,636	82,373	127,033	117,787	211,669	200,160
Superannuation	231,016	240,739	291,983	260,386	522,999	501,125
	<u>2,828,317</u>	<u>2,996,062</u>	<u>3,567,699</u>	<u>3,200,272</u>	<u>6,396,016</u>	<u>6,196,334</u>
<b>Supplies &amp; Consumables</b>						
Medical and Surgical Supplies	70,200	63,681	221,236	218,268	291,436	281,949
Food Supplies	364,901	307,047	19,428	30,037	384,329	337,084
	<u>435,101</u>	<u>370,728</u>	<u>240,664</u>	<u>248,305</u>	<u>675,765</u>	<u>619,033</u>
<b>Depreciation</b>						
Buildings	189,900	208,293	40,332	20,956	230,232	229,249
Plant & Equipment	97,003	107,617	107,942	44,116	204,945	151,733
Motor Vehicles	2,732	35,432	39,592	35,592	42,324	71,024
	<u>289,635</u>	<u>351,342</u>	<u>187,866</u>	<u>100,664</u>	<u>477,501</u>	<u>452,006</u>
<b>Other Expenses</b>						
Domestic Services	99,247	105,633	34,266	15,535	133,513	121,168
Motor Vehicle	8,011	33,371	172,754	127,356	180,765	160,727
Administrative Expenses	818,088	455,324	320,175	599,629	1,138,263	1,054,953
Repairs and Maintenance	196,685	151,814	195,325	71,430	392,010	223,244
Interest paid on bonds	7,980	-	193	-	8,173	-
Share of net result of Joint Ventures Accounted for using the Equity Model	-	-	8,866	1,196	8,866	1,196
Audit Fees	4,500	4,505	5,500	5,445	10,000	9,950
Other	21,064	33,784	-	2,104	21,064	35,888
	<u>1,155,575</u>	<u>784,431</u>	<u>737,079</u>	<u>822,695</u>	<u>1,892,654</u>	<u>1,607,126</u>
<b>Total Expenses from Ordinary Activities</b>	<u><u>4,708,628</u></u>	<u><u>4,502,563</u></u>	<u><u>4,733,308</u></u>	<u><u>4,371,936</u></u>	<u><u>9,441,936</u></u>	<u><u>8,874,499</u></u>

**Note 4: Gain/(Loss) on Disposal of Non Current Assets**

	<b>2006/07</b>	<b>2005/06</b>
	\$	\$
Proceeds from Disposal		
Motor Vehicles	<u>34,636</u>	<u>64,617</u>
	<u>34,636</u>	<u>64,617</u>
Less: Written-Down Value of Assets Sold.		
Motor Vehicles	<u>33,446</u>	<u>60,817</u>
	<u>33,446</u>	<u>60,817</u>
<b>Surplus/(deficit) on disposal</b>	<u><u>1,190</u></u>	<u><u>3,800</u></u>

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**

**Note 5: Cash and Cash Equivalents**

	<u>2006/07</u>	<u>2005/06</u>
	\$	\$
Cash on Hand	3,040	1,371
Cash at Bank	841,251	222,232
	<u>844,291</u>	<u>223,603</u>

**Note 6: Receivables**

	<u>2006/07</u>	<u>2005/06</u>
	\$	\$
<b>CURRENT</b>		
Private Practice	18,266	11,394
Accrued Investment Income	22,455	-
Sundry Debtors	71,936	43,931
<b>TOTAL</b>	<u>112,657</u>	<u>55,325</u>
<b>Less: Provision for Doubtful Debts</b>	-	-
<b>TOTAL</b>	<u>112,657</u>	<u>55,325</u>

**Note 7: Other Financial Assets**

	<u>2006/07</u>	<u>2005/06</u>
	\$	\$
<b>Current</b>		
Managed Funds	10,895,703	9,935,119
	<u>10,895,703</u>	<u>9,935,119</u>
<b>Represented By:</b>		
Health Service Investments	3,797,842	4,162,599
Monies Held in Trust - Accommodation Bonds	6,901,093	5,604,073
Specific Purpose Funds	196,768	168,447
	<u>10,895,703</u>	<u>9,935,119</u>

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**  
**Note 8: Property, Plant & Equipment**

	<b>2006/07</b>	<b>2005/06</b>
	<b>\$</b>	<b>\$</b>
<b>AT COST</b>		
Buildings	9,160,853	9,157,753
Less Accumulated Depreciation	( 2,058,990)	( 1,828,758)
<b>Total Buildings</b>	<b>7,101,863</b>	<b>7,328,995</b>
Work-in-Progress	312,207	27,477
Plant and Equipment	1,328,117	992,492
Less Accumulated Depreciation	( 617,965)	( 413,020)
<b>Total Plant and Equipment</b>	<b>710,152</b>	<b>579,472</b>
Motor Vehicles	310,242	394,484
Less Accumulated Depreciation	( 174,365)	( 182,837)
<b>Total Motor Vehicles</b>	<b>135,877</b>	<b>211,647</b>
<b>TOTAL</b>	<b>8,260,099</b>	<b>8,147,591</b>
<b>AT VALUATION</b>		
Freehold, Leasehold & Crown Land	570,000	570,000
<b>TOTAL</b>	<b>570,000</b>	<b>570,000</b>
<b>TOTAL</b>	<b>8,830,099</b>	<b>8,717,591</b>

The value of land and buildings were recognised at valuation at the time of initial incorporation of Bellarine Community Health. Plant and equipment was revalued in November 2003.

Reconciliation of the carrying amount of each class of Property, Plant & Equipment at the beginning and end of the current financial year is set out below:

	<b>Land</b>	<b>Buildings</b>	<b>Works in Progress</b>	<b>Plant and Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2005	570,000	7,461,638	0	403,168	343,488	8,778,294
Additions	-	96,606	27,477	328,037	-	452,120
Disposals	-	-	-	-	( 60,817)	( 60,817)
Depreciation	-	( 229,249)	-	( 151,733)	( 71,024)	( 452,006)
<b>Balance at 1 July 2006</b>	<b>570,000</b>	<b>7,328,995</b>	<b>27,477</b>	<b>579,472</b>	<b>211,647</b>	<b>8,717,591</b>
Additions	-	3,100	284,730	335,625	-	623,455
Disposals	-	-	-	-	( 33,446)	( 33,446)
Depreciation	-	( 230,232)	-	( 204,945)	( 42,324)	( 477,501)
<b>Balance at 30 June 2007</b>	<b>570,000</b>	<b>7,101,863</b>	<b>312,207</b>	<b>710,152</b>	<b>135,877</b>	<b>8,830,099</b>

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**  
**Note 9: Intangibles**

	<b>2006/07</b>	<b>2005/06</b>
	<b>\$</b>	<b>\$</b>
Aged Care Bed Licences	4,000,000	4,000,000
<b>TOTAL</b>	<b>4,000,000</b>	<b>4,000,000</b>

Aged Care Bed Licences were acquired from the Commonwealth for nil consideration. In accordance with AASB 138 "Intangible Assets" Bellarine Community Health is able to apply deemed cost being fair value as at 1 July 2004 to record the value of these licences.

The Board has determined that fair value at this date is \$40,000 per bed being the price that could be achieved in an active market

The licences and any subsequent transfer must meet with the approval of the Commonwealth government which has the power to remove the licences if the conditions attached to the licence are not met.

**Note 10: Payables**

	<b>2006/07</b>	<b>2005/06</b>
	<b>\$</b>	<b>\$</b>
Trade Creditors	274,205	296,862
Taxation Liabilities	31,408	54,838
<b>TOTAL</b>	<b>305,613</b>	<b>351,700</b>

**Note 11: Employee Entitlements**

	<b>2006/07</b>	<b>2005/06</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Long Service Leave	402,544	390,446
Accrued Wages and Salaries	122,022	115,397
Annual Leave	512,069	522,226
Accrued Days Off	12,732	9,478
<b>TOTAL</b>	<b>1,049,367</b>	<b>1,037,547</b>
<b>NON CURRENT</b>		
Long Service Leave	288,082	361,922
<b>TOTAL</b>	<b>1,337,449</b>	<b>1,399,469</b>
Movement in Long Service Leave:		
Balance 1st July	752,368	657,202
Add: Provision made during the year	125,821	145,991
Less: Settlement made during the year	( 187,563)	( 50,825)
Balance 30th June	<b>690,626</b>	<b>854,018</b>

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**

**Note 12: Monies Held In Trust**

	<b>2006/07</b>	<b>2005/06</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Refundable Entrance Fees	2,610,089	1,918,792
<b>NON CURRENT</b>		
Refundable Entrance Fees	4,291,004	3,685,281
<b>TOTAL</b>	<b>6,901,093</b>	<b>5,604,073</b>
Represented by:		
Other Financial Assets	6,901,093	5,604,073

The current liability represents the total amount of bonds held that might be expected to be repaid to residents in the following year. This has been calculated based on the average annual payments over the past three years. The current liability does not take into account the likelihood that the bonds will be replaced by bonds from new residents

**Note 13: Equity & Reserves**

	<b>2006/07</b>	<b>2005/06</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Restricted Specific Purpose Reserves (refer note 14)</b>		
Balance at the beginning of the reporting period.	168,447	305,567
Transfer (to)/from Accumulated Surplus	28,321	137,120
Balance at the end of the reporting period.	196,768	168,447
<b>(b) Asset Revaluation Reserve</b>		
Balance at the beginning of the reporting period.	28,577	28,577
Asset Revaluation	-	-
Balance at the end of the reporting period.	28,577	28,577
<b>Total Reserves</b>	<b>225,345</b>	<b>197,024</b>
<b>(c) Accumulated Surplus/(Deficit)</b>		
Balance at the beginning of the reporting period.	15,378,176	14,461,758
Net Surplus/(Deficit) for the year	563,395	779,298
Transfers (to)/from Specific Purpose Reserves	( 28,321)	137,120
Balance at the end of the reporting period.	15,913,250	15,378,176
<b>(d) Equity</b>		
Total Equity at the Beginning of Reporting Period	15,575,200	14,795,902
Total Changes in Equity Recognised in the Statement of Changes in Equity	563,395	779,298
Total Equity at the Reporting Date	16,138,595	15,575,200

**Note 14: Restricted Specific Purpose Reserves**

	<b>2006/07</b>	<b>2005/06</b>
	<b>\$</b>	<b>\$</b>
Consist of:		
Funds to be specifically expended at BPCH sites		
Queenscliff	28,101	56,371
Portarlington	25,480	68,383
Drysdale	31,349	37,435
Ocean Grove	6,617	6,258
	91,547	168,447
Specific grants unexpended	105,221	-
	196,768	168,447

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**

**Note 15: Reconciliation of Net Cash Used In Operating Activities to Operating Result**

	<b>2006/07</b>	<b>2005/06</b>
	<b>\$</b>	<b>\$</b>
Entity Operating Surplus/(Deficit) for the Year	563,395	779,298
<b>NON-CASH MOVEMENTS</b>		
Depreciation	477,501	452,006
Net (Profit)/Loss from sale of Non Current Assets	( 1,190)	( 3,800)
Decrease/Increase in Payables	( 46,087)	( 3,290)
Increase/Decrease in Employee Entitlements	( 62,020)	133,744
Decrease/Increase in Receivables	( 57,332)	77,993
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>874,267</b>	<b>1,435,951</b>

**Note 16: Commitments**

**Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments

- not later than 12 months

68,968                      72,637

- between 12 months and 5 years

69,899                      74,552

Total Operating Lease Commitments

138,867                      147,189

**Note 17: Contingent Assets and Contingent Liabilities**

There are no known contingent assets or contingent liabilities for Bellarine Community Health Inc as at 30 June 2007.

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**

**Note 18: Financial Instruments**

**(a) Interest Rate Exposure**

The Service's exposure to interest rate risk and effective weighted average interest rate by maturity periods is set out in the following timetable. For interest rates applicable to each class of liability refer to the individual notes in the financial statements. Exposure arises predominantly from assets and liabilities bearing variable interest rates.

	Fixed Interest Rate Maturing				Total 2006/07 \$	Weighted Average Interest Rate
	Floating Interest Rate	1 year or less	1 to 2 years	Non Interest Bearing		
<b>At 30/6/07</b>						
<b>Financial Assets</b>						
<b>Cash</b>	841,251	-	-	3,040	844,291	4.50%
<b>Trade Debtors</b>	-	-	-	90,202	90,202	0.00%
<b>Other Receivables</b>	-	-	-	22,455	22,455	0.00%
<b>Other Financial Assets</b>	-	10,895,703	-	-	10,895,703	7.40%
<b>Total Financial Assets</b>	841,251	10,895,703	-	115,697	11,852,651	
<b>Financial Liabilities</b>						
<b>Trade creditors and accruals</b>	-	-	-	305,613	305,613	0.00%
<b>Monies in Trust</b>	-	-	-	6,901,093	6,901,093	0.00%
<b>Total Financial Liabilities</b>	-	-	-	7,206,706	7,206,706	
<b>Net Financial Asset/Liabilities</b>	841,251	10,895,703	-	( 7,091,009)	4,645,945	
<b>At 30/6/06</b>						
<b>Financial Assets</b>						
<b>Cash</b>	222,232	-	-	1,371	223,603	4.50%
<b>Trade Debtors</b>	-	-	-	55,325	55,325	0.00%
<b>Other Receivables</b>	-	-	-	-	-	0.00%
<b>Other Financial Assets</b>	-	9,935,119	-	-	9,935,119	7.20%
<b>Total Financial Assets</b>	222,232	9,935,119	-	56,696	10,214,047	
<b>Financial Liabilities</b>						
<b>Trade creditors and accruals</b>	-	-	-	351,700	351,700	0.00%
<b>Monies in Trust</b>	-	-	-	5,604,073	5,604,073	0.00%
<b>Total Financial Liabilities</b>	-	-	-	5,955,773	5,955,773	
<b>Net Financial Asset/Liabilities</b>	222,232	9,935,119	-	( 5,899,077)	4,258,274	

**b) Credit Risk Exposures**

Credit risk represents the loss that would be recognised if counterparties failed to meet their obligations under the respective contracts at maturity. The credit risk on financial assets of the Service which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts. The Service is not materially exposed to any individual debtor.

**c) Net Fair Values of Financial Assets and Liabilities**

The net fair value of on-balance sheet financial assets and liabilities are not materially different to the carrying value of the financial assets and liabilities.

**BELLARINE COMMUNITY HEALTH SERVICE Inc.**  
**Notes To And Forming Part Of The Financial Statements**  
**For The YEAR ENDED 30 JUNE 2007**

**Note 19: Responsible Person-related disclosures**

**a) Responsible Persons**

	Period	
	From	To
<b>Governing Board</b>		
Mrs P Bell	1/07/2006	30/06/2007
Mrs M Hayes	1/07/2006	30/06/2007
Ms P Semmens	1/07/2006	30/06/2007
Mr N Greenhalgh	1/07/2006	30/06/2007
Mr J O'Dea	1/07/2006	30/06/2007
Mrs M Howard	1/07/2006	30/06/2007
Mrs E Wuchatsch	1/07/2006	30/06/2007
Mr D Millie	1/07/2006	30/06/2007

**Accountable Officers**

Mr J. Fendyk - Chief Executive Officer	1/07/2006	30/06/2007
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**b) Remuneration of Responsible Officers**

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amount to;

2007	2006
\$	\$
-	-

The remuneration of the Accountable Officer's who are not members of the Board is reported under "Executive Officer Remuneration".

**c) Retirement Benefits of Responsible Officers**

Retirement benefits paid by the reporting entity in connection with the retirement of Responsible Persons of the reporting entity amount to;

-	-
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**d) Executive Officer Remuneration**

There were no Executive Officers whose total remuneration exceeded \$100,000.

**e) Other transactions of Responsible Persons & their Related Parties**

There are no other related party matters which require disclosure.

**Note 20: Segment Reporting**

	Residential Aged Care 2006/07	Residential Aged Care 2005/06	Primary Health 2006/07	Primary Health 2005/06	Total 2006/07	Total 2005/06
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Total Segment Revenue	4,920,816	4,870,326	5,084,515	4,783,471	10,005,331	9,653,797
<b>Result</b>						
Total Segment Result	212,188	367,763	351,207	411,535	563,395	779,298
Segment Assets	20,211,510	18,767,267	4,471,240	4,163,175	24,682,750	22,930,442
Segment Liabilities	7,645,996	6,413,941	898,159	941,301	8,544,155	7,355,242
Acquisition of Property, Plant & Equipment	187,790	259,052	435,665	193,068	623,455	452,120
Depreciation Expense	289,635	351,342	187,866	100,664	477,501	452,006

Bellarine Community Health Service Inc. operates in 2 separate industry sectors being residential aged care and primary health services. Information in relation to segment reporting has been supplied in order for the service to fulfill the requirements of Commonwealth CAP funding in relation to residential aged care.

**Geographical Segment**

Bellarine Community Health Service Inc. operates predominantly in the Bellarine Peninsula, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations within the Bellarine Peninsula.