

# **Castlemaine Health**

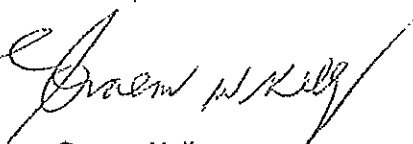
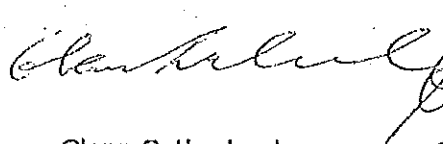
## **Board member's, Accountable Officer's and Chief Finance & Accounting Officer's declaration**

We certify that the attached financial statements for Castlemaine Health have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable *Financial Reporting Directions*, Australian Accounting Standards, Australian Accounting Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2012 and the financial position of Castlemaine Health at 30 June 2012.

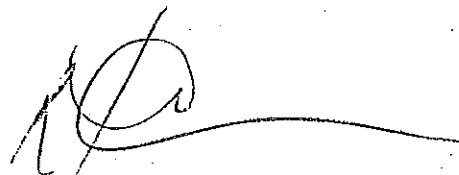
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on this day.



Glenn Sutherland  
President

Graem Kelly  
Accountable Officer



Richard Munari  
Chief Finance & Accounting  
Officer

Castlemaine  
29th August 2012

Castlemaine  
29th August 2012

Castlemaine  
29th August 2012



Victorian Auditor-General's Office

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## INDEPENDENT AUDITOR'S REPORT

### To the Board Members of Castlemaine Health

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2012 of Castlemaine Health which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

#### *The Board Members' Responsibility for the Financial Report*

The Board Members of Castlemaine Health are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Independent Auditor's Report (continued)**

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.


### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of Castlemaine Health as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

### *Matters Relating to the Electronic Publication of the Audited Financial Report*

This auditor's report relates to the financial report of Castlemaine Health for the year ended 30 June 2012 included both in Castlemaine Health's annual report and on the website. The Board Members of Castlemaine Health are responsible for the integrity of Castlemaine Health's website. I have not been engaged to report on the integrity of Castlemaine Health's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
29 August 2012

  
for D D R Pearson  
Auditor-General

## Castlemaine Health Annual Report 2011/2012

### Comprehensive Operating Statement For the Year Ended 30 June 2012

	Note	2012 \$'000	2011 \$'000
Revenue from Operating Activities	2	37,017	36,421
Revenue from Non-operating Activities	2	684	343
Employee Expenses	3	(31,115)	(29,466)
Non Salary Labour Costs	3	(416)	(363)
Supplies & Consumables	3	(2,390)	(2,393)
Admin Expenses	3	(1,685)	(1,794)
Other Expenses	3	(2,258)	(2,606)
<b>Net Result Before Capital &amp; Specific Items</b>		<b>(163)</b>	<b>142</b>
Capital Purpose Income	2	840	366
Depreciation	4	(4,120)	(4,170)
Finance Costs	3	(16)	(39)
Expenditure using Capital Purpose Income	3	(651)	(86)
<b>NET RESULT FOR THE YEAR</b>		<b>(4,110)</b>	<b>(3,787)</b>
<b>COMPREHENSIVE RESULT FOR THE YEAR</b>		<b>(4,110)</b>	<b>(3,787)</b>

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

## Castlemaine Health Annual Report 2011/2012

### Cash Flow Statement For the Year Ended 30 June 2012

	Note	2012 \$'000	2011 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Grants from Government		22,572	21,033
Patient and Resident Fees Received		11,142	9,781
GST Received from/(paid to) ATO		329	373
Recoupment from private practice for use of hospital facilities		390	405
Interest Received		507	343
Other Receipts		2,692	3,537
Employee Benefits Paid		(30,491)	(29,533)
Non Salary Labour Costs		(416)	(363)
Payments for Supplies & Consumables		(2,949)	(3,067)
Finance Costs		(16)	(39)
Other Payments		(4,295)	(2,920)
<b>Cash Generated from Operations</b>		<b>(535)</b>	<b>(450)</b>
Capital Grants from Government		349	246
Capital Donations and Bequests Received		91	113
Accommodation Bond Receipts		176	214
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	17	<b>81</b>	<b>123</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Non-Financial Assets		(1,046)	(1,213)
Proceeds from Sale of Non-Financial Assets		117	39
Purchase / Sale of Investments		2,058	(1,753)
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>1,129</b>	<b>(2,927)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Borrowings		(118)	(161)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		<b>(118)</b>	<b>(161)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>1,092</b>	<b>(2,965)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		<b>744</b>	<b>3,709</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	6	<b>1,836</b>	<b>744</b>

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

# Castlemaine Health Annual Report

## Notes to and forming part of the Financial Statements

### Note 1: Summary of significant accounting policies

#### (a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs) issued by the Australian Accounting Standards Board (AASB).

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

The Health Service is a not-for profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" Health Services under the AASs.

The annual financial statements were authorised for issue by the Board of Castlemaine Health on 29<sup>th</sup> August 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 set out below have been applied in preparing the financial statements for the year ended 30 June 2012, and the comparative information presented in these financial statements for the year ended 30 June 2011.

The going concern basis was used to prepare the financial statements.

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

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. 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.

The financial statements are prepared in accordance with the historical cost convention, except for the revaluation of certain non-financial assets and financial instruments, as noted. Particularly, exceptions to the historical cost convention include:

- Non-current physical assets, which subsequent to acquisition, are measured at valuation and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;

# Castlemaine Health Annual Report

## Notes to and forming part of the Financial Statements

A description of the nature of Castlemaine Health's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

### (d) Principles of Consolidation

#### Inter-Segment Transactions

Transactions between segments within the *Castlemaine Health* have been eliminated to reflect the extent of the *Castlemaine Health's* operations as a group.

#### Associates and joint ventures

Associates and joint ventures are accounted for in accordance with the policy outlined in Note 1(i) Financial Assets.

### (e) Scope and presentation of financial statements

#### Fund Accounting

The *Castlemaine Health* operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Castlemaine Health's Capital and Specific Purpose Funds include unspent capital donations and receipts from fund-raising activities conducted solely in respect of these funds.

#### Services Supported By Health Services Agreement and Services Supported By Hospital and Community Initiatives

Activities classified as *Services Supported by Health Services Agreement* (HSA) are substantially funded by the Department of Health and includes Residential Aged Care Services (RACS) and are also funded from other sources such as the Commonwealth, patients and residents, while *Services Supported by Hospital and Community Initiatives* (H&CI) are funded by the Health Service's own activities or local initiatives and/or the Commonwealth.

#### Residential Aged Care Service

Castlemaine Health Residential Aged Care operations are an integral part of Castlemaine Health and shares its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in Note 2b to the financial statements.

Castlemaine Health Residential Aged Care has a separate Committee of Management and is substantially funded from Commonwealth bed-day subsidies.

# Castlemaine Health Annual Report

## Notes to and forming part of the Financial Statements

### Balance sheet

Assets and liabilities are categorised either as current or non-current.

### Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

### Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

For Cash Flow Statement presentation purposes, *Cash and Cash Equivalents* includes bank overdrafts, which are included as current borrowings in the balance sheet.

### Comparative Information

There have been no changes to previous year's figures.

### (f) Income recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Castlemaine Health and the income can be reliably measured. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

### Government Grants and other transfers of income (other than contributions by owners)

In accordance with AASB 1004 *Contributions*, government grants and other transfers of income (other than contributions by owners) are recognised as income when the Health Service gains control of the underlying assets irrespective of whether conditions are imposed on the Health Service's use of the contributions.

Contributions are deferred as income in advance when the Health Service has a present obligation to repay them and the present obligation can be reliably measured.

### Indirect Contributions from the Department of Health

- Insurance is recognised as revenue following advice from the Department of Health.



# Castlemaine Health Annual Report

## Notes to and forming part of the Financial Statements

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Employees of the *Castlemaine Health* are entitled to receive superannuation benefits and the *Castlemaine Health* contributes to both the defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

The name and details of the major employee superannuation funds and contributions made by the *Castlemaine Health* are as follows:

Fund	Contributions Paid or Payable for the year	
	2012	2011
	\$'000	\$'000
<b>Defined benefit plans:</b>		
Health Super Pty Ltd	151	189
<b>Defined contribution plans:</b>		
Health Super Pty Ltd	1,890	1,763
Hesta Super Fund	435	341
Other	35	45
<b>Total</b>	<b>2,511</b>	<b>2,338</b>

### 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. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health.

Depreciation is provided on property, plant and equipment, including freehold buildings, but excluding land and investment properties. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

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

# **Castlemaine Health Annual Report**

## **Notes to and forming part of the Financial Statements**

Loans and receivables category includes cash and deposits (refer to Note 1(i)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

### **Available-for-sale financial assets**

Available-for-sale financial instrument assets are those designated as available for sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in note 18.

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

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

Financial instrument liabilities measured at amortised cost include all of the Health Service's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

## **(i) Financial assets**

### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

### **Receivables**

Receivables consist of:

# **Castlemaine Health Annual Report**

## **Notes to and forming part of the Financial Statements**

### **Impairment of Financial Assets**

At the end of each reporting period Castlemaine Health assesses whether there is objective evidence that a financial asset or group of financial asset is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as written off and allowance for doubtful receivables are expensed.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

### **Net Gain/(Loss) on Financial Instruments**

Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading;
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets.

### **Revaluations of Financial Instruments at Fair Value**

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets.

## **(j) Non-financial assets**

### **Inventories**

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It includes land held for sale and excludes depreciable assets.

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# **Castlemaine Health Annual Report**

## **Notes to and forming part of the Financial Statements**

Revaluation increments are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of assets, they are debited directly to the asset revaluation surplus.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

In accordance with FRD 103D, Castlemaine Health's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required. The assessment did not identify any significant movements that would require a revaluation.

### **(k) Liabilities**

#### **Payables**

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the health service prior to the end of the financial year that are unpaid, and arise when the health service becomes obliged to make future payments in respect of the purchase of those goods and services.

The normal credit terms for accounts payable are usually Nett 30 days.

- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are initially recognised at fair value, and then subsequently carried at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

# Castlemaine Health Annual Report

## Notes to and forming part of the Financial Statements

where the *Castlemaine Health* does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- present value – component that the *Castlemaine Health* does not expect to settle within 12 months; and
- nominal value – component that the *Castlemaine Health* expects to settle within 12 months.

**Non-Current Liability – conditional LSL** (representing less than 10 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional LSL is required to be measured at present value.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates of Commonwealth Government guaranteed securities in Australia.

### Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits.

Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised with those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

### On-Costs

Employee benefit on-costs, such as workers compensation and superannuation are recognised together with provisions for employee benefits.

### Superannuation liabilities

The *Castlemaine Health* does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Health Service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial statements.

## (I) Equity

### Contributed Capital

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119 *Contributions by Owners*,

# Castlemaine Health Annual Report

## Notes to and forming part of the Financial Statements

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as an operating cash flow.

Commitments for expenditure and contingent assets and liabilities are presented on a gross basis.

### (p) Rounding

All amounts shown in the financial statements are expressed to the nearest \$1,000 unless otherwise stated.

Minor discrepancies in tables between totals and sum of components are due to rounding.

### (q) AASs issued that are not yet effective

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2012 reporting period.

As at 30 June 2012, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Castlemaine Health has not and does not intend to adopt these standards early.

<b>Standard/Interpretation</b>	<b>Summary</b>	<b>Applicable for annual reporting periods beginning on</b>	<b>Impact on public sector entity financial statements</b>
AASB 9 <i>Financial instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ).	1 Jan 2013	Detail of impact is still being assessed.

# Castlemaine Health Annual Report

## Notes to and forming part of the Financial Statements

<i>Standard/Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on public sector entity financial statements</i>
	tiers of reporting requirements for preparing general purpose financial statements.		certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This Standard gives effect to consequential changes arising from the issuance of AASB 9.	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	These consequential amendments are in relation to the introduction of AASB 9.	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when measuring investment property by using the fair value model in AASB 140 Investment Property.	Beginning 1 Jan 2012	This amendment provides additional clarification through practical guidance.
AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	The amendments ultimately affect AASB 1 First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.	1 Jan 2013	No significant impact is expected on entity reporting.

# Castlemaine Health Annual Report

## Notes to and forming part of the Financial Statements

<i>Standard/Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on public sector entity financial statements</i>
	loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.		
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]	This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretation arising from the issuance of AASB 119 Employee Benefits.	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	This Standard makes amendments to AASB 119 Employee Benefits (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.
2011-13 Amendments to Australian Accounting Standard – Improvements to AASB 1049	This Standard aims to improve the AASB 1049 Whole of Government and General Government Sector Financial Reporting at the operational level. The main amendments clarify a number of requirements in AASB 1049, including the amendment to allow disclosure of other measures of key fiscal aggregates as long as they are clearly distinguished from the key fiscal aggregates and do not detract from the the information required by AASB 1049. Furthermore, this Standard provides additional guidance and examples on the classification between 'transactions' and 'other economic flows' for GAAP items without GFS equivalents.	1 July 2012	No significant impact is expected from these consequential amendments on entity reporting.
2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	This amending Standard prescribes the reduced disclosure requirements in a number of Australian Accounting Standards as a consequence of the issuance of AASB 13 Fair Value Measurement.	1 July 2013	As the Victorian whole of government and the general government (GG) sector are subject to Tier 1 reporting requirements (refer to AASB 1053 Application of Tiers of Australian Accounting Standards), the reduced disclosure requirements included in AASB 2012-1 will not affect the financial reporting for Victorian whole of government and GG sector.



**Note 2: Revenue**

	HSA 2012 \$'000	HSA 2011 \$'000	H&CI 2012 \$'000	H&CI 2011 \$'000	Total 2012 \$'000	Total 2011 \$'000
<b>Revenue from Operating Activities</b>						
Government Grants						
- Department of Health	20,984	20,371	-	-	20,984	20,371
- Department of Human Services			-	-		
- State Government - Other						
- Other	1,588	1,129	-	-	1,588	1,129
- Commonwealth Government						
- Residential Aged Care Subsidy	6,561	5,419	-	-	6,561	5,419
<b>Total Government Grants</b>	<b>29,133</b>	<b>26,919</b>	<b>-</b>	<b>-</b>	<b>29,133</b>	<b>26,919</b>
Indirect contributions by Department of Health						
- Insurance	64	534	-	-	64	534
- Long Service Leave	(44)	163	-	-	(44)	163
<b>Total Indirect Contributions by Department of Health</b>	<b>20</b>	<b>697</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>697</b>
Patient and Resident Fees						
- Patient and Resident Fees (refer note 2b)	1,570	1,763	-	-	1,570	1,763
- Residential Aged Care (refer note 2b)	3,011	2,886	-	-	3,011	2,886
- Residential Accommodation Payments	-	-	-	214	-	214
<b>Total Patient Fees and Resident Fees</b>	<b>4,581</b>	<b>4,649</b>	<b>-</b>	<b>214</b>	<b>4,581</b>	<b>4,863</b>
Business Unit & Specific Purpose Funds						
- Catering	-	-	1,029	981	1,029	981
- Laundry	-	-	69	77	69	77
- Other	-	-	253	377	253	377
<b>Total Business Unit &amp; Specific Purpose Funds</b>	<b>-</b>	<b>-</b>	<b>1,351</b>	<b>1,435</b>	<b>1,351</b>	<b>1,435</b>
Private Practice Recoupment for Use of Hospital Facilities	390	405	-	-	390	405
Other Revenue from Operating Activities	1,542	2,102	-	-	1,542	2,102
<b>Sub-Total Revenue from Operating Activities</b>	<b>35,666</b>	<b>34,772</b>	<b>1,351</b>	<b>1,649</b>	<b>37,017</b>	<b>36,421</b>
Interest	-	-	684	343	684	343
<b>Sub-Total Revenue from Non-Operating Activities</b>	<b>-</b>	<b>-</b>	<b>684</b>	<b>343</b>	<b>684</b>	<b>343</b>
Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	472	-	-	246	472	246
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	(38)	(22)	(38)	(22)
Donations and Bequests	-	-	91	142	91	142
<b>Sub-Total Revenue from Capital Purpose Income</b>	<b>472</b>	<b>-</b>	<b>53</b>	<b>366</b>	<b>525</b>	<b>366</b>
Share of Net Result of Joint Venture (refer Note 21)	-	-	315	-	315	-
<b>Total Revenue (refer to note 2a)</b>	<b>36,138</b>	<b>34,772</b>	<b>2,403</b>	<b>2,358</b>	<b>38,541</b>	<b>37,130</b>

**Indirect contributions by Department of Health**

Department of Health makes certain payments on behalf of the Health Service. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

This note relates to revenues above the net result line only, and does not reconcile to comprehensive income.

**Note 6: Cash and Cash Equivalents**

For the purposes of the Cash Flow Statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	2012 \$'000	2011 \$'000
Cash on Hand	3	3
Cash at Bank	2,167	1,040
<b>TOTAL Cash and Cash Equivalents</b>	<b>2,170</b>	<b>1,043</b>
<b>Represented by:</b>		
Cash for Health Service Operations (as per Cash Flow Statement)	1,836	744
Share of Net Result of Joint Ventures (refer note 21)	334	299
<b>TOTAL Cash and Cash Equivalents</b>	<b>2,170</b>	<b>1,043</b>

**Note 7: Receivables**

**CURRENT**

**Contractual**

Inter Hospital Debtors	301	272
Trade Debtors	512	424
Patient Fees	340	453
Accrued Investment Revenue	36	53
Accrued Revenue	42	144
Less Allowance for Doubtful Debts		
Patient Fees	(11)	(100)
	1,220	1,246

**Statutory**

GST Receivable	48	90
Accrued Revenue - Dept Health	316	-
	364	90
	1,584	1,336

**TOTAL CURRENT RECEIVABLES**

**NON CURRENT**

**Statutory**

Long Service Leave - Department of Health	847	894
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**TOTAL NON-CURRENT RECEIVABLES**

**TOTAL RECEIVABLES**

**(a) Movement in the Allowance for doubtful debts**

Balance at beginning of year	100	2
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in net result	(90)	98
<b>Balance at end of year</b>	<b>10</b>	<b>100</b>

**(b) Ageing analysis of receivables**

Please refer to Note 18(b) for the ageing analysis of receivables

**(c) Nature and extent of risk arising from receivables**

Please refer to Note 18(b) for the nature and extent of credit risk arising from receivables

**Note 8: Investments and other Financial Assets**

	Operating Fund		Specific Purpose & Capital Funds		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>CURRENT</b>						
<i>Term Deposit</i>						
Australian Dollar Term Deposits	5,796	8,222	-	-	5,796	8,222
<b>TOTAL Current</b>	<b>5,796</b>	<b>8,222</b>	<b>-</b>	<b>-</b>	<b>5,796</b>	<b>8,222</b>

**Note 8: Investments and other Financial Assets (Continued)**

**Attributed to:**

Monies Held in Trust

Patient Monies

Accommodation Bonds (Refundable Entrance Fees)

Other

Health Service Investments

**TOTAL Investments and other Financial Assets**

	2012	2011
	\$'000	\$'000
Patient Monies	494	507
Accommodation Bonds (Refundable Entrance Fees)	4,809	5,555
Other	493	706
Health Service Investments	-	1,454
<b>TOTAL Investments and other Financial Assets</b>	<b>5,796</b>	<b>8,222</b>

**(a) Ageing analysis of other financial assets**

Please refer to note 18(b) for the ageing analysis of other financial assets.

**(c) Nature and extent of risk arising from other financial assets**

Please refer to note 18(b) for the nature and extent of credit risk arising from other financial assets.

**Note 9: Inventories**

**CURRENT**

Pharmaceuticals - at cost

Catering Supplies - at cost

Housekeeping Supplies - at cost

Medical and Surgical Lines - at cost

Engineering Stores - at cost

Administration Stores - at cost

**TOTAL INVENTORIES**

Pharmaceuticals - at cost	45	46
Catering Supplies - at cost	37	20
Housekeeping Supplies - at cost	-	13
Medical and Surgical Lines - at cost	147	91
Engineering Stores - at cost	-	2
Administration Stores - at cost	-	4
<b>TOTAL INVENTORIES</b>	<b>229</b>	<b>176</b>

**Note 10: Other Current Assets**

Prepayments

**TOTAL Other Current Assets**

Prepayments	97	39
<b>TOTAL Other Current Assets</b>	<b>97</b>	<b>39</b>

**Note 11: Property, Plant & Equipment**

**Land**

- Land at fair value

**Total Land**

- Land at fair value	3,391	3,391
<b>Total Land</b>	<b>3,391</b>	<b>3,391</b>

**Buildings**

- Buildings works in progress

Less Acc'd Depreciation

- Buildings at cost

Less Acc'd Depreciation

- Buildings at fair value

Less Acc'd Depreciation

**Total Buildings**

- Buildings works in progress	123	62
Less Acc'd Depreciation	-	-
	<b>123</b>	<b>62</b>
- Buildings at cost	505	164
Less Acc'd Depreciation	11	1
	<b>494</b>	<b>163</b>
- Buildings at fair value	110,805	110,805
Less Acc'd Depreciation	80,213	76,731
	<b>30,592</b>	<b>34,074</b>
<b>Total Buildings</b>	<b>31,209</b>	<b>34,299</b>

**Plant and Equipment**

- Plant and Equipment at Fair Value

Less Acc'd Depreciation

**Total Plant and Equipment**

- Plant and Equipment at Fair Value	5,938	5,398
Less Acc'd Depreciation	3,629	3,123
<b>Total Plant and Equipment</b>	<b>2,309</b>	<b>2,275</b>

**Motor Vehicles**

- Motor Vehicles at Fair Value

Less Acc'd Depreciation

**Total Motor Vehicles**

- Motor Vehicles at Fair Value	1,209	1,108
Less Acc'd Depreciation	459	402
<b>Total Motor Vehicles</b>	<b>750</b>	<b>706</b>

**TOTAL**

<b>TOTAL</b>	<b>37,659</b>	<b>40,671</b>
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**Note 13: Borrowings (Continued)**

**(b) Nature and extent of risk arising from interest bearing liabilities**

Please refer to note 18(c) for the nature and extent of risks arising from interest bearing liabilities

**(c) Defaults and breaches**

During the current and prior year, there were no defaults and breaches of any of the loans

**Note 14: Provisions**

**Current Provisions**

Employee Benefits (i)

- unconditional and expected to be settled within 12 months (ii)
- unconditional and expected to be settled after 12 months (iii)

Employee Termination Benefits

- unconditional and expected to be settled within 12 months (ii)
- unconditional and expected to be settled after 12 months (iii)

Provisions related to Employee Benefit On-costs

- unconditional and expected to be settled within 12 months (ii)
- unconditional and expected to be settled after 12 months (iii)

**Total Current Provisions**

**Non-Current Provisions**

Employee Benefits (i)

Provisions related to Employee Benefit On-costs

**Total Non-Current Provisions**

**Total Provisions**

	2012 \$'000	2011 \$'000
Employee Benefits (i)		
- unconditional and expected to be settled within 12 months (ii)	3,948	3,229
- unconditional and expected to be settled after 12 months (iii)	2,743	2,778
Employee Termination Benefits		
- unconditional and expected to be settled within 12 months (ii)	-	-
- unconditional and expected to be settled after 12 months (iii)	-	-
	6,691	6,007
Provisions related to Employee Benefit On-costs		
- unconditional and expected to be settled within 12 months (ii)	272	271
- unconditional and expected to be settled after 12 months (iii)	277	304
	549	575
<b>Total Current Provisions</b>	<b>7,240</b>	<b>6,582</b>
<b>Non-Current Provisions</b>		
Employee Benefits (i)	1,092	1,070
Provisions related to Employee Benefit On-costs	105	117
<b>Total Non-Current Provisions</b>	<b>1,197</b>	<b>1,187</b>
<b>Total Provisions</b>	<b>8,437</b>	<b>7,769</b>

**(a) Employee Benefits & Related On-Costs**

**Current Employee Benefits**

Unconditional LSL Entitlements

Annual leave Entitlements

Accrued Wages and Salaries

Accrued Days Off

Redundancy Provision

**Non-Current Employee Benefits**

Conditional Long Service Leave Entitlements (iii)

**Total Employee Benefits**

**On-Costs**

Current On-Costs

Non-Current On-Costs

**Total On-Costs**

**Total Employee Benefits and Related On-Costs**

Unconditional LSL Entitlements	2,743	2,778
Annual leave Entitlements	2,488	2,387
Accrued Wages and Salaries	1,355	745
Accrued Days Off	105	97
Redundancy Provision		
<b>Non-Current Employee Benefits</b>		
Conditional Long Service Leave Entitlements (iii)	1,092	1,070
<b>Total Employee Benefits</b>	<b>7,783</b>	<b>7,077</b>
<b>On-Costs</b>		
Current On-Costs	549	575
Non-Current On-Costs	105	117
<b>Total On-Costs</b>	<b>654</b>	<b>692</b>
<b>Total Employee Benefits and Related On-Costs</b>	<b>8,437</b>	<b>7,769</b>

Notes:-

- (i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs
- (ii) The amounts disclosed are nominal amounts
- (iii) The amounts disclosed are discounted to present values

**(b) Movement in provisions**

**Movement in Long Service Leave:**

**Balance at start of year**

Provision made during the year

- Revaluations

- Expense recognising Employee Service

Settlement made during the year

**Balance at end of year**

<b>Balance at start of year</b>	3,848	3,745
Provision made during the year		
- Revaluations	-	-
- Expense recognising Employee Service	370	757
Settlement made during the year		(654)
<b>Balance at end of year</b>	<b>4,218</b>	<b>3,848</b>

**Note 17: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities**

<b>Net Result for the Year</b>	(4,110)	(3,787)
Depreciation	4,120	4,170
Provision for Doubtful Debts		
Net (Gain)/Loss from Sale of Plant and Equipment	38	22
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Inventories	(53)	42
(Increase)/Decrease in Receivables	(238)	(496)
(Increase)/Decrease in Prepayments	(59)	(27)
Increase/(Decrease) in Payables	(285)	7
Increase/(Decrease) in Employee Benefits	668	192
Increase/(Decrease) in Other Liabilities		
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>81</b>	<b>123</b>

**Note 18: Financial Instruments**

**(a) Financial Risk Management Objectives and Policies**

Castlemaine Health's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)
- Accommodation Bonds

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage Castlemaine Health's financial risks within the government policy parameters.

**Categorisation of financial instruments**

	Carrying Amount 2012 \$'000	Carrying Amount 2011 \$'000
<b>Financial Assets</b>		
Cash and cash equivalents	2,170	1,043
Loans and receivables	1,220	1,246
Available for sale	5,796	8,222
<b>Total Financial Assets <sup>(i)</sup></b>	<b>9,186</b>	<b>10,511</b>
<b>Financial Liabilities</b>		
At Amortised Cost	8,251	8,516
<b>Total Financial Liabilities <sup>(ii)</sup></b>	<b>8,251</b>	<b>8,516</b>

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payables)

**(b) Credit Risk**

Credit risk arises from the contractual financial assets of the Health Service, which comprises cash and deposits, non statutory receivables and available for sale contractual financial assets. The Health Service's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Health Services policy to only deal with entities with high credit ratings of a minimum Triple -B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

**Note 18: Financial Instruments (Continued)**

**(c) Liquidity Risk**

Liquidity risk is the risk of being unable to meet financial liabilities as they fall due. Castlemaine Health manages liquidity risk by monitoring cashflows and ensuring that maximum funds are available for investment and payment of financial liabilities. There has been no significant change in the Hospital's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from previous reporting period.

The following table discloses the contractual maturity analysis for Castlemaine Health's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

**Maturity analysis of financial liabilities as at 30 June**

	Carrying Amount \$'000	Contractual Cash Flows \$'000	Maturity Dates			
			Less than 1 Month \$'000	1-3 Months \$'000	3 Months to 1 Year \$'000	1-5 Years \$'000
<b>2012</b>						
Trade Creditors and Accruals	1,316	1,316	1,316	-	-	-
Borrowings	105	105	-	-	105	-
Accommodation Bonds	5,843	5,843	-	-	5,843	-
Other Financial Liabilities	987	987	-	-	987	-
<b>Total Financial Liabilities</b>	<b>8,251</b>	<b>8,251</b>	<b>1,316</b>	<b>-</b>	<b>6,935</b>	<b>-</b>
<b>2011</b>						
Trade Creditors and Accruals	1,525	1,525	887	638	-	-
Borrowings	223	223	-	-	120	103
Accommodation Bonds	5,555	5,555	-	-	5,555	-
Other Financial Liabilities	1,213	1,213	-	-	1,213	-
<b>Total Financial Liabilities</b>	<b>8,516</b>	<b>8,516</b>	<b>887</b>	<b>638</b>	<b>6,888</b>	<b>103</b>

**(d) Market Risk**

Castlemaine Health exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraph below.

**Currency Risk**

Castlemaine Health is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

**Interest Rate Risk**

Exposure to interest rate risk might arise primarily through Castlemaine Health's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, the hospital mainly undertakes financial liabilities with relatively even maturity profiles.

**Price Risk**

Castlemaine Health is exposed to price risk in respect of fee for service and contract services which are open to market competition. There has been no significant change in the Hospital's exposure, or its objectives, policies and processes for managing risk or the methods used to measure the risk from the previous reporting period.

**Note 18: Financial Instruments (Continued)**

**Financial Liabilities**

Payables	1,316	(13)	(13)	13	13
Borrowings	105	(1)	(1)	1	1
Other Financial Liabilities					
- Accommodation Bonds	5,843	(58)	(58)	58	58
- Other Liabilities	987	(10)	(10)	10	10
<b>2011</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1,043	(10)	(10)	10	10
Receivables					
- Trade Debtors	1,246				
- Other Receivables					
Other financial assets					
- Term Deposits	8,222	(82)	(82)	82	82
- Other Financial Assets		-	-	-	-
<b>Financial Liabilities</b>					
Payables	1,599				
Borrowings	223	2	2	(2)	(2)
Other Financial Liabilities					
- Accommodation Bonds	5,555	56	56	(56)	(56)
- Other Liabilities	1,213				

**(e) Fair Value**

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- the fair value of financial instrument assets and liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial instrument assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Health Services considers that the carrying amount (CA) of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values (FV), because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

	Carrying Amount 2012 \$'000	Fair Value 2012 \$'000	Carrying Amount 2011 \$'000	Fair Value 2011 \$'000
<b>Financial Assets</b>				
Cash and Cash Equivalents	2,170	2,170	1,043	1,043
Receivables				
- Trade Debtors	1,220	1,220	1,246	1,246
- Other Receivables				
Other financial assets				
- Term Deposits	3,413	3,413	8,222	8,222
- Other Financial Assets	2,383	2,383	-	-
<b>Total Financial Assets</b>	<b>9,186</b>	<b>9,186</b>	<b>10,511</b>	<b>10,511</b>
<b>Financial Liabilities</b>				
Payables	1,316	1,316	1,525	1,525
Borrowings	105	105	223	223
Other Financial Liabilities				
- Accommodation Bonds	5,843	5,843	5,555	5,555
- Other Liabilities	987	987	1,213	1,213
<b>Total Financial Assets</b>	<b>8,251</b>	<b>8,251</b>	<b>8,516</b>	<b>8,516</b>

**Note 19: Contingent Assets & Contingent Liabilities**

There were no contingent assets or liabilities as at the end of the financial year.

**Note 21: Segment Reporting**

	RAC 2012 \$'000	2011 \$'000	Acute 2012 \$'000	2011 \$'000	Other 2012 \$'000	2011 \$'000	Total 2012 \$'000	2011 \$'000
<b>REVENUE</b>								
External Segment Revenue	12,322	11,657	21,369	21,570	-	-	33,691	33,227
Intersegment Revenue	-	-	-	-	-	-	-	-
Unallocated Revenues	-	-	-	-	4,166	3,546	4,166	3,546
<b>Total Revenue</b>	<b>12,322</b>	<b>11,657</b>	<b>21,369</b>	<b>21,570</b>	<b>4,166</b>	<b>3,546</b>	<b>37,857</b>	<b>36,773</b>
<b>EXPENSES</b>								
External Segment Expenses	(12,587)	(12,276)	(20,127)	(19,442)	-	-	(32,714)	(31,718)
Intersegment Expenses	-	-	-	-	-	-	-	-
Unallocated Expense	-	-	-	-	(9,921)	(9,146)	(9,921)	(9,146)
<b>Total Expenses</b>	<b>(12,587)</b>	<b>(12,276)</b>	<b>(20,127)</b>	<b>(19,442)</b>	<b>(9,921)</b>	<b>(9,146)</b>	<b>(42,635)</b>	<b>(40,864)</b>
<b>Net Result from ordinary activities</b>	<b>(265)</b>	<b>(619)</b>	<b>1,242</b>	<b>2,128</b>	<b>(5,755)</b>	<b>(5,600)</b>	<b>(4,778)</b>	<b>(4,091)</b>
Interest Expense	(16)	(39)	-	-	-	-	(16)	(39)
Interest Income	-	-	-	-	684	343	684	343
<b>Net Result for Year</b>	<b>(281)</b>	<b>(658)</b>	<b>1,242</b>	<b>2,128</b>	<b>(5,071)</b>	<b>(5,257)</b>	<b>(4,110)</b>	<b>(3,787)</b>
<b>OTHER INFORMATION</b>								
Segment Assets	21,488	28,848	-	-	-	-	21,488	28,848
Unallocated Assets	-	-	-	-	26,894	23,533	26,894	23,533
<b>Total Assets</b>	<b>21,488</b>	<b>28,848</b>	<b>-</b>	<b>-</b>	<b>26,894</b>	<b>23,533</b>	<b>48,382</b>	<b>52,381</b>
Segment Liabilities	6,830	6,062	-	-	-	-	6,830	6,062
Unallocated Liabilities	-	-	-	-	9,858	10,297	9,858	10,297
<b>Total Liabilities</b>	<b>6,830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,858</b>	<b>10,297</b>	<b>16,688</b>	<b>16,359</b>
Acquisition of property, plant and equipment and intangible assets	-	-	-	-	1,169	1,213	1,169	1,213
Depreciation & amortisation expense	-	-	-	-	4,120	4,170	4,120	4,170

There are no eliminations required as no inter-segment revenue or expenses have been identified.

The major products/services from which the above segments derive revenue are:

**Business Segments**

Residential Aged Care Services (RACS)  
Acute and Sub-Acute Services

**Services**

Provider of residential aged care beds  
Provider of acute and rehabilitation beds

**Geographical Segment**

Castlemaine Health operates predominantly in the Municipalities of Mt Alexander & Macedon Ranges in the State of Victoria. More than 80% of revenue, net surplus from ordinary activities, and segment assets relate to operations in those areas.

**Note 22: Jointly Controlled Operations and Assets**

Name of Entity	Principal Activity	Ownership Interest	
		2012 %	2011 %
Loddon Mallee Rural Health Alliance	Information Systems	8.30	8.45
Castlemaine Health interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included			
<b>Current Assets</b>			
Cash and Cash Equivalents		336	298
Receivables		42	79
Other Current Assets		12	13
<b>Total Current Assets</b>		<b>390</b>	<b>390</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment		11	25
<b>Total Non Current Assets</b>		<b>11</b>	<b>25</b>
<b>Total Assets</b>		<b>401</b>	<b>415</b>
<b>Current Liabilities</b>			
Payables		49	51
<b>Total Current Liabilities</b>		<b>49</b>	<b>51</b>
<b>Total Liabilities</b>		<b>49</b>	<b>51</b>
<b>NET ASSETS</b>		<b>352</b>	<b>364</b>

**Note 22: Jointly Controlled Operations and Assets (Continued)**

Castlemaine Health's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenue from Operating Activities	315	282
Expenditure	(542)	(421)
<b>Surplus before Capital &amp; Depreciation</b>	<b>(227)</b>	<b>(139)</b>
Depreciation	(16)	(15)
Capital Purpose Income	-	11
Expenditure Using Capital Purpose Income	-	(56)
<b>Total</b>	<b>(16)</b>	<b>(60)</b>
<b>Net Result</b>	<b>(243)</b>	<b>(199)</b>