Annual Report 2023 - 2024

The District Nurses

SINCE 1896

Contents

Acknowledgement of Country

The District Nurses pay respect to the traditional and original owners of this land the muwinina people, we pay respect to those that have passed before us and to acknowledge today's Tasmanian Aboriginal people who are the custodians of this land.

Chair and CEO Report

We are delighted to present The District Nurses' Annual Report for FY24, showcasing a year marked by significant progress, resilience, and steadfast dedication to our mission.

This past year has been another period of transformation, highlighted by our strategic merger with South Eastern Community Care. This merger has fortified our foundation and expanded our capacity to deliver the exceptional care that our clients rely on every day. Thanks to the tireless efforts and dedication of our team, we successfully navigated the project, ensuring a smooth transition and the continued delivery of care for our clients.

Alongside the merger, we have embarked on critical systems improvement initiatives to enhance our operational efficiency and service delivery. These efforts reflect our ongoing commitment to continuous improvement and innovation, ensuring that we remain adaptable and capable of meeting the ever-evolving needs of those we serve.

Our remarkable staff, the heart and soul of our organization, have once again exemplified their dedication, compassion, and professionalism throughout this period of change. Their ability to embrace new systems and processes and work collaboratively under our integration plans has been nothing short of inspiring. We are profoundly grateful for their unwavering commitment, which has been a driving force behind our ongoing success and has reinforced our reputation as a trusted provider of in-home care.

As we look to the future, we remain mindful of the significant aged care reforms set to take effect in mid-2025. We view these reforms as an opportunity to reaffirm our commitment to quality care, transparency, and accountability. We are resolutely focused on preparing our staff and services to meet these new standards and expectations.

At the core of our mission is an unwavering commitment to supporting our clients and their families. We continue to be dedicated to delivering high-quality care that enhances the well-being of those we serve, allowing them to remain in the comfort of their own homes, surrounded by familiar and nurturing environments.

Reflecting on the achievements of this past year, we are filled with pride and optimism for the future. Our journey of growth, integration, and improvement has positioned us well to meet the challenges and embrace the opportunities ahead.

We extend our deepest appreciation to our exceptional staff, our dedicated Manager and Executive team, and our Board Members. Their skills, expertise, and commitment have been an important part of our success. We are privileged to work alongside such a highly skilled and dedicated Board.

In conclusion, The District Nurses remain steadfast in our commitment to providing exceptional care services. This year has been one of tremendous change and progress, and we look forward to the future with confidence, ready to continue making a meaningful impact on the lives of those we serve.

Tim Booker

Chair

Alison Oakes

Acting CEO

Hobart District Nursing Service Inc.

Financial Report

For the Year Ended 30 June 2024

Hobart District Nursing Service Inc.

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For the Year Ended 30 June 2024

Hobart District Nursing Service Inc.

Operating Report

30 June 2024

The Board submit the financial report of the Association for the financial year ended 30 June 2024.

1. General information

Board members

The names of the Board members throughout the year and at the date of this report are:

	Appointed
Dianne Hawkridge	21 December 2021
Timothy Booker	21 December 2021
Charles Hughes	26 May 2022
Jacqueline Howard	1 May 2023
Mark Donnelly	1 September 2023
Kerry Vincent	1 September 2023
Gary Richardson	1 September 2023

Principal activities

The principal activities of the Association during the financial year were the provision of in-home and centre based nursing, allied health, and community support services.

Significant changes

Hobart District Nursing Service Inc. (TDN) acquired South Eastern Nursing and Home Care Association Inc. (SECC) during the financial year. As a result, all assets and liabilities were transferred to TDN. The liability to former employees for the SECC payroll underpayment remains in SECC with a supporting loan to SECC for the same value recognised in the TDN balance sheet. All the operational activities of SECC were taken on by TDN, excluding the NDIS revenue stream given the registration has not yet been completed.

2. Operating results and review of operations for the year

Operating result

The net surplus from operations of the Association for the financial year amounted to $2,996,713, (2023: $625,571).

Signed in accordance with a resolution of the Members of the Board:

Chair: ....   Board Member: ....

Dated this ....9th............. day of ....October.......... 2024.

Hobart District Nursing Service Inc.

Board Declaration – per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2022

The Board declare that in the Board's opinion:

(a) there are reasonable grounds to believe that the Hobart District Nursing Service Inc is able to pay all of its debts, as and when they become due and payable; and

(b) the financial statements and notes satisfy the requirements of *the Australian Charities and Not-for-profits Commission Act 2012 (Cth).*

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2022.

Signed in accordance with a resolution of the Board:

Chair ....

Board member..

Dated this ....9th............... day of ....October........ 2024.

Hobart District Nursing Service Inc.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Note	2024	2023
		$	$
Revenue	2	26,655,345	16,267,660
Other income		80,656	56,524
Gain on merger	18	337,733	-
Employee benefits expense		(16,804,557)	(11,358,736)
Depreciation and amortisation expense	3	(307,387)	(276,227)
Communication and information technology		(416,428)	(245,946)
Finance costs	3	(19,882)	(7,826)
Medical services supplies and equipment		(4,512,445)	(2,465,172)
Travel and motor vehicle fleet		(416,399)	(273,109)
Other expenses	3	(1,599,923)	(1,071,597)
Net surplus/(deficit) from operations		**2,996,713**	**625,571**
Other comprehensive income			
Revaluation increment		1,721,630	-
Total comprehensive income for the year		**4,718,343**	**625,571**

The accompanying notes form part of these financial statements.

Hobart District Nursing Service Inc.

Statement of Financial Position

As At 30 June 2024

	Note	2024	2023
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	7,595,668	4,500,069
Trade and other receivables	5	2,640,585	1,029,736
Other assets	6	835,491	470,190
TOTAL CURRENT ASSETS		**11,071,744**	**5,999,995**
NON-CURRENT ASSETS			
Property, plant and equipment	7	6,364,549	3,314,118
Investment property	8	1,800,000	-
Intangible assets	9	10,991	867
Right of use assets	10	61,085	143,948
TOTAL NON-CURRENT ASSETS		**8,236,625**	**3,458,933**
TOTAL ASSETS		**19,308,369**	**9,458,928**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	3,341,175	620,033
Lease liability	10(c)	67,418	86,064
Employee benefits	12	2,250,177	1,372,732
Unexpended grant funds		1,782,510	1,836,186
Leasehold deposits	13	1,390,013	-
ILU capital gain liability		130,000	-
TOTAL CURRENT LIABILITIES		**8,961,293**	**3,915,015**
NON-CURRENT LIABILITIES			
Lease liability	10(c)	-	67,418
Employee benefits	12	285,417	133,179
TOTAL NON-CURRENT LIABILITIES		**285,417**	**200,597**
TOTAL LIABILITIES		**9,246,710**	**4,115,612**
NET ASSETS		**10,061,659**	**5,343,316**
EQUITY			
Accumulated surpluses		5,982,337	2,985,624
Asset revaluation reserve	14	4,079,322	2,357,692
TOTAL EQUITY		**10,061,659**	**5,343,316**

The accompanying notes form part of these financial statements.

Hobart District Nursing Service Inc.

Statement of Changes in Equity

For the Year Ended 30 June 2024

	Accumulated Surpluses	Asset Revaluation Reserve	Total
2023	**$**	**$**	**$**
Balance at 1 July 2022	**2,360,053**	**2,357,692**	**4,717,745**
Net surplus/(deficit) for the year	625,571	-	625,571
Balance at 30 June 2023	**2,985,624**	**2,357,692**	**5,343,316**

	Accumulated Surpluses	Asset Revaluation Reserve	Total
2024	**$**	**$**	**$**
Balance at 1 July 2023	**2,985,624**	**2,357,692**	**5,343,316**
Net surplus/(deficit) for the year	2,996,713	-	2,996,713
Revaluation increment	-	1,721,630	1,721,630
Balance at 30 June 2024	**5,982,337**	**4,079,322**	**10,061,659**

The accompanying notes form part of these financial statements.

Hobart District Nursing Service Inc.

Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024	2023
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and funding providers		25,137,757	15,104,461
Payments to suppliers and employees		(24,949,426)	(15,387,916)
Interest received		337,898	114,458
Interest expense		(19,882)	(7,826)
Net cash provided by (used in) operating activities	16	**506,347**	**(176,823)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received on merger		2,667,574	-
Proceeds from sale of plant and equipment		183,050	44,091
Purchase of property, plant and equipment		(136,624)	(23,035)
Purchase of intangible assets		(13,328)	-
Net cash provided by (used in) investing activities		**2,700,672**	**21,056**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liability		(89,964)	(144,599)
Net Movement In Leasehold Deposits		(21,456)	-
Net cash provided by (used in) financing activities		**(111,420)**	**(144,599)**
Net increase (decrease) in cash and cash equivalents held		3,095,599	(300,366)
Cash and cash equivalents at beginning of year		4,500,069	4,800,435
Cash and cash equivalents at end of financial year	4	**7,595,668**	**4,500,069**

The accompanying notes form part of these financial statements.

The financial report covers Hobart District Nursing Service Inc. as an individual entity. Hobart District Nursing Service Inc. is a not-for-profit Association, incorporated and domiciled in Australia.

Hobart District Nursing Service Inc is funded by Federal and State governments to provide a range of support services. They provide community nursing and in-home healthcare support.

The functional and presentation currency of Hobart District Nursing Service Inc. is Australian dollars.

1 Summary of material accounting policy information

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board (AASB), of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the *Associations Incorporation Reform Act 2012*. The Association is a not for profit entity for financial reporting purposes under Australian Accounting Standards. The material accounting policies adopted in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

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 fixed assets, financial assets and financial liabilities. The amounts presented within the financial statements have been rounded to the nearest dollar.

Hobart District Nursing Services Inc took effective control of South Eastern Nursing & Home Care Association Inc. effectively on the 1 January 2024. The impact of the merged entities is detailed in Note 18.

(a) Comparative amounts

Comparatives are consistent with prior years, unless otherwise stated.

(b) Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, at call 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.

Bank overdrafts also form part of cash equivalents for the purpose of the Statement of Cash Flows and are presented within current liabilities on the Statement of Financial Position.

1 Summary of material accounting policy information cont.

(e) Property, plant and equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are shown at independent valuation undertaken in September 2022 as valued by Acumentis. Land and buildings transferred in from the merger with South East Community Care were independently valued in April 2023 by Herron Todd White.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight line or diminishing value basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	**Depreciation rate**
Buildings	2.5%-10%
Plant and equipment	20%-25%
Furniture, fixtures and fittings	10%-33.3%
Motor vehicles	12.5%-20%
Computer equipment	20%-33.3%

Investment properties

The land and building associated with the retirement village owned and operated by the Association have been classified as investment properties under AASB 140.

Investment properties are held to generate long-term rental yields and capital growth. Investment properties are carried at fair value. Changes to fair value are recorded in the statement of comprehensive income.

1 Summary of material accounting policy information cont.

(f) Intangible assets

Patents and trademarks

Nursing Service Rights are recorded at cost. The Nursing Service Rights have a finite life and are carried at cost less any accumulated amortisation and impairment losses. The rights are amortised over their useful life of 10 years. Nursing Service Rights were disposed of at 30 June 2024.

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

Amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is any evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

1 Summary of material accounting policy information cont.

(h) Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

1 Summary of material accounting policy information cont.

(h) Financial instruments cont.

Financial assets cont.

Financial assets through other comprehensive income

There are no financial assets classified as fair value through other comprehensive income.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association assesses on an ongoing basis that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade and other receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

1 Summary of material accounting policy information cont.

(h) Financial instruments cont.

Financial assets cont.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flow are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(i) Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade and other payables and lease liabilities.

(j) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in the statement of comprehensive income.

Contributions made by the Association to an employee superannuation fund are charged as expenses when incurred.

(k) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1 Summary of material accounting policy information cont.

(l) Leases

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options if lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Association as a *lessor*

The Association accounts for independent living units as lessor under AASB 16 Leases.

(m) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Independent Living Units (ILU) capital gain liability

The Association has recognised there is a future cost to the Association when current residents depart from their independent living unit. The provision recognises the resident's portion of any future capital gain on movement in the value of the independent living unit. The portion of gain entitlement varies from contract to contract. The resident's portion is up to 50% of any future capital gain. The Association has used current valuations and selling prices to determine the liability as at financial year end. This liability is reviewed annually based on the best available information at financial year end.

1 Summary of material accounting policy information cont.

(n) Leasehold deposits

Leasehold Deposits represent the amount payable to a resident on termination of the resident's occupation rights to an independent living unit in a retirement village. The liability is measured as the principal amount less accrued retention amounts.

Consistent with the current interpretation by the accounting profession, there is not an unconditional right to defer the settlement of these amounts; therefore the full value of Leasehold Deposits is recorded as a current liability of the Association. In practice historical trends of the industry suggest that it is not probable that the full value of these funds will be repaid over the next 12 month period.

Deferred management fees are not settled in cash until such time as the resident departs, accordingly a deferred management fee receivable is recognised on the statement of financial position. In accordance with the retirement village residency agreement, the Association has a legally enforceable right to set off the deferred management fee receivable with the resident Leasehold Deposits. In practice the settlement of the asset and liability occur simultaneously. Accordingly, the asset and liability are offset and the net amount presented in the statement of financial position as a (net) resident Leasehold Deposits liability. There is no credit risk because there is a legal right to set off against the resident Leasehold Deposits owing. No impairment is recognised for these amounts.

(o) Revenue and other income

Operating Grants/Subsidies - Under AASB 1058

Assets arising from grants in the scope of AASB 1058 (i.e. agreements that are not enforceable or do not have sufficiently specific performance obligations) are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Association significantly below its fair value.

The Association then considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised, then income is recognised for any difference between the recorded asset and liability.

Fees - Under AASB15

Where service fee 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.

Interest revenue

Interest is recognised using the effective interest method.

1 Summary of material accounting policy information cont.

(p) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

Classification of retirement village buildings

The buildings associated with the retirement villages owned and operated by the Association have been classified as investment properties under AASB 140.

(q) Critical accounting estimates and judgments

The Board members evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best information available in the circumstances. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association, however as additional information is known then the actual results may differ from the estimates.

Key Estimates - Impairment of receivables

The Board assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of intangible assets are reassessed incorporating various key assumptions and impairment recognised, if any.

Key Judgements - Employee Benefits

For the purpose of the measurement, the Association expects that most employees will take their annual leave entitlements within a 12-month period in which they are earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Key judgement - Revenue recognition

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving review of the grant documents and consideration of the terms and conditions. Grants received by the Association have been accounted for under AASB 15 and/or AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

1 Summary of material accounting policy information cont.

Key judgement - Fair value property

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

In the current environment with property price increases, interest rate increases and other factors surrounding property, valuations of property may change significantly and unexpectedly over a relatively short period of time. Given this uncertainty noted, in determining the property values, the valuer has taken into account only factors and conditions that were present at the date of valuation and not factors that have occurred since this date. The estimates and judgements are based on the best available information at the time of preparing the valuers report, however, as additional information is known then the actual result may differ from the estimates.

(n) Economic dependence

Hobart District Nursing Service Inc. is dependent on both State and Commonwealth Government departments for the majority of its revenue used to operate the business. At the date of this report the Board has no reason to believe the State and Commonwealth Government departments will not continue to support Hobart District Nursing Service Inc.

(o) Adoption of new and revised accounting standards

There are no standards that are not yet effective and would be expected to have a material impact on the entity in the current or future upcoming periods.

	2024 $	2023 $
2 Revenue		
- Fees	15,691,695	10,175,083
- Grants	9,615,854	5,978,119
- Interest	283,748	114,458
- Corporate Costs Recovered from South Eastern Community Care (SECC)	1,064,048	-
Total revenue	**26,655,345**	**16,267,660**

3 Result for the year

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance costs line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

Finance cost:

	2024 $	2023 $
- Interest expense - leased asset	19,882	7,826
Total finance cost	**19,882**	**7,826**

The result for the year includes the following specific expenses:

	2024 $	2023 $
Other expenses:		
- Accounting and audit	45,213	9,635
- Advertising and marketing	35,127	29,399
- Bad debt	9,802	8,019
- Brokerage	297,686	310,470
- Board expenses	388,616	115,652
- Consumables	-	119,872
- Cleaning	54,501	39,406
- Consulting and professional fees	26,754	134,215
- Equipment < $1,000	11,437	2,478
- Insurance	134,431	98,326
- Merger costs	306,261	-
- Other operating expenses	22,504	52,680
- Printing and postage	119,203	73,683
- Property expenses	67,178	17,374
- Repairs and maintenance	52,548	26,731
- Subscriptions	28,662	33,657
Total other expenses	**1,599,923**	**1,071,597**
Depreciation and amortisation:		
- Depreciation of property, plant and equipment	218,285	130,531
- Amortisation	89,102	145,696
Total depreciation and amortisation	**307,387**	**276,227**

	2024	2023
	$	$

4 Cash and cash equivalents

	2024 $	2023 $
Cash on hand	800	600
Cash at bank	3,064,793	768,935
Cash investments	4,530,075	3,730,534
	7,595,668	**4,500,069**

Reconciliation of cash

Cash and Cash equivalents reported in the Statement of Cash Flows are reconciled to the equivalent items in the Statement of Financial Position as follows:

	2024 $	2023 $
Cash and cash equivalents	7,595,668	4,500,069
	7,595,668	**4,500,069**

5 Trade and other receivables

	2024 $	2023 $
Trade receivables	1,988,320	176,020
Provision for doubtful debts	(878,961)	-
Government receivables – Home Care Package	1,531,226	853,716
	2,640,585	**1,029,736**

6 Other assets

	2024 $	2023 $
Prepayments	687,237	338,519
Accrued income	67,296	131,671
Sundry debtors	80,958	-
	835,491	**470,190**

7 Property, plant and equipment

	2024 $	2023 $
LAND AND BUILDINGS		
Land		
At independent valuation (2022)	**1,955,049**	**968,400**
Buildings		
At independent valuation (2022)	1,036,581	2,652,710
At cost	3,621,110	-
Accumulated depreciation	(538,114)	(419,110)
Total buildings	**4,119,577**	**2,233,600**
Total land and buildings	**6,074,626**	**3,202,000**
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	655,464	478,702
Accumulated depreciation	(599,424)	(468,929)
Total plant and equipment	**56,040**	**9,773**
Furniture, fixtures and fittings		
At cost	190,363	144,988
Accumulated depreciation	(155,461)	(135,439)
Total furniture, fixtures and fittings	**34,902**	**9,549**
Motor vehicles		
At cost	135,655	131,096
Accumulated depreciation	(115,306)	(114,679)
Total motor vehicles	**20,349**	**16,417**
Computer equipment		
At cost	589,684	341,970
Accumulated depreciation	(421,849)	(277,933)
Total computer equipment	**167,835**	**64,037**

Hobart District Nursing Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2024

7 Property, plant and equipment cont.

	2024 $	2023 $
PLANT AND EQUIPMENT cont.		
Leasehold improvements		
At cost	15,405	15,405
Accumulated depreciation	(4,608)	(3,063)
Total leasehold improvements	**10,797**	**12,342**
Total Plant and Equipment	**289,923**	**112,118**
Total property, plant and equipment	**6,364,549**	**3,314,118**

7 Property, plant and equipment cont.

(a) Movements in carrying amounts of property, plant and equipment

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

	Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Total
	$	$	$	$	$	$	$	$
Year ended 30 June 2023								
Balance at the beginning of the year	968,400	2,309,971	13,882	11,406	13,476	34,808	69,667	3,421,610
Additions	-	-	-	-	-	-	23,035	23,035
Depreciation expense	-	(76,371)	(1,540)	(1,633)	(3,927)	(18,391)	(28,665)	(130,527)
Balance at the end of the year	**968,400**	**2,233,600**	**12,342**	**9,773**	**9,549**	**16,417**	**64,037**	**3,314,118**
Year ended 30 June 2024								
Balance at the beginning of the year	968,400	2,233,600	12,342	9,773	9,549	16,417	64,037	3,314,118
Transfers in on merger with SECC	455,049	803,783	-	34,898	23,360	162,446	71,223	1,550,759
Additions	-	-	-	18,911	7,458		117,713	144,082
Revaluation increment	531,600	1,190,030	-	-	-	-	-	1,721,630
Disposals - written down value	-	-	-	-	-	(116,805)	(30,950)	(147,755)
Depreciation expense	-	(107,836)	(1,545)	(7,542)	(5,465)	(41,709)	(54,188)	(218,285)
Balance at the end of the year	**1,955,049**	**4,119,577**	**10,797**	**56,040**	**34,902**	**20,349**	**167,835**	**6,364,549**

	2024	2023
	$	$

8 Investment properties

At fair value		
Investment property	1,800,000	-
	1,800,000	-

(a) Movements in carrying amounts of investment properties

At fair value		
Balance at beginning of year	-	-
Transfers in	1,800,000	-
Balance at end of year	**1,800,000**	-

9 Intangible assets

Computer software		
At cost	424,796	411,468
Accumulated amortisation and impairment	(413,805)	(410,601)
Net carrying value	**10,991**	**867**
Nursing service rights		
At cost	-	138,475
Accumulated amortisation and impairment	-	(138,475)
Net carrying value	**-**	-
Total Intangible assets	**10,991**	**867**

(a) Reconciliation detailed table

Balance at the beginning of the year	867	2,508
Additions	13,328	-
Amortisation	(3,204)	(1,641)
Impairment	-	-
Balance at end of year	**10,991**	**867**

		2024 $	2023 $

10 Right of use assets

		2024 $	2023 $
At cost		266,553	602,249
Accumulated depreciation		(205,468)	(458,301)
Balance at end of year		**61,085**	**143,948**

(a) Reconciliation detailed table

	2024 $	2023 $
Leased building:		
Balance at the beginning of the year	127,723	194,362
Amortisation	(66,638)	(66,639)
Balance at end of year	**61,085**	**127,723**
Leased motor vehicles:		
Balance at the beginning of the year	16,225	93,641
Amortisation	(16,225)	(77,416)
Balance at end of year	-	**16,225**

(b) AASB 16 related amounts recognised in the statement of profit or loss

	2024 $	2023 $
Depreciation charge related to right-of-use assets	66,638	144,055
Interest expense on lease liabilities	19,882	7,826
Short-term leases expense	236,588	21,622
Low value asset leases expense	32,272	14,484

(c) Total future lease payments at the end of the reporting period

	2024 $	2023 $
No later than 1 year	67,418	86,064
Between 1 to 5 years	-	67,418
Greater than 5 years	-	-
Total future lease payments	**67,418**	**153,484**

11 Trade and other payables

		2024 $	2023 $
South Eastern Nursing and Home Care Association Inc.	(a)	1,323,752	-
Trade payables		537,399	217,848
Accrued employee expenses		728,471	296,482
Sundry payables and accrued expenses		706,463	92,621
GST payable		45,090	13,082
		3,341,175	**620,033**

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

(a) In-kind support to SECC relating to the underpayment of wages liability occurring prior to merger.

	2024	2023
	$	$

12 Employee benefits

	2024 $	2023 $
CURRENT		
Annual leave	1,123,513	764,251
Long service leave	667,511	588,563
Other leave liabilities	459,153	19,918
	2,250,177	**1,372,732**
NON-CURRENT		
Long service leave	251,225	133,179
Other leave liabilities	34,192	-
	285,417	**133,179**

13 Leasehold deposits

(a) Movements in carrying amount of leasehold deposits

	2024 $	2023 $
Balance at beginning of year	-	-
Transfers in	1,411,469	-
Retention	(21,456)	-
Balance at end of year	**1,390,013**	-

14 Reserves

The asset revaluation reserve arises on the revaluation of land and buildings. Where a revalued asset is sold, that portion of the asset revaluation reserve, which relates to that asset, and is effectively realised, is transferred directly to accumulated surpluses.

15 Capital commitments

There are no capital commitments as at reporting date to be disclosed.

16 Cash flow information

Reconciliation of net surplus/(deficit) to net cash provided by operating activities

	2024	2023
	$	$
Net surplus/(deficit) from operations for the year	2,996,713	625,571
Adjustments:		
- depreciation and amortisation expenses	307,387	276,227
- net gain on disposal of property, plant and equipment	(42,753)	(44,095)
- -net gain on merger with SECC	(337,733)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(878,971)	(832,694)
- (increase)/decrease in other assets	66,065	(167,694)
- increase/(decrease) in trade and other payables	(818,919)	106,724
- increase/(decrease) in unexpended grant funds	(928,812)	(254,767)
- increase/(decrease) in employee benefits	(48,532)	113,905
- increase/(decrease) in intercompany payable	191,902	-
Cashflow from operations	**506,347**	**(176,823)**

17 Financial risk management

The Association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

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

	Note	2024	2023
		$	$
Financial Assets			
Cash and cash equivalents	**4**	7,595,668	4,500,069
Trade and other receivables	**5**	2,640,585	1,016,654
Total financial assets		**10,236,253**	**5,516,723**
Financial Liabilities			
Trade and other payables	**11**	3,341,175	606,951
Unexpended grant funds		1,782,510	1,836,186
Leasehold deposits		1,390,013	-
Lease Liability	**10(c)**	67,418	153,484
Total financial liabilities		**6,581,116**	**2,596,621**
Net Financial Assets		**3,655,137**	**2,920,102**

18 Gain on merger

In September 2023 Hobart District Nursing Service Inc. (TDN) merged with South Eastern Nursing and Home Care Association Inc. (SECC) with recognition of assets and liabilities transferred at 1 January 2024 to TDN. An assessment of the financial assets and liabilities was undertaken to ensure they were recorded at fair value, appropriately classified and designated in accordance with Australian Accounting Standards and the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Not all the trading of SECC could be transferred to TDN as NDIS licences needed to be transferred. For Trading post 1 January 2024 a loss has been made in SECC and this has been supported by TDN so SECC can pay its debts as and when they fall due.

	$
Assets	
Cash and cash equivalents	2,667,574
Trade and other receivables	731,878
Investment properties	1,800,000
Property, plant and equipment	1,550,760
Right of use assets	3,034
Other assets	431,366
Total assets recognised on merger	**7,184,612**
Liabilities	
Trade and other payables	760,055
ILU capital gain liability	130,000
ILU deposits	1,411,469
Lease liability	3,900
Employee benefits	1,078,215
Unexpended grant funds	875,136
Payroll liability	1,456,254
Total liabilities recognised on merger	**5,715,029**
Net gain recognised at merger 1 January 2024	**1,469,583**
Financial support to SECC post-merger	1,131,850
Net gain recognised at merger 30 June 2024	**337,733**

19 Auditor's Remuneration

	2024	2023
	$	$
Auditing, preparing the financial statements and acquittal	23,950	20,500
Total auditor's remuneration	**23,950**	**20,500**

20 Key management personnel disclosures

The total remuneration paid to key management personnel of the Association is $1,169,663 (2023: $688,804).

21 Contingencies

In the opinion of the Board, the Association did not have any contingencies at 30 June 2024 (30 June 2023: None).

22 Going concern

The financial report has been prepared on the going concern basis, which contemplates the ultimate continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

In determining the appropriateness of the going concern principle the Board has considered the level of cash held by the Association as at the date of this report and is satisfied that the Association has sufficient resources available to meet the forward outgoings for a period of at least twelve months from the date of this report.

23 Related parties

There have been no other related party transactions during the year outside of those disclosed within Note 15.

24 Events occurring after the reporting date

SECC is expected to be wound up by June 2025. The timing is contingent on TDN receiving its NDIS registration which will allow the transfer of NDIS clients to TDN.

Payments were made to former SECC staff commencing in July 2024 relating to the underpayment of wages liability in that entity. Payments to date have totalled $856,639. Work is continuing to contact the remaining staff affected.

25 Association details

The registered office of the Association is:

Hobart District Nursing Service Inc.
2 Birdwood Avenue
MOONAH TAS 7009

Auditor's Independence Declaration to the Members of Hobart District Nursing Service Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been no contraventions of the auditor independence requirements of the *Corporation Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* or any applicable code of professional conduct in relation to the audit of the abovementioned entity.

Wise Lord & Ferguson

WISE LORD & FERGUSON

JOANNE DOYLE
Partner
Date: 9 October 2024.

INDEPENDENT AUDITOR'S REPORT

To the Members of Hobart District Nursing Service Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hobart District Nursing Service Inc (the Association), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Hobart District Nursing Service Inc. has been prepared in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Reform Act 2012*, including:

(a) giving a true and fair view of the Association's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (Including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of the Association are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of Responsible Entities for the Financial Report

The Board of the Association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board are responsible for assessing the Association'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 the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- Conclude on the appropriateness of the Board's 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association 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.
- We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independence

We confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of Hobart District Nurses Service Inc., would be in the same terms if given to the responsible entities as at the time of this auditor's report.

Wise Lord & Ferguson

WISE LORD & FERGUSON

J Doyle

JOANNE DOYLE
Partner
Date: 9 October 2024.