



Annual Report 2017 - 2018



The District Nurses

SINCE 1896

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Financial Report for the year ending 30 June 2018



The Board

Joint Patronage:

Her Excellency Professor the Honourable Kate Warner AM, Governor of Tasmania and Mr Warner.

Meetings Attended

Chair:	Gayle Johnson	7/8
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Vice Chair:	Ian Nelson	8/8
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Members of the Board:

Miriam Coleman	8/8
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Maree Fudge	8/8
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David Nowell	8/8
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Jan Snashall	July – October	2/3
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Chair Report



I have pleasure in presenting the Hobart District Nursing Service Inc (HDNS) Board Chair's report for the 2017/18 financial year.

HDNS has continued to develop its business during the past year advancing our objective to be the leading provider of community healthcare in Tasmania.

Of particular significance in the past year has been our growth in Home Care Packages. At the time of writing this report, HDNS had just signed up its 100th Home Care Package client.

The importance of this milestone cannot be understated.

With the Government intending to cease block funding of the Commonwealth Home Support Program in 2020, a proven capacity to deliver quality, flexible and consumer directed Home Care Packages will be the key to our future.

The Home Care Package model established by our organisation is unique and differentiates us from other providers. We have employed two Registered Nurses as Community Nurse Navigators and they are specialists in linking services to clients. They are highly trained professionals who are able to provide independent guidance and support to clients. We are also able to guarantee our clients that when they deal with us, they are always speaking to someone who lives in Tasmania, who can meet with them face to face, anytime, anywhere.

Our other strength as a Home Care Package Provider is that we employ Nurses and Community Support Workers across the State, guaranteeing our clients the highest quality of care.

The hospice@HOME (h@H) program officially ended on June 30 2018.

Over the 5 years of the project, HDNS delivered wrap around packages of care to 2,491 Tasmanians. 52.9% of h@H clients died in the place of their choosing compared to only 14% of clients nationally. 21% of h@H patients died in the acute hospital setting compared to 70.1% of patients nationally. The resultant savings to the Tasmanian Public Hospital system were in the order of \$2.4 million.

As an organisation we will continue to strive to influence decision makers that all Australians who wish to do so, have the right to receive the care and supports necessary to die at home. This year has also seen the organisation implement a number of major IT projects. The Mobility Function of the Procura Client Management system, which was introduced in 2016, has been rolled out this year.

All Community Support Workers and Nurses have been provided with mobile devices which are used for the receipt of rosters and staff are using these devices to record the commencement and conclusion of scheduled visits.

Visits are scheduled using the geo-location function within Procura resulting in increased efficiencies in travel times to visits.

The next stage of Procura mobility will be linking the mobile solution to the payroll function, obviating the need for paper timesheets.

The rollout of Procura mobility is key to achieving our goal of redesigning our organisation to one which has a mobilized and flexible workforce and increasing our overhead efficiency.

The other major IT project undertaken this year has been the introduction of the Riskman electronic incident management system. Through Riskman, HDNS now has a whole of organisation system for the identification, reporting and management of incidents and risks as well as a mechanism to record and monitor complaints and compliments.

A key indicator of the commitment of the Board and the Executive to good governance has been the engagement this year of BDO as the organisations Internal Audit provider. The Internal Audit function provides an independent, objective assurance and advisory activity designed to add value and improve the governance, risk management and control processes which support the delivery of our strategic objectives. It helps by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of processes and systems across the organisation and ensures that key strategic, operational, compliance and financial risks are being appropriately managed. To date, two Internal Audits have been undertaken. The first was on Cyber Security and the second on Procurement. These audits were undertaken at the direction of the Audit and Risk Committee as well as by consulting the Executive.

One of the joys for me as Chair of the Board this year was the nomination of the Glenorchy Auxiliary for the receipt of a Glenorchy City Council Volunteer Award.

The Glenorchy Auxiliary was formed in 1961 and has operated continuously since that time.

The purpose of the Auxiliary is to raise funds for HDNS to enable the purchase of equipment which would otherwise not be possible for the service to acquire.

The Auxiliary currently has 16 members, one of whom, Mrs Jenny Milles has been a member since the inception of the Group in 1961 and has been secretary since 1965.

The Auxiliary organise a range of fundraising activities every year including raffles and chocolate sales. They also organise luncheons for participants of the HDNS Social Centre.

Over the life of the Glenorchy Auxiliary, countless pieces of equipment have been purchased for the use of the service.

In recent years, the fundraising efforts of the Auxiliary have been used to purchase diagnostic equipment and treatment trolleys for our Community Clinic, stethoscopes and equipment bags and trolleys for the Community Nurses to name but a few items.

The volunteer efforts of the Glenorchy Auxiliary have been, and continue to be, enormously important to the capacity of the service to continue to provide nursing and in home care to anyone who needs it, not only in Glenorchy but across the State.

To quote from the book written by Diane Snowden on the history of HDNS, the Glenorchy Auxiliary “are a fantastic group of ladies who continue raising funds towards a deserving service in the community “.


I am pleased to report that the 2017/18 financial audit report again returned an unqualified outcome. Congratulations to Chief Financial Officer, Nick Miller, and his team for their continued efforts to implement improved financial systems and processes that assist and benefit the whole organisation.

The achievements outlined above, and many others not mentioned, reflect another busy year for HDNS. I would like to thank all staff for their contribution to the results achieved and overall outcome. As an organisation HDNS is subject to constant change and has responded well to the challenges presented. I am extremely proud of our achievements.

I would also like to thank Vice Chair and immediate past Chair, Ian Nelson and the Audit and Risk Committee Chair, Miriam Coleman for their guidance and assistance to me over the past year. I would also like to thank all other Board members for their contribution during the past year.

Finally, I would like to pay special thanks to our Chief Executive, Kim Macgowan and her leadership team for their contribution to the organisation.

I commend the HDNS Annual Report to you.



Gayle Johnston
Chair



Chief Executive Report

It is with pride that I present the Chief Executive report for The Hobart District Nursing Service Inc. 122nd Annual Report.

The 2017/18 financial year has been very much one of reflection and consolidation. Reflections on our achievements most certainly, but also upon our business model post the highly successful hospice@Home (h@H) project. The legacy of h@H took a number of forms. There was a shift in our culture brought about by increased staff numbers and a state-wide presence. Our brand became highly recognisable and our profile has increased not only within Tasmania but nationally.

We took a very planned approach to ensuring we carried forward the best of the h@H project and using the experience gained to review our business model. There are times when breaking with tradition can be liberating and this has been the case with moving away from the Director of Nursing position. The new executive positions of Director of Clinical Governance and Director of Community Services are exemplars of the two aspects of our business, Nursing/ Allied Health and non-clinical community care. This re-design of roles has also reinforced the importance of good governance in all aspects of our business.

Whilst I report on expansion, industry awards and new markets as a matter of course in most years, 2017/18 has seen us limit our tendering activity and place an embargo on award nominations. Once we have taken a planned approach to consolidate our business, our workforce, workloads and our market share. It feels very much like taking a big breath before we launch ourselves into the new world of health, one where bulk funding will be relegated to the past.

A legendary figure from the HDNS past was that of Bill Flassman. Bill died this year. He joined the Board in the 1998/99 financial year without doubt the most turbulent year of the Service's history. The Service was facing insolvency but Bill took on the treasurer's position and was instrumental in the stabilization and eventual turn around. Bill embodied the true meaning of mentor. Upon my commencement in 2000 Bill afforded me opportunities many of my contemporaries are only today receiving. Bill insisted that the Board sponsor me to undertake the Company Directors course, he coached me in governance and finance and he was unfailing in his support.

Bill required the highest standards of honesty and accuracy. He also saw compassion for our clients and commitment to our staff as the keystones to delivering on our purpose. Bill retired from the Board in 2005.

Vale William Mervyn (Bill) Flassman AM JP

A highlight of this past year has been our school based vocational training and work experience program. Year 11 and 12 students from Guilford Young College and St Mary's College have undertaken formal programs designed to offer health and community care as a career pathway. It has been a long-held vision of Emily Balmer, (Human Resources Manager) that young people can and need to be encouraged to work in the community care sector. The success of the program has ensured the continuation. This is a long-term investment in our future workforce.

I anticipate 2018/19 to be one where we reap the rewards of the hard work undertaken across the past two years in positioning ourselves for the future. This is a long-term investment in our future workforce.

Workforce planning and workforce development must be the focus if we are to survive and thrive through this period of industry wide change. Who we employ to deliver our services and how those services are delivered will require re-thinking. We are faced with the difficulty of what is essentially a fixed income. We are limited in our ability to raise the price of our services as we will become uncompetitive within the market. As a charity we cannot raise funds from shareholders as many for-profit competitors are able to do and we can only accept the set price Government pays for programs such as the NDIS and Veterans care. To undertake innovation, technological advancement and continue to offer competitive salaries and wages, we must become more productive.

Productivity gains do not translate to job losses or doing more with less...it means doing more by being smarter. It means taking full advantage of the technology available to us and exploring and inventing new ways of delivering services to people in the places they live and work. This will require task change.

Task change in the current jobs we offer is inevitable; it is inevitable because the patient, client, customer will demand it of us. If we are rigid and not fluid in our thinking we will not remain the employer of choice or Tasmania's most loved and respected community healthcare provider. More importantly rigidity will stifle innovation and be a disincentive to recruiting and retaining the right staff.

Productivity through task change will enable job creation. We must target the right skills and educate our staff to secure and embed those skills. The jobs we offer must be jobs that offer dignity and a career pathway.

Our consumers, (patients and clients), look to us to assist them through this complex and confusing era of health and aged care. Our most important obligation to our consumers is to offer hope. Hope that their health will be restored, their independence will be returned or that they can be re-enabled to live happy healthy lives. To do otherwise is in complete denial of the HDNS purpose.

I anticipate this next year to be one where we reap the rewards of the hard work undertaken across the past two years in positioning ourselves for the future. We will emerge more resilient to market forces and better positioned to take full advantage of what technology and innovation will offer.

I look forward to undertaking this journey with our committed and engaged staff and an executive team that has demonstrated they are more than up to the task.

My final remarks for this annual report are reserved for my Chief of Staff Narelle Calphy. I offer my sincere thanks for all she contributes to the success of my role and that of the Board. It is however the quiet wisdom and the thoughtful often thought provoking guidance Narelle so generously provides to staff at all levels of the organisation that I gratefully acknowledge on behalf of us all.



Kim Macgowan
Chief Executive

Glenorchy Auxiliary

Once again we have completed a successful fundraising year in support of The District Nurses.

We acknowledge the passing of our popular Life Member Mrs Jean Ryland whose contribution over many years was outstanding.

We welcomed three new members to our ranks Mesdames Anne Fitzgerald, Claire Johnson and Gaye Hansson.

We have held several BBQs over the year with the trade tables being well patronised. The Auxiliary also held our usual Christmas and Easter raffles. Purchases of fundraising chocolates have been well supported by staff.

Our purchases for the year include digital thermometers for the Community Nurses and a resuscitation trolley for the District Nurses Clinic. A beater/mixer was purchased for the Day Centre; also a water purifier.

We were nominated to accept a Volunteers Award as a group which was organised by the Glenorchy City Council. This was held at DEC and we were presented with a framed certificate and volunteer badges.

In closing I would like to thank CEO Kim Macgowan for her ongoing support of the Auxiliary, also my thanks and admiration to Jenny Milles our superb Secretary and Marcia Holbrook our Treasurer whose work on our behalf is so excellent.

Well done to all our Ladies.

Andrea Self

PRESIDENT



Awards 2017

The District Nurses Awards for Excellence

Helen Jarman RN
Danielle Woodcock CSW

Chief Executive Award for Employee of the Year awarded for outstanding contributions to achieving the mission of The District Nurses

Kelly Frerk RN



Hobart District Nursing Service Inc

Financial Report

For the Year Ended 30 June 2018

Hobart District Nursing Service Inc

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For the Year Ended 30 June 2018

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Hobart District Nursing Service Inc

Operating Report

30 June 2018

The Board submit the financial report of the Association for the financial year ended 30 June 2018.

1. General information

Board members

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

Gayle Johnston

Chair

David Nowell

Ian Nelson

Jan Snashall

Resigned 27 November 2017

Miriam Coleman

Maree Fudge

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

The following significant changes in the nature of the principal activities occurred during the financial year:

The Hospice @ Home programme funding was extended to include the 2018 financial year, due to available unspent funds. Hospice @ Home formally ceased on 30 June 2018, and any unspent funds will be returned to the Commonwealth Government following the final reporting and acquittal of funds post year end. The closure of the Hospice @ Home will reduce the recurrent Commonwealth Government funding of The District Nurses in 2019.

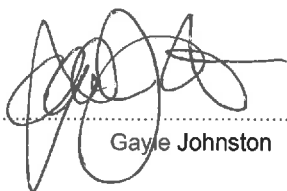
2. Operating results and review of operations for the year

Operating result

The net surplus/(deficit) of the Association for the financial year amounted to \$487,794 (2017: \$539,435).

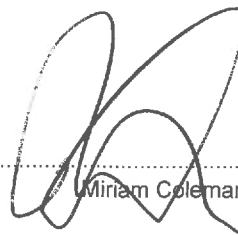
Signed in accordance with a resolution of the Members of the Board:

Chair:



Gayle Johnston

Board Member:



Miriam Coleman

Dated this third day of October 2018.

Hobart District Nursing Service Inc

Board Declaration – per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

The Board declare that in Boards' 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 2013.

Signed in accordance with a resolution of the Board:

Chair

Gayle Johnston

Board member

Miriam Coleman

Dated this 3RD day of OCTOBER 2018.

Hobart District Nursing Service Inc

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Fees		1,858,573	1,978,528
Grants		10,267,242	13,645,442
Interest		142,969	255,762
Other income		179,968	125,654
Employee benefits expense		(8,768,337)	(9,819,541)
Depreciation and amortisation expense	2	(477,790)	(508,715)
Communication and information technology		(332,555)	(350,829)
Medical services supplies and equipment		(215,123)	(263,250)
Travel and motor vehicle fleet		(241,993)	(337,484)
Other expenses	2	(1,923,118)	(4,181,448)
Finance costs	2	(2,042)	(4,684)
Net surplus/(deficit) from continuing operations		487,794	539,435
Other comprehensive income		-	-
Total comprehensive income for the year		487,794	539,435

The accompanying notes form part of these financial statements.

Hobart District Nursing Service Inc

Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	9,044,975	11,964,076
Trade receivables	4	140,522	144,283
Other assets	5	287,822	457,737
TOTAL CURRENT ASSETS		9,473,319	12,566,096
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,597,555	2,016,546
Intangible assets	7	188,526	244,089
TOTAL NON-CURRENT ASSETS		1,786,081	2,260,635
TOTAL ASSETS		11,259,400	14,826,731
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	281,911	339,633
Borrowings	9	6,330	39,033
Employee benefits	10	1,154,934	921,827
Unexpended grant funds		3,299,653	7,469,414
TOTAL CURRENT LIABILITIES		4,742,828	8,769,907
NON-CURRENT LIABILITIES			
Borrowings	9	-	4,049
Employee benefits	10	124,014	148,011
TOTAL NON-CURRENT LIABILITIES		124,014	152,060
TOTAL LIABILITIES		4,866,842	8,921,967
NET ASSETS		6,392,558	5,904,764
EQUITY			
Reserves		32,631	32,631
Accumulated surpluses		6,359,927	5,872,133
TOTAL EQUITY		6,392,558	5,904,764

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 2018

2018

	Accumulated surpluses \$	Reserves \$	Total \$
Balance at 1 July 2017	5,872,133	32,631	5,904,764
Net surplus/(deficit) for the year	487,794	-	487,794
Balance at 30 June 2018	6,359,927	32,631	6,392,558

2017

	Accumulated surpluses \$	Reserves \$	Total \$
Balance at 1 July 2016	5,332,698	32,631	5,365,329
Net surplus/(deficit) for the year	539,435	-	539,435
Balance at 30 June 2017	5,872,133	32,631	5,904,764

The accompanying notes form part of these financial statements.

Hobart District Nursing Service Inc

Statement of Cash Flows

For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and funding providers	9,023,101	7,796,814
Payments to suppliers and employees	(12,043,230)	(16,753,079)
Interest received	142,969	255,762
Interest paid	(1,954)	(4,683)
Net cash provided by (used in) operating activities	13 (2,879,114)	(8,705,186)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	75,021
Purchase of property, plant and equipment	(3,236)	(376,735)
Payment for intangible asset	-	(122,169)
Net cash used by investing activities	(3,236)	(423,883)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of finance arrangements	(36,751)	(41,071)
Net cash used by financing activities	(36,751)	(41,071)
Net increase (decrease) in cash and cash equivalents held	(2,919,101)	(9,170,140)
Cash and cash equivalents at beginning of year	11,964,076	21,134,216
Cash and cash equivalents at end of financial year	3 9,044,975	11,964,076

The accompanying notes form part of these financial statements.

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

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.

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

1 Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and interpretations issued by the Australian Accounting Standards Board (AASB). The Association is a not for profit entity for financial reporting purposes under Australian Accounting Standards. The significant accounting policies used 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.

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

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.

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies

(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 is 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 measured using the cost model.

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 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	10%
Plant and equipment	25%
Furniture, fixtures and fittings	15%
Motor vehicles	12.5%
Computer equipment	25%

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

(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.

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.

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies

(f) Intangible assets

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 an 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.

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies

(h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that 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

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in the statement of comprehensive income.

The Association's trade and most other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default. The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in surplus or deficit. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets acquired principally for the purpose of selling in the near future, those designated by the entity to be carried at fair value through profit or loss upon initial recognition or those which are derivatives not qualifying for hedge accounting.

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies

(h) Financial instruments

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in the statement of comprehensive income.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Association's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in the statement of comprehensive income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets.

Purchases and sales of available-for-sale investments are recognised on settlement date.

Available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in surplus or deficit when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the statement of comprehensive income.

Losses recognised in prior period income statements resulting from the impairment of debt securities are reversed through the income statement, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of comprehensive income.

Financial liabilities

Financial liabilities are recognised when the Association becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Association's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies

(h) Financial instruments

Impairment of financial assets

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment; in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(i) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(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.

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies

(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.

(l) Critical accounting estimates and judgments

The Board evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Key estimates - impairment

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

Key judgments - provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Key judgements - provision for back pay

A provision for back pay has been recognised, with regard to Employment Agreement hourly pay rate increases due to employees who are employed under The District Nurses – Non-Nursing Employment Agreement. An increase in hourly rates was due to these employees in August 2017. The provision has been recognised as a 3% increase in employee hourly rates and provisions for leave owed, as outlined in the Employment Agreement submitted to Fair Work Commission in December 2017. The submitted Employment Agreement proceeded to a hearing of the Commission held in July 2018. As a result the provision is the best available estimate of employment costs associated with the back pay believed to be outstanding at 30 June 2018. The provision value is based upon the historical approval of increases provided under The District Nurses – Non-Nursing Employment Agreement and the original submission to the Fair Work Commission in December 2017, however this may vary.

(m) Revenue and other income

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

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

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

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies

(m) Revenue and other income

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

(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.

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 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:

	2018	2017
	\$	\$
Finance costs:		
- Interest on obligations under finance lease	2,042	4,684

The result for the year includes the following specific expenses:

	2018	2017
	\$	\$
Other expenses:		
- Administration expenses	129,899	125,414
- Advertising	111,381	191,350
- Bad debts	-	3,367
- Brokerage	950,634	2,876,396
- Client expenses	25,546	29,967
- Cleaning	20,944	21,442
- Consulting and professional fees	39,725	87,666
- Insurance	53,285	47,266
- Equipment < \$500	16,216	9,795
- Other operating expenses	161,474	403,449
- Property expenses	265,274	117,508
- Repairs and maintenance	48,001	150,518
- Subscriptions	59,533	41,525
- Utilities	41,206	75,785
	<u>1,923,118</u>	<u>4,181,448</u>
Depreciation and amortisation:		
- Depreciation of property, plant and equipment	422,227	441,947
- Amortisation	55,563	66,768
	<u>477,790</u>	<u>508,715</u>

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Cash and cash equivalents

	2018	2017
	\$	\$
Cash on hand	1,450	1,600
Cash at bank	9,043,525	11,962,476
	<u>9,044,975</u>	<u>11,964,076</u>

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:

	2018	2017
	\$	\$
Cash and cash equivalents	<u>9,044,975</u>	<u>11,964,076</u>
	<u>9,044,975</u>	<u>11,964,076</u>

4 Trade and other receivables

	2018	2017
	\$	\$
CURRENT		
Trade receivables	138,572	94,339
GST receivable	1,950	49,944
Net trade receivables	<u>140,522</u>	<u>144,283</u>

5 Other assets

	2018	2017
	\$	\$
CURRENT		
Prepayments	129,537	152,137
Accrued income	158,285	305,600
	<u>287,822</u>	<u>457,737</u>

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Property, plant and equipment

	2018 \$	2017 \$
LAND AND BUILDINGS		
Freehold land		
At cost	235,000	235,000
Total land	235,000	235,000
Capital works in progress		
At cost	-	57,725
Total capital works in progress	-	57,725
Total improvements	-	57,725
Buildings		
At cost	1,445,722	1,387,997
Accumulated depreciation	(534,659)	(488,140)
Total buildings	911,063	899,857
Total land and buildings	1,146,063	1,192,582
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,147,988	1,147,988
Accumulated depreciation	(979,302)	(727,113)
Total plant and equipment	168,686	420,875
Furniture, fixtures and fittings		
At cost	150,094	150,094
Accumulated depreciation	(119,302)	(111,271)
Total furniture, fixtures and fittings	30,792	38,823
Motor vehicles		
At cost	519,859	519,859
Accumulated depreciation	(300,206)	(231,205)
Total motor vehicles	219,653	288,654
Computer equipment		
At cost	378,668	375,433
Accumulated depreciation	(346,307)	(299,821)
Total computer equipment	32,361	75,612
Total plant and equipment	451,492	823,964
Total property, plant and equipment	1,597,555	2,016,546

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Property, plant and equipment

(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:

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2018								
Balance at the beginning of the year	57,725	235,000	899,857	420,875	38,823	288,654	75,612	2,016,546
Additions	-	-	-	-	-	-	3,236	3,236
Disposals - written down value	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(46,519)	(252,189)	(8,031)	(69,001)	(46,487)	(422,227)
Transfer out of THCS - written down value	-	-	-	-	-	-	-	-
Transfers	(57,725)	-	57,725	-	-	-	-	-
Balance at the end of the year	-	235,000	911,063	168,686	30,792	219,653	32,361	1,597,555

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

7 Intangible assets

	2018 \$	2017 \$
Computer software		
At cost	396,906	396,906
Accumulated amortisation and impairment	(208,380)	(152,817)
Net carrying value	188,526	244,089
Nursing service rights		
At cost	138,475	138,475
Accumulated amortisation and impairment	(138,475)	(138,475)
Net carrying value	-	-
Total Intangibles	188,526	244,089

(a) Reconciliation detailed Table

	Computer software \$	Total \$
Year ended 30 June 2018		
Balance at the beginning of the year	244,089	244,089
Additions	-	-
Amortisation	(55,563)	(55,563)
Impairment	-	-
Closing value at 30 June 2018	188,526	188,526

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

8 Trade and other payables

	2018	2017
	\$	\$
CURRENT		
Trade payables	244,274	307,495
Accrued employee expenses	391	-
Accrued expenses other	37,246	32,138
	<u>281,911</u>	<u>339,633</u>

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

9 Borrowings

	2018	2017
	\$	\$
CURRENT		
Lease liability secured	11 6,330	39,033
	<u>6,330</u>	<u>39,033</u>
NON-CURRENT		
Lease liability secured	11 -	4,049
	<u>-</u>	<u>4,049</u>

The lease liabilities are secured by the related assets being leased.

10 Employee benefits

	2018	2017
	\$	\$
CURRENT		
On-costs	87,633	79,976
Annual leave	515,802	498,045
Long service leave	406,653	343,806
Provision for back pay	144,846	-
	<u>1,154,934</u>	<u>921,827</u>
NON-CURRENT		
Long service leave	<u>124,014</u>	<u>148,011</u>
	<u>124,014</u>	<u>148,011</u>

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

11 Finance and operating leasing commitments

(a) Finance Leases

	2018	2017
	\$	\$
Minimum lease payments:		
- not later than one year	6,330	40,588
- between one year and five years	-	4,609
Minimum lease payments	6,330	45,197
Less: finance charges	-	(2,115)
Present value of minimum lease payments	6,330	43,082

Finance leases are in place for six motor vehicles and some items of plant & equipment. The term of the leases is between 3 and 5 years. At the completion of the term security over the assets will be removed.

(b) Operating Leases

There are no operating lease commitments for the year ended 30 June 2018 (30 June 2017: Nil).

12 Capital commitments

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

13 Cash flow information

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

	2018	2017
	\$	\$
Net surplus/(deficit) for the year	487,794	539,435
Adjustments:		
- amortisation	55,563	66,768
- depreciation	422,227	441,947
- net gain on disposal of property, plant and equipment	-	(3,842)
- transfer of THCS	-	133,546
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	3,761	(101,476)
- (increase)/decrease in other assets	169,915	(227,350)
- increase/(decrease) in trade and other payables	(57,721)	(607,013)
- increase/(decrease) in unexpended grant funds	209,110	(8,514,559)
- increase/(decrease) in employee benefits	(4,169,763)	(432,642)
Cashflow from operations	(2,879,114)	(8,705,186)

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

14 Financial risk management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2018	2017
		\$	\$
Financial Assets			
Cash and cash equivalents	3	9,044,975	11,964,076
Trade and other receivables	4	140,522	144,283
Total financial assets		<u>9,185,497</u>	<u>12,108,359</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	8	281,911	339,633
- Borrowings	9	6,330	43,082
Total financial liabilities		<u>288,241</u>	<u>382,715</u>

15 Key management personnel disclosures

The total remuneration paid to key management personnel of the Association is \$ 576,457 (2017: \$ 516,322).

16 Contingencies

In the opinion of the Board, the Association did not have any contingencies at 30 June 2018 (30 June 2017:None).

17 Related parties

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

18 Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

19 Association details

The registered office of the Association is:
Hobart District Nursing Service Inc
2 Birdwood Avenue
MOONAH TAS 7009

Hobart District Nursing Service Inc

Auditors Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (Cth) to Hobart District Nursing Service Inc

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Horwath Tasmania



Alison Flakemore
Senior Partner

Dated this 26th day of September 2018.

Hobart, Tasmania.

Hobart District Nursing Service Inc

Independent Audit Report to Hobart District Nursing Service Inc

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 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Boards' Declaration.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, including:

- giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and
- complying with Australian Accounting Standards and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

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

Other Information

The Board are responsible for the other information. The other information comprises the Board's Report the year ended 30 June 2018, 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.

Hobart District Nursing Service Inc

Independent Audit Report to Hobart District Nursing Service Inc

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Those charged with governance are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, 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.

Hobart District Nursing Service Inc

Independent Audit Report to Hobart District Nursing Service Inc

- 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' 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 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 the audit.



Crowe Horwath Tasmania



Alison Flakemore
Senior Partner

Dated this 4th day of October 2018.

Hobart, Tasmania.



**For more information on the
State wide services provided by
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