Annual Report 2018 - 2019

The District Nurses

SINCE 1896

Contents

The Board 3

Chair Report 4

Consumer Advisory Group Chair Report 7

Chief Executive Officer Report 9

Glenorchy Auxiliary Report 11

Financial Report for the year ending 30 June 2019

The Board

Joint Patronage:

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

		Meetings Attended
Chair:	Gayle Johnson	12/12
Vice Chair:	Ian Nelson	12/12

Members of the Board:

	Miriam Coleman (Chair Audit & Risk Committee)	11/12
	Maree Fudge (Chair Quality & Safety Sub Committee)	10/12
	David Nowell	12/12
	Debra Burgess (Chair Consumer Advisory Group)	8/8






Chair Report

The past year has been a challenging one for Hobart District Nursing Service Inc.

Our organisation like others in the Aged Sector is operating in a climate of significant change. There is increased demand for all levels of aged care, particularly in the home, and changing funding models for the provision of this care.

The Commonwealth Home Care Package rollout has been slower than the Government initially promised meaning that consumers are waiting for lengthy periods to receive packages that are often at a lower level than their assessed needs.

Nationally in June 2019, government data indicated that there were 129,000 people waiting for a home care package.

There is a mismatch between the needs and expectations of Australians and how much the sector is funded to deliver.

This issue has been a recurrent theme in hearings of the current Royal Commission into Aged Care and in lobbying to Government by Aged Care Services Australia, the peak body for Aged Care Service Providers in Australia.

The effect on Hobart District Nursing Service of this slower than promised rollout of packages has been that we have had large numbers of Commonwealth Home Support Program consumers who have greater acuity in relation to their care needs. As a result we have had significant numbers of consumers who have been receiving in excess of the number of hours of support under the Commonwealth Home Support Program than we were funded to provide.

As a not for profit charity, serving consumers many of whom are financially and socially disadvantaged, we over extended our reach in the last financial year in the face of consumer need.

As a result we have incurred a loss which while not affecting our solvency, is not sustainable moving forward.

Our focus for the next 12 months and ongoing will be to continue to monitor and manage the financial performance of our business activities to ensure our ongoing viability under the current challenging circumstances within our sector.

We have commenced implementation of a business reinvention strategy which reflects our transition from predominantly government funding to predominantly consumer directed care.

This year has also seen the departure of our long standing CEO Kim Macgowan, who retired after 19 years with the organisation. We wish her well for the future.

We are delighted that Sally Faulkner commenced with us as CEO in late August following a competitive recruitment program. With 25 years' experience in senior nursing management positions backed up by more than 15 years as a practicing Registered Nurse, Sally has joined The District Nurses from St John of God Frankston Rehabilitation Hospital in Victoria, where she held senior management positions since 2010.

Prior to moving to Victoria, Sally spent more than a decade in senior management at Calvary Health Care Tasmania and has also undertaken similar roles in the north-west giving her a strong appreciation of the subtleties of the Tasmanian health system.

Sally has been well briefed by the Board on the challenges facing the Hobart District Nursing Service and even in the short time since starting has made significant inroads into our culture and the way we work. We are confident that our journey towards becoming a consumer centred organisation in a way that we all share a common understanding of what that means is well under way. Sally has challenged every one of us, the Board and employees, to put our consumers at the centre of everything we do, to rethink our work, and to strive for higher standards of care across the whole of the organisation.

2018/19 has seen the organisation prepare itself for the introduction on 1 July 2019 of the New Aged Care Quality Standards and the Charter of Aged Care Rights. All aged care providers will be assessed and monitored against these Standards by the Aged Care Quality and Safety Commission. We are expecting that our next Quality Review by the Commission will occur before the end of 2019.

I would like to acknowledge our former Quality and Innovations Adviser and current Nurse Advisor to the Board, Rosie Beardsley for the work she has done in assisting us to identify and address areas for improvement in order for the Quality Standards to be met; supporting our staff to understand the requirements of the standards; and guiding us in the alignment of our systems, policies and practices with the Quality Standards.

I would also like to thank my fellow Board members for their hard work and commitment over the past year. I would like in particular to thank our long standing member Board member and immediate past Chair Ian Nelson who is retiring from the Board at this AGM. The expertise and skills that Ian has contributed to the Board, particularly in the areas of Industrial Relations and Risk has been immeasurable. Ian has been a tremendous source of support and guidance to me as Chair and I know that I speak for all Board members in saying that we will miss his presence on the Board.

Thank you also to Miriam Coleman, Chair of the Audit and Risk Committee and my fellow Board members David Nowell, Maree Fudge and Debra Burgess. There have been many long and additional meetings this year as we have grappled with the enormity of the issues facing the sector and our organisation.

As a Board we remain committed to the goal of providing the highest quality of care to our consumers and to ensuring that Hobart District Nursing Service continues as the second oldest Nursing organisation in the Country. We recognise our ability to do so rests on having employees who are themselves respected and cared for. My final thank you is to all of our dedicated employees who are on this journey with us.

Gayle Johnson
Chair

Consumer Advisory Group Chair Report

In April this year, The Board called for expressions of interest for 6 current or past consumers or their family members to join our inaugural Consumer Advisory Group.

The purpose of the Consumer Advisory Group is to help us improve our understanding of what is important to our consumers and their families.

The Consumer Advisory Group reports directly to the Board through the Chair. As an organisation committed to ensuring that the Consumer is at the center of everything that we do, the Board wants to hear direct from those we serve the best way to continuously improve consumer care, safety and quality for all our consumers.

I am delighted as the Consumer Advisory Group Board Chair to present this report.
The group has met twice and has provided invaluable feedback on a range of matters including our consumer publications and on our service delivery.

As a result of feedback from the group we have updated our Consumer Handbook and Community Support Worker Manual to clearly indicate the tasks that our Community Support Workers are able to undertake and those that they are not because of Work Health and Safety considerations.

We have improved our process for advising clients of visit cancellations with 100% of clients now being notified in advance of any unavoidable cancellations.

The Consumer Advisory Group reviewed the results from our 2018/19 Consumer Satisfaction Survey and will provide input to the questions which will be contained in the next survey.

Input from the Group has been used to inform the development of a new model of service delivery for nursing which will see our weekday nursing consumers having a regular small group of nurses visiting them with one of these being their primary nurse. This will enable our consumers and their families to know who to talk to about their health needs and concerns.

With the support of our Consumer Advisory Group we are also setting up a Consumer Reference Group which will enable a larger number of our consumers and their families to participate in specific consultations or focus groups around particular issues or services that we deliver.
After each meeting of the Consumer Advisory Group, a report is generated and provided to the Executive Team and the Board.

Actions taken in response to the issues raised are provided to the Group at the next Consumer Advisory Group meeting.

In the coming year, one of our focuses will be the development of a whole of organisation Consumer Engagement Strategy for which the input of the Consumer Advisory group will be pivotal.

I would like to extend my sincere thanks to the Consumer Advisory Group members for their valuable input and positive contribution to the meetings.

The Consumer Advisory Group has helped us gain a clearer understanding of our consumers' needs and wishes and greater insight into their experiences leading to continuous improvement in our delivery of services.

Debra Burgess
Board Chair
Consumer Advisory Group

Chief Executive Officer Report

This is my first Annual report as The District Nurses Chief Executive Officer, and I am writing at a time when we are experiencing significant changes to the aged and community care sector with the introduction of the new Aged Care Quality Standards and the release of The Royal Commission into Aged Care Quality and Safety Interim Report into the sector on the 31 October 2019. There has been a great deal of media attention relating to the Interim Report and genuine concerns in regard to the care and services provided to our elderly. At The District Nurses our goal is to ensure that we provide person-centred care of the highest standard. We believe every encounter matters and our focus is always on the consumer's choice and working in partnership to meet each individual's needs.

It is important to acknowledge the interim findings of the Royal Commission and plan for a sustainable age care sector in which governments, communities and service providers work collaboratively to ensure we provide the quality of care and service our ageing population needs and deserves. The District Nurses, like other providers in the community sector, support and welcome the future release of 40,000 Level 3 and 4 Home Care Packages to reduce the backlog in waiting lists. The purpose of these packages is to maintain consumers in their own homes and to prevent hospital admissions and premature entry into residential aged care.

So as we find ourselves in this climate of uncertainty and change, for me it is a wonderful opportunity to reset and utilise the new Aged Care Quality Standards and our pending Quality Review as a vehicle to demonstrate the amazing initiatives, care and services provided at The District Nurses.

Over the past 6 months the organisation has developed and implemented a transformational governance framework, established new models of care and developed technological improvements in our mobility and information systems. This latter initiative ensures all our staff have accurate and timely information at the point of care. The establishment of a Consumer Advisory Group has ensured that the consumer has a voice in all aspects of our organisation from the Board to the Community Support Workers & Nurses in the home.

In the last year we saw nearly 2500 Tasmanians in both the North and South of the State, providing over 80,000 hours of care and services. Our services continue to grow and diversify with demands for our nurse led wound and foot clinics, private practice and day centre.

So for me it is a positive lens through which The District Nurses looks to 2020 as we deliver more in home care and services to Tasmanians across the state, partnering with each consumer and their families to provide the right care, by the right person, every time.

We will continue to develop programs that respond to the needs of our consumers with a focus on reduction of social isolation and the establishment of The District Nurses as a safe hub for the community which continues to deliver services well into the future.

Sally Faulkner
Chief Executive Officer

Glenorchy Auxiliary

2018-19 has been another year of Fundraising events for our support of the District Nurses.

Events this past year include Barbeques, Soup and Sandwich luncheon and a High Tea which uncovered some lovely china belonging to our members. The usual over-catering occurred but the overflow was swiftly absorbed by the staff.

Our funds this year contributed to the cost and installation of a reverse cycle Heat Pump for the Day Centre, which has been hailed as a great success.

The Auxiliary was invited to attend an Afternoon Tea for Chief Executive Officer Kim Macgowan on her retirement.

Sadly, two of our long-standing and much loved members passed away during the year – Mrs Dorothy Holmes and Mrs Josie Marshall.
We also acknowledge the passing of Ted Estcourt, Barry Jackman and Terry Shea.
Kath Smith and Libby Shaw have moved into residential care.

In closing may I thank Mrs Jenny Milles, our beloved Secretary and Mrs Marcia Holbrook who does a brilliant job managing our finances.

A heartfelt thank you also to all our members who do such a great job throughout the year.

Andrea Self
President

Hobart District Nursing Service Inc

Financial Report

For the Year Ended 30 June 2019

Hobart District Nursing Service Inc

Contents

For the Year Ended 30 June 2019

	Page
Financial Report	
Operating Report	1
Board Declaration	2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Auditors Independence Declaration	24
Independent Audit Report	25

Hobart District Nursing Service Inc

Operating Report

30 June 2019

The Board submit the financial report of the Association for the financial year ended 30 June 2019.

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
Ian Nelson	
David Nowell	
Miriam Coleman	
Maree Fudge	
Debra Burgess	

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 have been returned to the Commonwealth Government following the final reporting and acquittal of funds during the year. The closure of the Hospice @ Home reduced the recurrent Commonwealth Government funding of The District Nurses in 2019.

The growth of clients in receipt of a Commonwealth Home Care Package during 2019, represented a significant change to the operations and service funding model of The District Nurses.

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 $(1,653,791) (2018: $487,794).

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

Chair: .... Gayle Johnston

Board Member: .... Miriam Coleman

Dated this ....23rd.................... day of .October....... 2019.

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 ..23RD.................. day of ..OCTOBER...... 2019.

Hobart District Nursing Service Inc

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Fees		1,729,960	1,858,573
Grants		7,346,894	10,267,242
Interest		111,964	142,969
Other income		167,472	179,968
Employee benefits expense		(9,020,833)	(8,768,337)
Depreciation and amortisation expense	2	(315,010)	(477,790)
Communication and information technology		(217,827)	(332,555)
Medical services supplies and equipment		(181,241)	(215,123)
Travel and motor vehicle fleet		(221,796)	(241,993)
Other expenses	2	(1,053,424)	(1,923,118)
Finance costs	2	50	(2,042)
Net surplus/(deficit) from continuing operations		(1,653,791)	487,794
Other comprehensive income		-	-
Total comprehensive income for the year		(1,653,791)	487,794

The accompanying notes form part of these financial statements.

Hobart District Nursing Service Inc

Statement of Financial Position

As At 30 June 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	5,891,030	9,044,975
Trade receivables	4	127,977	140,522
Other assets	5	496,144	287,822
TOTAL CURRENT ASSETS		6,515,151	9,473,319
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,398,460	1,597,555
Intangible assets	7	144,838	188,526
TOTAL NON-CURRENT ASSETS		1,543,298	1,786,081
TOTAL ASSETS		8,058,449	11,259,400
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	301,623	281,911
Borrowings	9	-	6,330
Employee benefits	10	1,494,858	1,154,934
Unexpended grant funds		1,376,430	3,299,653
TOTAL CURRENT LIABILITIES		3,172,911	4,742,828
NON-CURRENT LIABILITIES			
Employee benefits	10	146,771	124,014
TOTAL NON-CURRENT LIABILITIES		146,771	124,014
TOTAL LIABILITIES		3,319,682	4,866,842
NET ASSETS		4,738,767	6,392,558
EQUITY			
Accumulated surpluses		4,706,136	6,359,927
Reserves		32,631	32,631
TOTAL EQUITY		4,738,767	6,392,558

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 2019

2019

	Accumulated surpluses	Reserves	Total
	$	$	$
Balance at 1 July 2018	6,359,927	32,631	6,392,558
Net surplus/(deficit) for the year	(1,653,791)	-	(1,653,791)
Balance at 30 June 2019	4,706,136	32,631	4,738,767

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

The accompanying notes form part of these financial statements.

Hobart District Nursing Service Inc

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and funding providers		8,058,551	9,023,101
Payments to suppliers and employees		(11,254,822)	(12,043,230)
Interest received		111,963	142,969
Interest paid		(307)	(1,954)
Net cash provided by (used in) operating activities	13	(3,084,615)	(2,879,114)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		43,091	-
Purchase of property, plant and equipment		(106,091)	(3,236)
Net cash used by investing activities		(63,000)	(3,236)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of finance arrangements		(6,330)	(36,751)
Net cash used by financing activities		(6,330)	(36,751)
Net increase (decrease) in cash and cash equivalents held		(3,153,945)	(2,919,101)
Cash and cash equivalents at beginning of year		9,044,975	11,964,076
Cash and cash equivalents at end of financial year	3	5,891,030	9,044,975

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.

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.

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	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%

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.

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.

(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.

1 Summary of significant accounting policies

(h) Financial instruments

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.

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.

1 Summary of significant accounting policies

(h) Financial instruments

Financial assets

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 significant 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 uses the presumption 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.

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.

1 Summary of significant accounting policies

(h) Financial instruments

Financial assets

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.

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.

(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 en 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.

1 Summary of significant accounting policies

(k) Borrowing costs

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, and forward looking information (refer also Note 1(h)).

(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).

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.

1 Summary of significant accounting policies

(m) Revenue and other income

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.

(o) Adoption of new and revised accounting standards

During the current year, standards which became mandatory had no significant impact on the financial report of Hobart District Nursing Service Inc. AASB 9 Financial Instruments has been adopted and had no significant impact and no requirement for any reclassification or restatement of comparatives (Refer also Note 1(h)).

1 Summary of significant accounting policies

(p) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Association:

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from Contracts with Customers	1 July 2019	New standard in which revenue is recognised to depict the transfer of control of promised goods and services to a customer (rather than when risks and rewards transfers) at the amount that reflects the consideration to which the entity expects to be entitled	The assessment of current revenue contracts is that private services revenue, home care packages and short term restorative care packages and some training, sales and grant agreement will fall within the AASB15.
AASB 1058 Income of NFP Entities	1 July 2019	New standard for recognising income in not-for-profit entities, including guidance for when AASB 15 applies. Is expected to defer income recognition in some circumstances, particularly when AASB 15 applies	Some existing grants that would previously have been deferred as unexpended grant fund liability until subsequent periods, will, in future be recognised when received.
AASB 16 Leases	1 July 2019	New standard that abolishes the concept of the operating lease for lessees by creating a single model for lessees and recognises a ‘right of use’ asset and financial liability for all leases.	The impact of the lease assessment will result in a right of use asset value of $383,977 and respective liability of $383,977. Lease payments will be split between interest and principal reduction, rather than being included in operating expenses. Operating cash outflows will be lower and financing cash flow will be higher in the statement of cash flows as principal repayments of all lease liabilities will now be included in financing activities rather than operating activities.

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2019

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:

	2019	2018
	$	$
Finance costs:		
- Finance leases	(50)	2,042

The result for the year includes the following specific expenses:

	2019	2018
	$	$
Other expenses:		
- Printing and stationery	130,683	129,899
- Advertising	78,959	111,381
- Brokerage	250,565	950,634
- Consumables	52,304	25,546
- Cleaning	13,844	20,944
- Consulting and professional fees	57,087	39,725
- Insurance	72,415	53,285
- Equipment < $300	4,210	16,216
- Other operating expenses	93,671	161,474
- Rates and taxes	186,816	265,274
- Repairs and maintenance	42,282	48,001
- Subscriptions	19,298	59,533
- Selling expenses	51,290	41,206
	1,053,424	1,923,118
Depreciation and amortisation:		
- Depreciation of property, plant and equipment	263,322	422,227
- Amortisation	51,688	55,563
	315,010	477,790

3 Cash and cash equivalents

	2019 $	2018 $
Cash on hand	1,056	1,450
Cash at bank	5,889,974	9,043,525
	5,891,030	9,044,975

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:

	2019 $	2018 $
Cash and cash equivalents	5,891,030	9,044,975
	5,891,030	9,044,975

4 Trade and other receivables

	2019 $	2018 $
CURRENT		
Trade receivables	109,576	138,572
GST receivable	18,401	1,950
	127,977	140,522

5 Other assets

	2019 $	2018 $
CURRENT		
Prepayments	147,380	129,537
Accrued income	348,764	158,285
	496,144	287,822

6 Property, plant and equipment

	2019	2018
	$	$
LAND AND BUILDINGS		
Freehold land		
At cost	235,000	235,000
Total land	235,000	235,000
Buildings		
At cost	1,445,722	1,445,722
Accumulated depreciation	(582,693)	(534,659)
Total buildings	863,029	911,063
Total land and buildings	1,098,029	1,146,063
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	469,645	1,147,988
Accumulated depreciation	(412,867)	(979,302)
Total plant and equipment	56,778	168,686
Furniture, fixtures and fittings		
At cost	143,881	150,094
Accumulated depreciation	(119,895)	(119,302)
Total furniture, fixtures and fittings	23,986	30,792
Motor vehicles		
At cost	455,407	519,859
Accumulated depreciation	(257,475)	(300,206)
Total motor vehicles	197,932	219,653
Computer equipment		
At cost	208,007	378,668
Accumulated depreciation	(186,272)	(346,307)
Total computer equipment	21,735	32,361
Total plant and equipment	300,431	451,492
Total property, plant and equipment	1,398,460	1,597,555

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:

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Total
	$	$	$	$	$	$	$
Year ended 30 June 2019							
Balance at the beginning of the year	235,000	911,063	168,686	30,792	219,653	32,361	1,597,555
Additions	-	-	5,150	-	79,440	13,501	98,091
Disposals - written down value	-	-	(4,398)	-	(29,550)	84	(33,864)
Depreciation expense	-	(48,034)	(112,660)	(6,806)	(71,611)	(24,211)	(263,322)
Balance at the end of the year	235,000	863,029	56,778	23,986	197,932	21,735	1,398,460

7 Intangible assets

	2019	2018
	$	$
Computer software		
At cost	404,906	396,906
Accumulated amortisation and impairment	(260,068)	(208,380)
Net carrying value	144,838	188,526
Nursing service rights		
At cost	138,475	138,475
Accumulated amortisation and impairment	(138,475)	(138,475)
Net carrying value	-	-
Total Intangibles	144,838	188,526

(a) Reconciliation detailed Table

	Computer software	Total
	$	$
Year ended 30 June 2019		
Balance at the beginning of the year	188,526	188,526
Additions	8,000	8,000
Amortisation	(51,688)	(51,688)
Impairment	-	-
Closing value at 30 June 2019	144,838	144,838

Hobart District Nursing Service Inc

Notes to the Financial Statements

For the Year Ended 30 June 2019

8 Trade and other payables

	2019	2018
	$	$
CURRENT		
Trade payables	103,881	244,274
Accrued employee expenses	180,238	391
Sundry payables and accrued expenses	17,504	37,246
	301,623	281,911

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

9 Borrowings

	2019	2018
	$	$
CURRENT		
Lease liability secured	-	6,330
	-	6,330
NON-CURRENT		
Lease liability secured	-	-
	-	-

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

10 Employee benefits

	2019	2018
	$	$
CURRENT		
On-costs	93,800	87,633
Annual leave	563,686	515,802
Long service leave	417,421	406,653
Provision for back pay	419,951	144,846
	1,494,858	1,154,934
NON-CURRENT		
Long service leave	146,771	124,014
	146,771	124,014

11 Finance and oparating leasing commitments

(a) Operating Leases

	2019	2018
	$	$
Minimum lease payments:		
- not later than one year	128,592	257,184
- between one year and five years	31,820	31,820
	160,412	289,004

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.

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:

	2019	2018
	$	$
Net surplus/(deficit) for the year	(1,653,791)	487,794
Adjustments:		
- amortisation	51,688	55,563
- depreciation	263,322	422,227
- net gain on disposal of property, plant and equipment	(9,228)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	12,546	3,761
- (increase)/decrease in other assets	(208,322)	169,915
- increase/(decrease) in trade and other payables	19,713	(57,721)
- increase/(decrease) in unexpended grant funds	(1,923,224)	(4,169,763)
- increase/(decrease) in employee benefits	362,681	209,110
Cashflow from operations	(3,084,615)	(2,879,114)

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 IFRS 9 as detailed in the accounting policies to these financial statements, are as follows:

		2019	2018
		$	$
Financial Assets			
Cash and cash equivalents	3	5,891,030	9,044,975
Trade and other receivables	4	127,977	140,522
Total financial assets		6,019,007	9,185,497
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	8	301,623	281,911
- Borrowings	9	-	6,330
Total financial liabilities		301,623	288,241

15 Key management personnel disclosures

The total remuneration paid to key management personnel of the Association is $ 950,045 (2018: $ 576,457).

16 Contingencies

In the opinion of the Board, the Association did not have any contingencies at 30 June 2019 (30 June 2018: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

Crowe Tasmania
ABN 55 418 6176 841
Level 1, 142-146 Elizabeth Street
Hobart TAS 7000 Australia
GPO Box 392
Hobart TAS 7001 Australia
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www.crowe.com.au

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 Hobart District Nursing Service Inc

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, 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 Tasmania

Crowe Tasmania

Alison Flakemore
Senior Partner

Dated this 9th day of October 2019.

Hobart, Tasmania.

Crowe Tasmania
ABN 55 418 676 841
Member Crowe Australasia,
An affiliation of Findex

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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 2019, 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 2019 and of its financial performance and cash flows for the year then ended; and
- complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 2019, 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.

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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.

Crowe

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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 Tasmania

Crowe Tasmania

Alison Flakemore
Senior Partner

Dated this ......28th...... day of ......October...... 2019.

Hobart, Tasmania.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

GLENORCHY AUXILIARY
HOBART DISTRICT NURSING SERVICE INC.

STATEMENT OF RECEIPTS AND EXPENDITURE AS AT 30TH JUNE 2019

Cash at Bank - 1st July 2018		**$3,359.50**
RECEIPTS		
Bank Interest	$12.79	
Yearly Subscriptions	$120.00	
Client BBQ	$666.70	
Client High Tea	$358.50	
Monthly Meetings	$379.00	
Soft Drinks Donations HDNS	$396.55	
Christmas & Easter Raffle	$483.55	
Confectionary Boxes	$2,369.85	
Total Receipts	$4,786.94	**$4,786.94**
EXPENDITURE		
Mondelez - (Confectionary Boxes)	$1,345.03	
Petty Cash - A. Self - President	$50.00	
- M Holbrook - Treasurer	$172.10	
HDNS - Air Conditoner Day Centre	$4,000.00	
Debit Card (Confectionary)	$151.30	
Total Expenditure	$5,718.43	**-$5,718.43**
CLOSING BALANCE AS AT 30TH JUNE, 2019		**$2,428.01**

AUDITORS REPORT

I have checked the books and all relative documents of the Hobart District Nursing Service Inc. Glenorchy Auxiliary and from the information provided to me, I believe the above financial statements accurately reflects the transactions for the year and the financial position at 30th June 2019.

[signature] . CA

Hon. Auditor. 19 July 2019
K.T. REEVES

For more information on the State wide services provided by The District Nurses contact:

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