



Northern District Community Health

ABN 11 507 709 511

Financial Report - 30 June 2024

Northern District Community Health
Contents
30 June 2024



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Your directors present their report of Northern District Community Health for the year ended 30 June 2024.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Meghan Stewart (Chairperson)
Cameron Hodge
Richard Morrison (Treasurer)
Charlie Gillingham
Jane Ogden (Vice Chairperson)
Kathleen Day
Dianne Bowles (appointed 27 March 2024)
Lynne Sinclair (appointed 27 March 2024)
Mebin Baby (appointed 27 March 2024)
Merril Kelly (retired 22 November 2023)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the company during the course of the financial year were to deliver health promotion, early intervention, primary healthcare and community services and supports for communities across Northern Victoria.

Business objectives

The vision for the service is healthy, vibrant and happy rural people, families and communities. Our mission to support this vision is to provide quality care which enables people to increase their control over, and improve, their health and well being. The service has adopted five goals with strategies attached to support achievements in these areas. The five goals for the service are:

- successful client outcomes
- best practice service delivery
- positive partner and stakeholder relationships
- accountable leadership and management and
- quality care.

Operating result

	2024	2023
	\$	\$
The surplus/(deficit) of the company for the financial year was:	(952,352)	(389,227)

Performance measurement

The 2022 - 2026 NDCH Strategic Plan detail 5 strategic priorities and includes measures of success via key actions and indicators. All key strategic priorities have evidenced progress and achievements and contribute to the organisations vision of building health, inclusive and connected rural communities.

Significant changes in state of affairs

The 2024 financial year saw the inception of the Community Care Program. This program provides in-home care for aged and vulnerable community members as well as social meal and emergency transport programs. This is a strategic expansion of services, aligning with the existing clinical and non clinical services and supports already provided by NDCH. The Program has significantly increased revenue, scope of service delivery and volume of workforce.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Northern District Community Health, the results of the operations or the state of affairs of Northern District Community Health in the future financial years

Environmental issues

The company is not subject to any significant environmental regulation.

Directors' benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

Indemnification and insurance of directors and officers

The company has indemnified all directors and the Chief Executive Officer in respect of liabilities to other persons (other than the company) that may arise from their position as directors or Chief Executive Officer of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on behalf of the entity

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Information on directors

Name: Meghan Stewart
Title: Chairperson
Appointed: 27 September 2017
Occupation: Locum Manager, Neighbourhood Houses Victoria
Special responsibilities: Chair - Board
Finance, Audit and Risk Committee
CEO Oversight Committee
Board Oversight Committee

Name: Jane Ogden
Title: Deputy Chairperson
Appointed: 25 May 2022
Occupation: Local Government Councillor, Gannawarra Shire Council
Special responsibilities: CEO Oversight Committee

Name: Richard Morrison
Title: Treasurer
Appointed: 25 July 2018
Occupation: Director Corporate Services, Rochester and Elmore District Health Service
Special responsibilities: Chair - Finance, Audit and Risk Committee
CEO Oversight Committee

Name: Charlie Gillingham
Title: Director
Appointed: 19 February 2014
Occupation: Farmer
Special responsibilities: Board Oversight Committee

Name: Cameron Hodge
Title: Director
Appointed: 4 October 2019
Occupation: Farmer
Special responsibilities: Finance, Audit and Risk Committee

Name: Kathleen Day
Title: Director
Appointed: 25 May 2022
Occupation: Health Sector Consultant – K DAY CONSULTING, (Community, Acute, Aged Care, and Education and Training Provider.)
Special responsibilities: Finance, Audit and Risk Committee
Board Oversight Committee
Quality Care Committee

Name: Dianne Bowles
Title: Director
Appointed: 27 March 2024
Occupation: Dairy Farmer
Special responsibilities: Board Oversight Committee
CEO Oversight Committee

Name: Lynne Sinclair
Title: Director
Appointed: 27 March 2024
Occupation: Retired Registered Nurse
Special responsibilities: Chair - Quality Care Committee

Name: Mebin Baby
Title: Director
Appointed: 27 March 2024
Occupation: Director Community Care, Rochester and Elmore District Health Service
Special responsibilities: Finance, Audit and Risk Committee
Quality Care Committee

Name: Merril Kelly
Title: Director
Appointed: 24 September 1996
Retired: 22 November 2023
Occupation: Bachelor of Education, Community Groups, Employment Skills - Community Education
Special responsibilities: Finance, Audit and Risk Committee

Meetings of directors

During the financial year, 9 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Eligible	Attended
Meghan Stewart (Chairperson)	9	9
Jane Ogden (Vice Chairperson)	9	7
Richard Morrison (Treasurer)	9	8
Charlie Gillingham	9	6
Cameron Hodge	9	6
Kathleen Day	9	6
Dianne Bowles (appointed 27 March 2024)	2	2
Lynne Sinclair (appointed 27 March 2024)	2	2
Mebin Baby (appointed 27 March 2024)	2	2
Merril Kelly (retired 22 November 2023)	4	3

Company secretary

The company secretaries since the beginning of the financial year were Amanda Hutchinson and Deanne Radcliffe.

Amanda held company secretary responsibilities throughout the year until 7 January 2024.

Since this date, company secretary responsibilities were solely held by Deanne, General Manager Corporate Services, until 13 May 2024.

On 13 May 2024, Penny Wilkinson, Chief Executive Officer, was appointed as co-secretary alongside Deanne.

Members' guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding and obligations of the entity. At 30 June 2024 the number of members was 9 (2023: 7).

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on the following page of the financial reports.

The directors' report is signed in accordance with a resolution of the board of directors



 Meghan Stewart
 Chairperson

12th November 2024



 Richard Morrison
 Treasurer

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Northern District Community Health
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024



	Note	2024 \$	2023 \$
Revenue			
Revenue from contracts with customers	5	6,516,939	2,939,348
Other income	6	4,050,236	3,600,056
Finance revenue		77,415	39,377
		<u>10,644,590</u>	<u>6,578,781</u>
Expenses			
Employee benefits expense		(8,227,939)	(4,950,491)
Program costs		(1,313,951)	(1,073,192)
Occupancy and associated costs		(281,819)	(231,501)
Depreciation and amortisation expense	7	(211,275)	(189,999)
General administration expense		(1,561,958)	(522,825)
		<u>(11,596,942)</u>	<u>(6,968,008)</u>
Deficit for the year		(952,352)	(389,227)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(952,352)</u>	<u>(389,227)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Northern District Community Health
Statement of financial position
As at 30 June 2024



	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	8	666,849	1,549,081
Trade and other receivables	9	378,137	199,871
Contract assets		197,737	-
Financial assets	10	1,282,368	1,260,235
Other assets		50,126	54,040
Total current assets		<u>2,575,217</u>	<u>3,063,227</u>
Non-current assets			
Property, plant and equipment	11	<u>3,275,372</u>	<u>3,120,828</u>
Total non-current assets		<u>3,275,372</u>	<u>3,120,828</u>
Total assets		<u>5,850,589</u>	<u>6,184,055</u>
Liabilities			
Current liabilities			
Trade and other payables	12	749,758	406,574
Contract liabilities		352,264	189,811
Employee benefits	13	1,080,968	895,223
Provisions		-	20,000
Total current liabilities		<u>2,182,990</u>	<u>1,511,608</u>
Non-current liabilities			
Employee benefits	13	<u>119,034</u>	<u>171,530</u>
Total non-current liabilities		<u>119,034</u>	<u>171,530</u>
Total liabilities		<u>2,302,024</u>	<u>1,683,138</u>
Net assets		<u>3,548,565</u>	<u>4,500,917</u>
Equity			
Retained surpluses		<u>3,548,565</u>	<u>4,500,917</u>
Total equity		<u>3,548,565</u>	<u>4,500,917</u>

The above statement of financial position should be read in conjunction with the accompanying notes

**Northern District Community Health
Statement of changes in equity
For the year ended 30 June 2024**



	Retained surpluses \$	Total equity \$
Balance at 1 July 2022	4,890,144	4,890,144
Deficit for the year	(389,227)	(389,227)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(389,227)</u>	<u>(389,227)</u>
Balance at 30 June 2023	<u>4,500,917</u>	<u>4,500,917</u>
	Retained surpluses \$	Total equity \$
Balance at 1 July 2023	4,500,917	4,500,917
Deficit for the year	(952,352)	(952,352)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(952,352)</u>	<u>(952,352)</u>
Balance at 30 June 2024	<u>3,548,565</u>	<u>3,548,565</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

**Northern District Community Health
Statement of cash flows
For the year ended 30 June 2024**



	Note	2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from clients and government grants		11,026,102	6,949,672
Payments to suppliers and employees		(11,597,797)	(7,179,106)
Interest received		77,415	39,377
		<u> </u>	<u> </u>
Net cash used in operating activities	14	<u>(494,280)</u>	<u>(190,057)</u>
Cash flows from investing activities			
Payments for financial assets		(22,133)	(283,998)
Payments for property, plant and equipment	11	(365,819)	(333,391)
Proceeds from disposal of financial assets		-	507,231
		<u> </u>	<u> </u>
Net cash used in investing activities		<u>(387,952)</u>	<u>(110,158)</u>
Net decrease in cash and cash equivalents		(882,232)	(300,215)
Cash and cash equivalents at the beginning of the financial year		<u>1,549,081</u>	<u>1,849,296</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>666,849</u></u>	<u><u>1,549,081</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Northern District Community Health as an individual entity, incorporated and domiciled in Australia. Northern District Community Health is a not-for-profit company limited by guarantee and is primarily involved in the provision of health and community services.

The financial statements were authorised for issue on 12 November 2024 by directors of the company.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*.

Statement of compliance

Northern District Community Health does not have 'public accountability' as defined in AASB 1053: *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060: *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Going concern

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

Historical cost convention

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 non-current assets, financial assets and financial liabilities.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Functional and presentation currency and rounding

These financial statements are presented in Australian dollars, which is the company's functional currency. The amounts have been rounded to the nearest dollar.

Note 2. Summary of material accounting policies

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Note 2. Summary of material accounting policies (continued)

Adoption of new and revised accounting standards

The association has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial year. A description of the impact of new or amended Accounting Standards and Interpretations that have had a material impact on the company during the current financial year is outlined below:

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* is mandatory for annual reporting periods beginning on or after 1 January 2023 and was adopted by the company in the preparation of the 30 June 2024 financial statements.

AASB 2021-2 includes amendments to AASB 101 *Presentation of Financial Statements*, requiring the company to disclose material accounting policy information in its financial statements rather than significant accounting policies which was required in previous financial years. Accounting policy information is material if it, when considered with other information, could reasonably be expected to influence decisions of primary users based on the financial statements.

Adoption of AASB 2021-2 has had no impact on the numerical information disclosed in the company's financial statements. Rather, adoption has required the company to remove significant accounting policy information from the notes to the financial statements that is not considered material.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Economic dependence

Northern District Community Health is dependent upon the State of Victoria, via the Department of Health, for the funding of a significant proportion of its operations. At the date of this report the Board of Directors has no reason to believe the department will not continue to support Northern District Community Health.

Insurance

Victorian Managed Insurance Authority advised Northern District Community Health that the total amount of insurance premiums paid by the State Department of Health on its behalf was \$20,452 for the 2024 financial year (2023: \$5,533).

Note 3. Judgements and key sources of estimation uncertainty

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the company's accounting policies. These judgements have the most significant effect on the amounts recognised in the financial statements.

Note 3. Judgements and key sources of estimation uncertainty (continued)

Impairment of assets

The company assesses impairment of non-financial assets at each reporting period by evaluating the conditions and events specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the relevant assets are reassessed using the value-in-use calculation which incorporates various key assumptions.

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Identifying performance obligations under AASB 15

To identify a performance obligation under AASB 15: *Revenue from contracts with customers*, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

Determination and timing of revenue recognition under AASB 15

For each revenue stream, the company applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation.

Recognition of contract modifications

A contract modification is a change in the scope or price (or both) of a contract which may be approved in writing, by oral agreement or implied by customary business practices. Whilst the company requests contract modifications in writing, in some instances the company has placed reliance on contract modifications provided by oral agreement or customary business practices. Management applies significant judgement when recognising a contract modification based on oral agreement or customary business practices.

Annual leave

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Long service leave calculation

The company assesses the long service leave liability in accordance with the requirements of AASB 119: *Employee Benefits* and applies probability factors reducing the balance of the liability on employees' balances that have not reached their vesting period i.e. not entitled to be paid out as at 30 June 2024. The probability factors are increased as the respective employees' years of service increase and are provided for at 100% probability at vesting period (in accordance with employment conditions). The probability rates have been determined based on past retention data.

Note 4. Restatement of comparatives

Reclassification

With the inception of the Community Care program during the financial year leading to significant increases in revenue and expenditure, Northern District Community Health elected to perform a comprehensive review of revenue, income and expenditure classification in the preparation of the financial statements.

This review was performed to enhance Northern District Community Health's transparency and consistency in the values presented in the financial report.

During the review, several reclassifications were performed, of which the most significant are identified below:

- Removal of an internal charge that had been incorrectly included in both finance revenue and finance costs
- The combination of the fees for service and other patient fee revenue disaggregation
- Reclassification of interest from other income to finance revenue
- Reclassification of underlying advertising and promotion to general administration expense
- Reclassification of underlying program costs to occupancy expense
- Reclassification of underlying general administration expenses to employee benefits expense
- Reclassification of underlying general administration expenses to occupancy expense

The reclassification review has decreased overall revenue and overall expenditure for the 2023 financial year by \$47,393 for both items, which relates to the incorrect internal charge that was included in the preparation of the financial statements.

The reclassifications in aggregate have had nil impact on total comprehensive income, and nil impact on the Statement of Financial Position, Statement of Cash Flows and the Statement of Changes in Equity.

Note 5. Revenue from contracts with customers

	2024	2023
	\$	\$
Federal government funding	1,905,623	971,809
State government funding	435,715	392,799
Other grants and funding	194,572	-
Medicare fees	948,512	574,052
NDIS fees	1,878,704	465,553
Commonwealth Home Support Programme (CHSP) services	237,503	-
Brokerage services	483,457	-
Other patient and service fees	432,853	535,135
	<u>6,516,939</u>	<u>2,939,348</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2024	2023
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	2,535,910	1,551,609
Services transferred over time	3,981,151	1,387,739
	<u>6,517,061</u>	<u>2,939,348</u>

Note 5. Revenue from contracts with customers (continued)

How we recognise revenue and other income

Government grants

When the company receives revenue it assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the company:

- identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, as services are rendered.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the company:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9: *Financial Instruments*, AASB 16: *Leases*, AASB 116: *Property, Plant and Equipment* and AASB 138: *Intangible Assets*)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058: *Income for Not-for-profit Entities*.

If a contract liability is recognised as a related amount above, the company recognises income in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or be implied by customary business practices.

In contracts with customers, the 'customer' is typically a funding body who is the party that promises funding in exchange for the company's goods or services. The company's funding bodies often direct that goods or services are to be provided to third-party beneficiaries, including individuals or the community, on behalf of the funding body. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party is a characteristic of the promised good or service being transferred to the funding body.

This policy applies to each of the company's revenue streams, with information detailed below relating to the company's most significant revenue streams. The company's funding bodies include both Commonwealth and State government funding.

Performance obligations

The types of government grants and the performance obligations for each of these government grants are:

Federal Department of Health Community and Home Support - Allied Health and Therapy Services	This program funds a comprehensive range of services, including podiatry, occupational therapy, physiotherapy, social work, dietitians and speech pathology. Northern District Community Health are required to deliver a set number of hours of service delivery. Revenue is recognised over time, as and when the services are provided. Northern District Community Health uses the output method to measure its progress in satisfying its performance obligations.
State Department of Health Transitional Support	This program aims to achieve long-term housing, employment, education, health and wellbeing outcomes for people who are homeless or at risk of homelessness. Northern District Community Health are required to deliver a set number of new supports. Revenue is recognised over time, as and when the support is provided. Northern District Community Health uses the output method to measure its progress in satisfying its performance obligations.
State Department of Health Small Rural Primary Health Flexible Services	This program funds a comprehensive range of services, including general counselling, allied health, nursing and health promotion services. Northern District Community Health are required to deliver a set number of hours of service delivery. Revenue is recognised over time,

Note 5. Revenue from contracts with customers (continued)

	as and when the services are provided. Northern District Community Health uses the output method to measure its progress in satisfying its performance obligations.
Murray Primary Health Network Investing in Chronic Disease Management	This program delivers a suite of services, including the provision of a set number of diabetes and dietetics education sessions. Revenue is recognised over time as and when the education sessions are delivered. Northern District Community Health uses the output method to measure its progress in satisfying its performance obligations.
Murray Primary Health Network Investing in Rural Withdrawal	This program involves the provision of alcohol and drug treatment services. Northern District Community Health are required to provide a set number of episodes of care within Kerang and a set number of episodes of care within Rochester. Northern District Community Health uses the output method to measure its progress in satisfying its performance obligations.

For other grants with performance obligations, Northern District Community Health exercises judgement over whether the performance obligations have been met, on a grant by grant basis

Note 6. Other income

	2024	2023
	\$	\$
Grant funding recognised under AASB 1058	3,613,453	2,988,657
Incentive payments	179,478	195,983
Reimbursements	32,207	272,544
Donations	4,850	13,539
Rental income	114,307	116,041
Other income	105,941	13,292
	<u>4,050,236</u>	<u>3,600,056</u>

Note 7. Material profit or loss items

The company has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the company's financial performance.

	2024	2023
	\$	\$
Deficit includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Buildings	78,629	75,927
Plant & equipment	48,986	44,898
Motor vehicles	62,311	52,485
Alcohol & drug program assets	-	2,365
Furniture & fittings	21,349	14,324
	<u>211,275</u>	<u>189,999</u>
Total depreciation and amortisation expenses		

Note 8. Cash and cash equivalents

	2024	2023
	\$	\$
<i>Current assets</i>		
Cash on hand	1,269	1,269
Cash at bank	237,937	731,026
Short term investments	427,643	816,786
	<u>666,849</u>	<u>1,549,081</u>
Total cash and cash equivalents	<u>666,849</u>	<u>1,549,081</u>

	2024	2023
	\$	\$
<i>Represented by:</i>		
Operational funds	651,958	1,535,910
Monies held in trust	14,891	13,171
	<u>666,849</u>	<u>1,549,081</u>

Note 9. Trade and other receivables

	2024	2023
	\$	\$
<i>Current assets</i>		
Trade receivables	625,339	217,226
Less: Allowance for expected credit losses	(247,202)	(17,355)
	<u>378,137</u>	<u>199,871</u>
Total trade and other receivables	<u>378,137</u>	<u>199,871</u>

How we recognise trade and other receivables

Trade and other receivables includes amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

Note 9. Trade and other receivables (continued)

Recognition of expected credit losses in financial statements

The company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The company uses the simplified approach, as applicable under AASB 9. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. The approach is applicable to trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in the Statement of Profit or Loss and Other Comprehensive Income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Note 10. Financial assets

	2024	2023
	\$	\$
<i>Current assets</i>		
Short term investments	<u>1,282,368</u>	<u>1,260,235</u>

Note 11. Property, plant and equipment

	2024 \$	2023 \$
<i>Non-current assets</i>		
Freehold land - at cost	357,299	357,299
Land and buildings - at cost	3,109,999	3,031,761
Less: Accumulated depreciation	(798,958)	(720,329)
	<u>2,311,041</u>	<u>2,311,432</u>
Plant and equipment - at cost	854,815	738,252
Less: Accumulated depreciation	(589,666)	(540,680)
	<u>265,149</u>	<u>197,572</u>
Furniture and fittings - at cost	289,275	185,915
Less: Accumulated depreciation	(155,362)	(134,013)
	<u>133,913</u>	<u>51,902</u>
Motor vehicles - at cost	568,978	455,927
Less: Accumulated depreciation	(361,008)	(260,400)
	<u>207,970</u>	<u>195,527</u>
Alcohol and drug program assets - at cost	-	45,393
Less: Accumulated depreciation	-	(38,297)
	<u>-</u>	<u>7,096</u>
	<u><u>3,275,372</u></u>	<u><u>3,120,828</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land \$	Buildings \$	Plant & equipment \$	Furniture & fittings \$	Motor vehicles \$	Alcohol & drug program \$	Total \$
Balance at 1 July 2023	357,299	2,311,432	197,572	51,902	195,527	7,096	3,120,828
Additions	-	78,238	134,863	85,060	67,658	-	365,819
Disposals	-	-	-	-	-	-	-
Transfers in/(out)	-	-	(18,300)	18,300	7,096	(7,096)	-
Depreciation expense	-	(78,629)	(48,986)	(21,349)	(62,311)	-	(211,275)
Balance at 30 June 2024	<u><u>357,299</u></u>	<u><u>2,311,041</u></u>	<u><u>265,149</u></u>	<u><u>133,913</u></u>	<u><u>207,970</u></u>	<u><u>-</u></u>	<u><u>3,275,372</u></u>

How we recognise property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at cost value, less subsequent depreciation for buildings.

Note 11. Property, plant and equipment (continued)

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2 for details of impairment).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Note 12. Trade and other payables

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade creditors	342,398	79,358
Accrued wages	246,581	90,034
PAYG withholding payable	119,456	152,032
GST liability	26,432	71,979
Trust funds	14,891	13,171
	<u>749,758</u>	<u>406,574</u>
	Note	
	2024	2023
	\$	\$
Total trade and other payables	749,758	406,574
GST liability	(26,432)	(71,979)
PAYG withholding payable	<u>(119,456)</u>	<u>(152,032)</u>
Total financial liabilities classified as trade and other payables	15 <u>603,870</u>	<u>182,563</u>

Note 13. Employee benefits

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Annual leave	448,602	387,419
Accrued days off	20,032	22,539
Long service leave	583,284	469,984
Time in lieu	29,050	15,281
	<u>1,080,968</u>	<u>895,223</u>
<i>Non-current liabilities</i>		
Long service leave	<u>119,034</u>	<u>171,530</u>
	<u>1,200,002</u>	<u>1,066,753</u>

How we recognise employee benefits

Note 13. Employee benefits (continued)

Provisions for employee benefits represents amounts accrued for annual leave, accrued days off (ADO's), accrued time in lieu and long service leave.

Short term employee benefits

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave, time in lieu, accrued days off or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Long-term employee benefits

The company classifies employees' long service leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality government bonds that have maturity dates that approximate the terms of the obligations.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur with the key judgements discussed in Note 3.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Note 14. Cash flow information

	2024	2023
	\$	\$
Deficit for the year	(952,352)	(389,227)
Adjustments for:		
Depreciation and amortisation	211,275	189,999
Change in operating assets and liabilities:		
Increase in trade and other receivables	(178,266)	(17,023)
Increase in contract assets	(197,737)	-
Decrease/(increase) in other assets	3,914	(22,070)
Increase in trade and other payables	343,184	112,184
Increase in employee benefits	133,249	10,337
Decrease in other provisions	(20,000)	-
Increase/(decrease) in other liabilities	162,453	(74,257)
Net cash used in operating activities	<u>(494,280)</u>	<u>(190,057)</u>

Note 15. Financial instruments

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

Note 15. Financial instruments (continued)

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

	Note	2024 \$	2023 \$
Financial assets			
Cash and cash equivalents	8	666,849	1,549,081
Trade and other receivables	9	378,137	199,871
Financial assets	10	1,282,368	1,260,235
Total financial assets		<u>2,327,354</u>	<u>3,009,187</u>
Financial liabilities			
Trade and other payables	12	603,870	182,563
Total financial liabilities at amortised cost		<u>603,870</u>	<u>182,563</u>

How we recognise financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

Northern District Community Health recognises trade and other payables in this category.

Financial assets

Financial assets are measured at amortised costs if both of the following criteria are met:

- the financial asset is managed solely to collect contractual cash flows and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Note 15. Financial instruments (continued)

Northern District Community Health recognises cash and cash equivalents and trade and other receivables in this category.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the Statement of Financial Position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred
- all risk and rewards of ownership of the asset have been substantially transferred and
- the company no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Note 16. Capital commitments

At reporting date, the company has entered into contracts for capital expenditure which has not been provided for within the financial statements as disclosed below:

	2024	2023
	\$	\$
Kerang building extension	<u>242,382</u>	<u>-</u>

Note 17. Contingent liabilities and assets

The company's directors are not aware of any contingent liabilities or assets as at the date of signing this financial report (2023: nil).

Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 19. Director and related party disclosures

Key Management Personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Northern District Community Health, directly or indirectly.

Note 19. Director and related party disclosures (continued)

The KMP of Northern District Community Health are deemed to be the:

- Board of Directors
- Chief Executive Officer
- General Manager, Corporate Services
- General Manager, Community Health
- General Manager, Community Care

The totals of remuneration paid to the KMP of Northern District Community Health during the year are as follows:

	2024	2023
	\$	\$
Salary and fees	582,334	476,910
Superannuation	58,377	46,198
Other long term employee benefits	-	-
	<hr/>	<hr/>
Total remuneration of KMP	<u>640,711</u>	<u>523,108</u>

Outside of normal citizen type transactions with the company, there were no related party transactions that involved KMP, their close family members and their personal business interests.

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Victorian Auditor-General's Office, the auditor of the company:

	2024	2023
	\$	\$
<i>Audit services - Victorian Auditor-General's Office</i>		
Audit of the financial statements	<u>28,600</u>	<u>27,500</u>

Note 21. Registered office/principal place of business

The registered office of the company is:

Northern District Community Health
24 Fitzroy Street, Kerang VIC 3579

The principal place of business is:

Northern District Community Health
24 Fitzroy Street, Kerang VIC 3579

In accordance with a resolution of the directors of Northern District Community Health, the directors of the company declare that:

- The attached financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and;
 - (a) Comply with Australian Accounting Standards - Simplified Disclosures, and
 - (b) Give a true and fair view of the company's financial position as at 30 June 2024 and of its performance and cash flows for the year ended on that date.
- In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*:

On behalf of the directors

A handwritten signature in black ink, appearing to read "Meghan Stewart", written over a horizontal line.

Meghan Stewart
Chairperson

12th November 2024

A handwritten signature in black ink, appearing to read "Richard Morrison", written over a horizontal line.

Richard Morrison
Treasurer

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Auditor-General's Independence Declaration

To the Directors, Northern District Community Health

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Northern District Community Health for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
20 November 2024



as delegate for the Auditor-General of Victoria

Independent Auditor's Report

To the Directors of Northern District Community Health

Opinion	<p>I have audited the financial report of Northern District Community Health (the company) which comprises the:</p> <ul style="list-style-type: none"> • statement of financial position as at 30 June 2024 • statement of profit or loss and other comprehensive income for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including material accounting policy information • directors' declaration. <p>In my opinion the financial report is in accordance with Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the company as at 30 June 2024 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards– <i>Simplified Disclosure Requirements</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2022</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards– <i>Simplified Disclosure Requirements</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

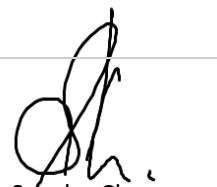
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' 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 company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Sanchu Chummar

as delegate for the Auditor-General of Victoria

MELBOURNE
20 November 2024