

# NORTHERN DISTRICT COMMUNITY HEALTH

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ABN: 11 507 709 511

## **Financial Statements**

For the year ended 30 June 2021



# Northern District Community Health

30 June 2021

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# Northern District Community Health Directors' Report

Your directors present their report of Northern District Community Health for the year ended 30 June 2021.

## Directors

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

Cameron Hodge	Meghan Stewart
Merril Kelly	Margaret Piccoli
Sandra Fry	Charlie Gillingham
Richard Morrison	Ronald Stanton

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 in providing health and welfare services to the communities within 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

The surplus of the company for the financial year was:

Year ended 30 June 2021	Year ended 30 June 2020
\$	\$
708,141	420,668

# Northern District Community Health Directors' Report

## **Performance Measurement**

Measurement of the five goals are against the strategies and KPI's as noted in the Strategic Plan. Principal activities during the year are health promotion and early intervention activities to assist people and communities to maintain a better state of health and wellbeing. All five key goals for the agency have indicated achievements linking to the mission for Northern District Community Health.

## **Significant Changes in State of Affairs**

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, Northern District Community Health was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Northern District Community Health operates.

Northern District Community Health introduced a range of measures in both the prior and current year, including:

- greater utilisation of telehealth services
- performing COVID-19 testing
- implementing work from home arrangements where appropriate.

As restrictions eased towards the end of the financial year Northern District Community Health were able to revise some measures where appropriate. Subsequent to year end however, the Victorian Government issued further lockdown restrictions for regional Victoria commencing 21 August, with lockdown restrictions lifting in some local government areas from 10 September 2021. During this period of time Northern District Community Health have reintroduced such measures.

No further significant changes in the company's state of affairs occurred during the financial year.

## **After Balance Date Events**

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Northern District Community Health at the reporting date. Management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Northern District Community Health, its operations, its future results and financial position. The Victorian Government issued lockdown restrictions for regional Victoria commencing 21 August, with lockdown restrictions lifting in some local government areas from 10 September 2021. The state of emergency in Victoria was extended on 23 September 2021 until 21 October 2021.

No other 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.

# Northern District Community Health Directors' Report

## 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, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 16 to 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 or related body corporate) 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 entity 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

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<b>Cameron Hodge</b>	Chairperson
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Appointed:	4 October 2019
Occupation:	Farmer
Special Responsibilities:	Finance and Risk Committee

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<b>Meghan Stewart</b>	Vice Chairperson
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Appointed:	27 September 2017
Occupation:	Kerang Neighbourhood House Manager
Special Responsibilities:	Finance and Risk Committee

# Northern District Community Health Directors' Report

## Information on Directors (continued)

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<b>Merril Kelly</b>	Director
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Appointed:	24 September 1996
Occupation:	Bachelor of Education, Community Groups, Employment Skills - Community Education
Special Responsibilities:	Finance and Risk Committee, Housing Committee

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<b>Margaret Piccoli</b>	Director
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Appointed:	13 September 1994
Occupation:	Agricultural Consultant and Company Director
Special Responsibilities:	Finance and Risk Committee, Housing Committee

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<b>Sandra Fry</b>	Director
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Appointed:	19 November 2007
Occupation:	Teacher
Special Responsibilities:	Housing Committee

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<b>Charlie Gillingham</b>	Director
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Appointed:	19 February 2014
Occupation:	Farmer
Special Responsibilities:	Housing Committee

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<b>Richard Morrison</b>	Treasurer
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Appointed:	25 July 2018
Occupation:	Manager Contracts and Procurement Campaspe Shire Council, Master of Business Administration (MBA)
Special Responsibilities:	Finance and Risk Committee

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<b>Ronald Stanton</b>	Director
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Appointed:	4 November 2019
Occupation:	Insurance Broker
Special Responsibilities:	N/A

# Northern District Community Health Directors' Report

## Meeting of Directors

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

	Directors' Meetings	
	Eligible to attend	Attended
Cameron Hodge	9	8
Meghan Stewart	9	9
Merril Kelly	9	9
Margaret Piccoli	9	8
Sandra Fry	9	8
Charlie Gillingham	9	8
Richard Morrison	9	8
Ronald Stanton	9	5

## Company Secretary

Brad Tarr held company secretary responsibilities at the end of the financial year.

## Members' Guarantee

The company is incorporated under the *Australian Charities and Not-for-profits Act 2012* 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 2021 the number of members was 8 (2020: 8).

## Auditors' Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 6 of the financial reports.

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



Cameron Hodge, Chairperson



Meghan Stewart, Vice Chairperson

Dated this 27th day of October 2021

## Auditor-General's Independence Declaration

### To the Board of 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 2021, 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  
11 November 2021

Travis Derricott  
*as delegate for the Auditor-General of Victoria*

# Northern District Community Health Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue and income	2	7,123,369	6,962,520
Employee benefits expense		(3,754,358)	(3,868,960)
Program costs		(1,875,645)	(1,753,318)
Advertising and promotion		(50,292)	(36,877)
Occupancy and associated costs		(108,449)	(99,533)
Depreciation and amortisation expense	3	(203,700)	(216,501)
General administration expenses		(422,784)	(566,663)
<b>Surplus before income tax</b>		<b>708,141</b>	<b>420,668</b>
Income tax	1(d)	-	-
<b>Surplus after income tax</b>		<b>708,141</b>	<b>420,668</b>
Other comprehensive income		-	-
<b>Total comprehensive income attributable to members of the entity</b>		<b>708,141</b>	<b>420,668</b>

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 2021

	Notes	2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	4	2,470,455	1,643,514
Trade and other receivables	5	121,688	249,020
Prepaid expenses		24,271	18,698
<b>Total current assets</b>		<b>2,616,414</b>	<b>1,911,232</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	3,146,074	3,178,529
<b>Total non-current assets</b>		<b>3,146,074</b>	<b>3,178,529</b>
<b>Total assets</b>		<b>5,762,488</b>	<b>5,089,761</b>
<b>Current liabilities</b>			
Trade and other payables	7	448,490	343,155
Other liabilities	8	3,600	101,100
Employee benefits	9	875,652	962,238
Provisions	10	30,000	-
<b>Total current liabilities</b>		<b>1,357,742</b>	<b>1,406,493</b>
<b>Non-current liabilities</b>			
Employee benefits	9	124,386	111,049
<b>Total non-current liabilities</b>		<b>124,386</b>	<b>111,049</b>
<b>Total liabilities</b>		<b>1,482,128</b>	<b>1,517,542</b>
<b>Net assets</b>		<b>4,280,360</b>	<b>3,572,219</b>
<b>Equity</b>			
Accumulated surplus		4,280,360	3,572,219
<b>Total equity</b>		<b>4,280,360</b>	<b>3,572,219</b>

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 2021

	Accumulated Surplus \$	Total Equity \$
<b>Balance at 1 July 2019</b>	3,151,551	3,151,551
Surplus for the year	420,668	420,668
Total other comprehensive income for the year	-	-
<b>Balance at 30 June 2020</b>	<b>3,572,219</b>	<b>3,572,219</b>
<b>Balance at 1 July 2020</b>	3,572,219	3,572,219
Surplus for the year	708,141	708,141
Total other comprehensive income for the year	-	-
<b>Balance at 30 June 2021</b>	<b>4,280,360</b>	<b>4,280,360</b>

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 2021

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from clients and government grants		7,214,156	7,239,944
Payments to suppliers and employees		(6,355,160)	(6,478,597)
Interest received		117,058	92,265
<b>Net cash provided by operating activities</b>	11	<b>976,054</b>	<b>853,612</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(218,064)	(115,095)
Proceeds from sale of assets		68,951	45,645
<b>Net cash used in investing activities</b>		<b>(149,113)</b>	<b>(69,450)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	(120,000)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(120,000)</b>
<b>Net increase in cash held</b>		<b>826,941</b>	<b>664,162</b>
Cash and cash equivalents at the beginning of the financial year		1,643,514	979,352
<b>Cash and cash equivalents at the end of the financial year</b>	4	<b>2,470,455</b>	<b>1,643,514</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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 27 October 2021 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*.

Northern District Community Health early adopted AASB 1060: *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* effective 1 July 2020. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows of the company as a result of the change in the basis of preparation.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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.

### **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.

### **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.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### Impact of global COVID-19 pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, Northern District Community Health was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Northern District Community Health operates.

Northern District Community Health introduced a range of measures in both the prior and current year, including:

- greater utilisation of telehealth services
- performing COVID-19 testing
- implementing work from home arrangements where appropriate.

As restrictions eased towards the end of the financial year Northern District Community Health were able to revise some measures where appropriate. Subsequent to year end however, the Victorian Government issued further lockdown restrictions for regional Victoria commencing 21 August, with lockdown restrictions lifting from 10 September 2021. During this period of time Northern District Community Health have reintroduced such measures.

The financial impacts of the pandemic are disclosed at:

- Note 2 : Revenue
- Note 15: Events After the Reporting Period

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### Note 1. Summary of Significant Accounting Policies

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#### (a) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Impairment of Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash flows are presented in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### (d) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

#### (e) 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.

##### 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, 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.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (e) Judgements and key sources of estimation uncertainty (continued)

##### 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. Restrictions introduced in response to COVID-19 have impacted the company's ability to meet performance obligations under a range of its funding agreements and contracts. In response, whilst the company has requested 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 2021. 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.

#### (f) 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.

#### (g) 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 \$5,145 for the 2021 financial year (2020: \$2,442).

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (h) New Standards Applicable to Future Periods

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Northern District Community Health and their potential impact on Northern District Community Health when adopted in future periods is discussed below:

- *AASB 2020-8: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2* (applicable for reporting periods commencing on or after 1 January 2021). Adoption of this standard is not expected to have a material impact.
- *AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current* (applicable for reporting periods commencing on or after 1 January 2022). Adoption of this standard is not expected to have a material impact.
- *AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* (applicable for reporting periods commencing on or after 1 January 2022). Adoption of this standard is not expected to have a material impact.
- *AASB 17: Insurance Contracts* (applicable for reporting periods commencing on or after 1 January 2023). Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatory to the company in future periods.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

<b>Note 2.</b>	<b>Revenue and Other Income</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
			<b>\$</b>	<b>\$</b>
	Revenue from contracts with customers	2(a)	4,726,190	3,589,600
	Other sources of income	2(b)	2,397,179	3,372,920
	<b>Total revenue and other income</b>		<b>7,123,369</b>	<b>6,962,520</b>
<b>(a) Disaggregated revenue</b>				
The company has disaggregated revenue by the nature of revenue and timing of revenue recognition.				
<b>Categories of disaggregation</b>				
	Commonwealth government funding		1,032,743	894,586
	Victorian government funding		1,125,380	235,742
	Other government grants		434,476	437,293
	Medicare revenue		1,128,186	861,786
	NDIS funding		345,005	272,106
	Fees for service		577,865	614,871
	Other patient fees		82,535	154,483
	Other revenue		-	118,733
	<b>Total disaggregated revenue from contracts with customers under AASB 15</b>		<b>4,726,190</b>	<b>3,589,600</b>
<b>Timing of revenue recognition</b>				
Services transferred to customers:				
	- at a point in time		2,783,715	1,785,282
	- over time		1,942,475	1,804,318
			<b>4,726,190</b>	<b>3,589,600</b>
<b>(b) Other sources of income</b>				
	Government funding recognised under AASB 1058		1,894,017	2,971,873
	Incentive payments		184,818	137,838
	Reimbursements		117,058	92,265
	Interest received		58,289	66,856
	Donations		4,420	5,538
	Gain on disposal of assets		22,132	14,489
	Rental income		56,384	31,619
	Other income		60,061	52,442
	<b>Total other sources of income</b>		<b>2,397,179</b>	<b>3,372,920</b>

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 2. Revenue and Other Income (continued)

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#### 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, AASB 16, AASB 116 and AASB 138)
- 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.

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.                |

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 2. Revenue and Other Income (continued)

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- |   |  |
|---|--|
| - State Department of Health Small Rural Primary Health Flexible Services | <p>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, as and when the services are provided. Northern District Community Health uses the output method to measure its progress in satisfying its performance obligations.</p> <p>The company was unable to meet annual targets for the Small Rural Primary Health Flexible Services program due to COVID-19. The company accounted for a contract modification, which was based on the funding body's customary business practice of waiving unsatisfied performance obligations for programs adversely affected by COVID-19. This resulted in the derecognition of approximately \$162k in contract liabilities and recognition of income for the year ended 30 June 2021.</p> |
| - Murray Primary Health Network Investing in Chronic Disease Management   | <p>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.</p>   |
| - Murray Primary Health Network Investing in Rural Withdrawal             | <p>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.</p>   |

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.

#### Volunteer services

A not-for-profit company may, as an accounting policy choice, elect to recognise volunteer services, if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. The company receives volunteer services from members of the community. Whilst the provision of such volunteer services are important to the achievement of the companies objectives, as an accounting policy choice, the company has elected not to recognise such volunteer contributions as revenue and expenditure within profit or loss. This election has no impact on the company's surplus or net assets.

#### Contributed assets

The company may receive assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of such assets, the company recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from contracts with a customer.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 2. Revenue and Other Income (continued)

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The company recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amounts.

#### Interest income

Interest income is recognised using the effective interest method.

#### Donations

Donations are recognised when the donation is received.

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

Note 3. Material Profit or Loss Items	Notes	2021 \$	2020 \$
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.			
<b>(a) Depreciation and amortisation</b>			
Buildings		71,547	71,546
Plant & equipment		54,821	56,034
Motor vehicles		55,184	62,506
Alcohol & drug program assets		4,206	5,607
Furniture & fittings		17,942	20,808
Total depreciation and amortisation expenses		203,700	216,501

#### How we recognise expenditure

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

#### Employee benefits expense

Employee benefits expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments)
- On-costs
- WorkCover premium.

#### Program costs

Program costs are most significantly comprised of General Practitioner contract fees.

#### Other operating expenses

Other operating expenses represent the day to day running costs incurred in normal operations and include things such as:

- Advertising and promotion
- Occupancy and associated costs
- General administration expenses.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

		2021	2020
<b>Note 4. Cash and Cash Equivalents</b>		\$	\$
Cash on hand		680	680
Cash at bank		591,274	1,642,834
Short term investments		1,878,501	-
<b>Total cash and cash equivalents</b>	<b>12</b>	<b>2,470,455</b>	<b>1,643,514</b>
<i>Represented by:</i>			
Operational funds		2,443,898	1,605,510
Monies held in trust		26,557	38,004
		<b>2,470,455</b>	<b>1,643,514</b>

### How we recognise cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

		2021	2020
<b>Note 5. Trade and Other Receivables</b>		\$	\$
Trade receivables		122,608	249,327
Accrued income		2,761	2,301
Less provision for expected credit losses		(3,681)	(2,608)
<b>Total trade and other receivables</b>		<b>121,688</b>	<b>249,020</b>
<i>(i) Financial assets at amortised cost classified as trade and other receivables</i>			
Total trade and other receivables		121,688	249,020
Allowance for credit loss		3,681	2,608
<b>Total financial assets at amortised cost</b>	<b>12</b>	<b>125,369</b>	<b>251,628</b>

### 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. Refer to Note 12 for further discussion on the determination of expected credit losses.

The following table shows the movement in lifetime expected credit loss that has been recognised for accounts receivable and other debtors in accordance with the simplified approach set out in AASB 9.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### Note 5. Trade and Other Receivables (continued)

#### (a) Expected credit losses

	Opening balance 1 July 2019	Change in loss allowance	Amounts written off	Closing balance 30 June 2020
Provision for expected credit losses	-	(2,608)	-	(2,608)
	-	(2,608)	-	(2,608)
	Opening balance 1 July 2020	Change in loss allowance	Amounts written off	Closing balance 30 June 2021
Provision for expected credit losses	(2,608)	(1,073)	-	(3,681)
	(2,608)	(1,073)	-	(3,681)

#### (b) Credit Risk

The company has no significant concentration of credit risk with respect to any single counterparty or entity of counterparties other than those receivables specifically provided for and mentioned within this note. The main source of credit risk to the company is considered to relate to the class of assets described as trade and other receivables.

The company always measures the loss allowance for accounts receivables at an amount equal to lifetime expected credit loss. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

The company writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (eg when the debtor has been placed under liquidation or has entered into bankruptcy proceedings) or when the trade receivables are over two years past due, whichever occurs earlier. None of the accounts receivable that have been written off are subject to enforcement activities.

	2021 \$	2020 \$
<b>Note 6. Property, Plant and Equipment</b>		
<i>Land and Buildings</i>		
Freehold land - at cost	357,299	357,299
Buildings - at cost	2,809,361	2,809,361
Less accumulated depreciation	(572,855)	(501,308)
	2,236,506	2,308,053
Total land and buildings	2,593,805	2,665,352
Motor vehicles - at cost	386,986	361,039
Less accumulated depreciation	(148,224)	(191,735)
	238,762	169,304

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

<b>Note 6. Property, Plant and Equipment (continued)</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment - at cost	675,893	718,059
Less accumulated depreciation	(447,951)	(473,625)
	<b>227,942</b>	<b>244,434</b>
Furniture and fittings - at cost	176,655	169,989
Less accumulated depreciation	(103,705)	(87,371)
	<b>72,950</b>	<b>82,618</b>
Alcohol and drug program assets - at cost	45,393	45,393
Less accumulated depreciation	(32,778)	(28,572)
	<b>12,615</b>	<b>16,821</b>
<b>Total property, plant and equipment</b>	<b>3,146,074</b>	<b>3,178,529</b>

*Movements in carrying amounts:*

	<b>Land</b>	<b>Buildings</b>	<b>Motor Vehicles</b>	<b>Plant &amp; Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Alcohol &amp; Drug Program</b>	<b>Total</b>
<b>2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Carrying amount 1 July	357,299	2,308,053	169,304	244,434	82,618	16,821	<b>3,178,529</b>
Additions	-	-	163,370	46,069	8,625	-	<b>218,064</b>
Disposals	-	-	(38,728)	(7,740)	(351)	-	<b>(46,819)</b>
Depreciation	-	(71,547)	(55,184)	(54,821)	(17,942)	(4,206)	<b>(203,700)</b>
Carrying amount at 30 June	357,299	2,236,506	238,762	227,942	72,950	12,615	<b>3,146,074</b>

### 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.

#### 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 1 (c) for details of impairment).

Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### Note 6. Property, Plant and Equipment (continued)

#### Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates are consistent with the prior period. For each class of depreciable assets the depreciation rates are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	67%
Motor vehicles	25%
Furniture & fittings	10-15%
Alcohol & drug program assets	25.0%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

Note 7. Trade and Other Payables	Notes	2021	2020
		\$	\$
Trade creditors		289,304	138,607
Accrued wages		48,328	28,606
Other creditors		63,601	87,268
GST liability		20,700	31,670
Accrued expenses		-	19,000
Trust funds		26,557	38,004
Total trade and other payables		448,490	343,155
(i) Financial liabilities classified as trade and other payables			
Total trade and other payables		448,490	343,155
GST liability		(20,700)	(31,670)
Total financial liabilities classified as trade and other payables	12	427,790	311,485

#### How we recognise trade and other payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

<b>Note 8. Contract Liabilities</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
State Department of Health contract liabilities	-	30,000
Murray Primary Health Network contract liabilities	-	65,000
Other contract liabilities	3,600	6,100
<b>Total contract liabilities</b>	<b>3,600</b>	<b>101,100</b>

### How we recognise contract liabilities

Contract liabilities represent Northern District Community Health's obligation to transfer goods or services to customers and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

<b>Note 9. Employee Benefits</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current</i>		
Provision for annual leave	360,072	333,021
Provision for accrued days off	15,845	15,582
Provision for long service leave	494,634	609,944
Provision for time in lieu	5,101	3,691
	<b>875,652</b>	<b>962,238</b>
<i>Non-Current</i>		
Provision for long service leave	124,386	111,049
<b>Total employee benefits</b>	<b>1,000,038</b>	<b>1,073,287</b>

### How we recognise employee benefits

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

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including salaries, wages, ADOs, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the Statement of Financial Position.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 9. Employee Benefits (continued)

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#### Long-term employee benefits

The company classifies employees' long service leave and annual 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 1 (f).

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.

	2021	2020
Note 10. Provisions	\$	\$
Provision for GP incentive	30,000	-
Total provisions	30,000	-

#### How we recognise provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

<b>Note 11. Cash Flow Information</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of surplus to net cash provided by operating activities		
Surplus	708,141	420,668
Non cash items:		
- depreciation	203,700	216,501
- (profit)/loss on disposal of assets	(22,132)	31,156
- share of loss of joint venture	-	87,361
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	121,759	(43,867)
- Increase/(decrease) in payables	105,335	(25,425)
- Increase/(decrease) in employee benefits	(73,249)	66,118
- Increase in provisions	30,000	-
- Increase/(decrease) in other liabilities	(97,500)	101,100
Net cash flows provided by operating activities	976,054	853,612

### **Note 12. Financial Instruments**

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

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:

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets</b>			
Cash and cash equivalents	4	2,470,455	1,643,514
Trade and other receivables	5(i)	125,369	251,628
<b>Total financial assets</b>		2,595,824	1,895,142
<b>Financial liabilities</b>			
Trade and other payables	7(i)	427,790	311,485
<b>Total financial liabilities</b>		427,790	311,485

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 12. Financial Instruments (continued)

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#### 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.

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.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### **Note 12. Financial Instruments (continued)**

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#### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

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.

#### **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

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.

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### **Note 13. Capital and Commitments**

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No capital commitments contracted for (2020: nil).

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### **Note 14. Contingent Liabilities and Contingent Assets**

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The company's directors are not aware of any contingent liabilities or assets as at the date of signing this financial report (2020: nil).

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

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### Note 15. Events after the Reporting Period

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The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Northern District Community Health at the reporting date. Management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Northern District Community Health, its operations, its future results and financial position. The Victorian Government issued lockdown restrictions for regional Victoria commencing 21 August, with lockdown restrictions lifting in some local government areas from 10 September 2021. The state of emergency in Victoria was extended on 23 September 2021 until 21 October 2021.

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

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### Note 16. Director and Related Party Disclosures

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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.

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

- Board of Directors
- Chief Executive Officer
- General Manager, Programs and Services
- General Manager, Corporate Services

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

	2021	2020
	\$	\$
Salary and fees	385,742	383,540
Superannuation	34,588	34,263
Other long term employee benefits	-	-
Total remuneration of KMP	420,330	417,803

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.

# Northern District Community Health

## Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
<b>Note 17. Auditor's Remuneration</b>	<b>\$</b>	<b>\$</b>
Remuneration of the Auditors, Victoria Auditor General's Office for:		
- auditing the financial report	22,680	-
Remuneration of the Auditors, Andrew Frewin Stewart for:		
- auditing the financial report	-	20,500
- preparation of the financial statements	-	1,075
- assistance with the adoption of AASB 15 and AASB 1058	-	7,855
<b>Total auditor's remuneration</b>	<b>22,680</b>	<b>29,430</b>

### **Note 18. 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

# Northern District Community Health Directors' Declaration

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

- 1 The financial statements and notes, as set out on pages 7 to 30, 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 2021 and of its performance and cash flows for the year ended on that date.
- 2 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 2013* :

Chairperson   
\_\_\_\_\_ **Cameron Hodge**

Vice Chairperson   
\_\_\_\_\_ **Meghan Stewart**

Dated this 27th day of October 2021

# Independent Auditor's Report

## To the Directors of Northern District Community Health

<b>Opinion</b>	<p>I have audited the financial report of Northern District Community Health (the company) which comprises the:</p> <ul style="list-style-type: none"> <li>• statement of financial position as at 30 June 2021</li> <li>• statement of profit or loss and other comprehensive income for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• directors' declaration.</li> </ul> <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"> <li>• giving a true and fair view of the financial position of the company as at 30 June 2021 and of its financial performance and its cash flows for the year then ended</li> <li>• complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.</li> </ul>
<b>Basis for Opinion</b>	<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 Australia. 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>
<b>Directors' responsibilities for the financial report</b>	<p>The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures 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 and fair presentation of a financial report that 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>

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**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.

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MELBOURNE  
11 November 2021

Travis Derricott  
*as delegate for the Auditor-General of Victoria*

# NORTHERN DISTRICT COMMUNITY HEALTH

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