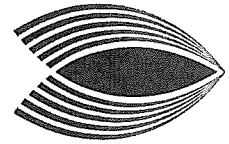


Indigo North  
**Health** inc



Indigo North Health Inc  
abn 24 413 439 986  
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# **INDIGO NORTH HEALTH INC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2018**

Chiltern Campus

11 Main Street  
Chiltern Victoria  
Australia 3683

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIGO NORTH HEALTH INC.**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Indigo North Health Inc (the Association), which comprises the statement of financial position as at 30 June 2018, the statement of profit and loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the certification by members of the Committee on the annual statements giving a true and fair view of the financial position and performance of the Association.

In our opinion, the accompanying financial report of Indigo North Health Inc is in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012 (VIC)*, including:

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

#### **Basis for Opinion**

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

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

#### **Information Other than the Financial Report and Auditor's Report Thereon**

The Committee of the Association is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in

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## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF INDIGO NORTH HEALTH INC.**

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doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Committee for the Financial Report**

The Committee of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012 (VIC)* and for such internal control as the Committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.


**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
INDIGO NORTH HEALTH INC.**

*Page 3*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**BOB TRAVERS & ASSOCIATES**  
Chartered Accountant



RJ Travers  
Principal

ALBURY  
28 September 2018

## Schedule 1

## INDIGO NORTH HEALTH INC.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018

	NOTE	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	2	4,162,589	3,048,900
Trade and Other Receivables	3	86,750	119,687
Inventories	4	11,319	10,285
Other Current Assets	5	24,714	23,326
		<u>4,285,372</u>	<u>3,202,198</u>
<b>Non-current Assets</b>			
Property, plant and equipment	6	<u>5,712,072</u>	<u>5,148,420</u>
<b>TOTAL ASSETS</b>		<u>9,997,444</u>	<u>8,350,618</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	7	2,266,229	935,064
Short Term Provisions	8	444,602	454,900
		<u>2,710,831</u>	<u>1,389,964</u>
<b>Non-current Liabilities</b>			
Long Term Provisions	8	101,356	102,345
Other	9	3,532,502	3,496,319
		<u>3,633,858</u>	<u>3,598,664</u>
<b>TOTAL LIABILITIES</b>		<u>6,344,689</u>	<u>4,988,628</u>
<b>NET ASSETS</b>		<u>3,652,755</u>	<u>3,361,990</u>
<b>EQUITY</b>			
Retained Surplus		2,522,732	2,998,291
Revaluation Surplus Reserve		<u>1,130,023</u>	<u>363,699</u>
<b>TOTAL EQUITY</b>		<u>3,652,755</u>	<u>3,361,990</u>

The accompanying notes form part of these financial statements.

Schedule 2

INDIGO NORTH HEALTH INC.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
<b>REVENUE</b>	10	<u>6,319,140</u>	<u>6,329,973</u>
<b>OPERATING EXPENSES</b>			
Employment related costs		5,493,956	5,235,034
Depreciation		290,378	292,516
Other programme and operating costs		<u>1,032,239</u>	<u>996,693</u>
<b>TOTAL OPERATING EXPENSES</b>		<u>6,816,573</u>	<u>6,524,243</u>
<b>Operating Surplus / (Deficit) Before Capital Grants / Donations and Significant Items</b>		<u>(497,433)</u>	<u>(194,270)</u>
Grants / Donations for Capital Purposes	10	<u>21,874</u>	<u>20,539</u>
Surplus (Deficit) before income tax		(475,559)	(173,731)
Income tax expense		<u>(475,559)</u>	<u>(173,731)</u>
Surplus (Deficit) from operations			
Other comprehensive income after tax			
Surplus on revaluation of Land & Buildings		766,324	
Total comprehensive income for the year attributable to members of the entity		<u>290,765</u>	<u>(173,731)</u>

The accompanying notes form part of these financial statements.

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**Schedule 3**

**INDIGO NORTH HEALTH INC.**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	<b>Retained Surplus</b>	<b>Revaluation Surplus Reserve</b>	<b>Total</b>
Balance at 30 June 2016	3,172,022	363,699	3,535,721
Net surplus (Deficit) for the year attributable to members	(173,731)		(173,731)
<hr/>			
Balance at 30 June 2017	2,998,291	363,699	3,361,990
Net operating surplus (deficit) for the year attributable to members	(475,559)		(475,559)
Surplus on revaluation of Land & Buildings		766,324	766,324
<hr/>			
Balance at 30 June 2018	2,522,732	1,130,023	3,652,755

The accompanying notes form part of these financial statements.



## INDIGO NORTH HEALTH INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Government grants		2,265,836	2,312,654
Patient fees (including Commonwealth Benefit and Accommodation Charge)		3,065,597	3,147,374
Interest received		71,535	48,243
Property rental		51,580	68,190
Donations and bequests		76,441	115
Other		712,309	660,381
		<u>6,243,298</u>	<u>6,236,957</u>
<b>Payments</b>			
Salaries and wages		(4,930,828)	(4,637,778)
Suppliers		(1,473,708)	(1,434,195)
		<u>(6,404,536)</u>	<u>(6,071,973)</u>
<b>Net cash from/(used in) operating activities</b>	12	<u>(161,238)</u>	<u>164,984</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant and equipment		22,600	12,800
Payments for purchase of plant and equipment		(83,021)	(139,977)
Payments for land / buildings		(21,795)	(21,833)
		<u>(82,216)</u>	<u>(149,010)</u>

The accompanying notes form part of these financial statements.

## INDIGO NORTH HEALTH INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Advances from tenants			
Repayment of advances from tenants			
Accommodation bonds/RAD's received		615,000	1,446,357
Accommodation/RAD's bonds refunded		<u>(208,648)</u>	<u>(800,654)</u>
<b>Net cash from/(used in) financing activities</b>		<u>406,352</u>	<u>645,703</u>
Grants – capital purposes		<u>21,874</u>	<u>20,539</u>
Grants – unexpended capital grants received		<u>928,917</u>	<u>                    </u>
<b>NET INCREASE/(DECREASE) IN CASH FUNDS</b>			
Cash funds at beginning of year	12	<u>1,113,689</u> <u>3,048,900</u>	<u>682,216</u> <u>2,366,684</u>
Cash funds at end of year	12	<u>4,162,589</u>	<u>3,048,900</u>

The accompanying notes form part of these financial statements.

**INDIGO NORTH HEALTH INC.**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**1. Statement of Significant Accounting Policies**

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards (including the Australian Accounting Interpretations), the requirements of the Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012. The Association is a not-for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements cover Indigo North Health Inc. as an individual entity.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial statements.

The accounting policies have been consistently applied, unless otherwise stated.

**Reporting Basis and Conventions.**

The financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable, by the revaluation of selected non-current assets and financial liabilities for which the fair value basis of accounting has been applied.

**(a) Property Plant and Equipment**

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

**Freehold Property**

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when freehold land and buildings are not subject to independent valuations, the Committee conducts Committee valuations to ensure that the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the Revaluation Surplus Reserve under equity. Revaluation decreases that offset previous increases of the same class of assets are recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in the profit or loss.

**INDIGO NORTH HEALTH INC.****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018****Plant and Equipment**

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

Depreciation has been provided on depreciable assets so as to allocate the cost (or valuation) over their estimated useful lives using the straight line or diminishing methods of depreciation as deemed appropriate.

The following average rates of depreciation have been applied:

	<b>2018</b>	<b>2017</b>
Buildings	3.2% Av	3.2% Av
Plant and Equipment	10% Av	10% Av
Motor Vehicles	22.5% Av	22.5% Av

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains are included in the income statement. When valued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

**(b) Impairment of Assets**

At each reporting date, the Association reviews the carrying values 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 assets, being the higher value of the assets fair value less costs to sell and value-in-use, is compared to the assets carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**INDIGO NORTH HEALTH INC.****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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

**(c) Employee Benefits**

Provision is made for the Association's liability for the employee benefits arising from the services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.

**(d) Inventories**

Inventories consist of supplies and consumables and are valued at supplier invoice cost.

**(e) Income tax**

No provision for income tax has been raised as the entity is exempt from income tax under current legislation

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>2 Cash and Cash Equivalents</b>		
Cash on hand	1,500	1,500
Cash at bank	4,161,089	3,047,400
	<u>4,162,599</u>	<u>3,048,900</u>
<b>3 Trade and Other Receivables</b>		
Patient fees	86,750	119,687
Other	<u>86,750</u>	<u>119,687</u>
<b>4 Inventories</b>		
Supplies and consumables, at cost	<u>11,319</u>	<u>10,285</u>

## INDIGO NORTH HEALTH INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

## 5 Other Current Assets

Prepaid expenses	24,714	23,326
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## 6 Property, Plant &amp; Equipment

## (a) Summary

Land and improvements		
-At fair value 30/06/18 (based on independent valuations obtained)	823,000	
-At independent valuation 30/06/06		420,000
-At independent valuation 11/12/07		125,000
- At fair value 2016		295,000
-At cost		273,000
Total Land & Improvements	<u>823,000</u>	<u>1,113,000</u>
Buildings		
-At fair value 30/06/18 ( based on independent valuations obtained)	4,260,000	
- At independent valuation 30/06/06		3,280,000
- At independent valuation 11/12/07		495,000
- At cost		1,098,671
- Accumulated depreciation		(1,532,002)
Total Buildings	<u>4,260,000</u>	<u>3,341,669</u>
Plant and equipment, at cost	1,415,904	1,343,663
Accumulated depreciation	(891,048)	(800,475)
	<u>524,856</u>	<u>543,188</u>
Motor vehicles, at cost	287,306	316,544
Accumulated depreciation	(183,090)	(165,981)
	<u>104,216</u>	<u>150,563</u>
Total	<u>5,712,072</u>	<u>5,148,420</u>

## INDIGO NORTH HEALTH INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

## (b) Reconciliation of Movements

	Land & Improve- ments	Buildings	Plant & Equipment	Motor Vehicles	Total
Carrying value 30/6/17	1,113,000	3,341,669	543,188	150,563	5,148,420
Additions		21,795	83,021		104,816
Revaluation surplus	(290,000)	1,056,324			766,324
Retirements			(1,526)	(15,584)	(17,110)
Depreciation		(159,788)	(99,827)	(30,763)	(290,378)
Carrying value 30/6/18	823,000	4,260,000	524,856	104,216	5,712,072

	2018 \$	2017 \$
<b>7 Trade and Other Payables</b>		
Trade creditors and accruals	433,785	359,383
Accommodation bonds/RAD's payable	315,001	
Unexpended grants	957,202	28,285
Accrued annual leave	560,241	547,396
	<u>2,266,229</u>	<u>935,064</u>
<b>8 Provisions</b>		
Provision for long service leave		
Current portion	444,602	454,900
Non current portion	101,356	102,345
	<u>545,958</u>	<u>557,245</u>
<b>9 Other non current liabilities</b>		
Resident accommodation bonds & RAD's held	2,846,452	2,806,594
Advances from tenants, secured	686,050	689,725
	<u>3,532,502</u>	<u>3,496,319</u>

## INDIGO NORTH HEALTH INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<b>10 Revenue</b>		
Operating Revenue		
Grants & subsidies	2,265,836	2,312,654
Patient fees - Commonwealth Benefits	1,707,335	1,797,938
- Private	538,666	588,704
- Accommodation Charge/Meanstested fees	163,582	90,545
Hostel – Commonwealth Funding	451,314	376,944
- Daily care fees	200,626	204,121
Ingoing retentions	51,493	151,121
Maintenance fees - residents	19,258	19,012
Other revenue programmes / initiatives	712,309	660,381
Maintenance Charges – residents	3,675	7,175
	<u>6,114,094</u>	<u>6,208,595</u>
Other Revenue		
Interest	71,535	48,243
Donations and bequests	76,441	115
Profit on sale of assets	5,490	4,830
Rent from properties	51,580	68,190
	<u>205,046</u>	<u>121,378</u>
	<u>6,319,140</u>	<u>6,329,973</u>
Capital Purposes Revenue		
Grants – Government	21,874	20,539
Total Revenue	<u>6,341,014</u>	<u>6,350,512</u>

**2018**  
\$

**2017**  
\$

**11. Capital Commitments and Contingent Liabilities**

(a) Contingent liabilities as at 30 June 2018.	<u>Nil</u>	<u>Nil</u>
(b) Capital expenditure on plant & improvements contracted for, but not provided for in the financial statements.	<u>213,911</u>	<u>72,514</u>



## INDIGO NORTH HEALTH INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

## 12. RECONCILIATION OF CASH

For the purpose of the Statement of Cash Flows, Indigo North Health Incorporated, consider cash to include Cash on hand and in Bank. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on Hand	1500	1,500
Cash at Bank and on hand	4,161,089	3,047,400
	<u>4,162,589</u>	<u>3,048,900</u>

**Reconciliation of Net Cash From Operating  
Activities to operating Results.**

Net surplus (loss) for the year	(475,559)	(173,731)
<u>Deduct</u>		
Capital grants	21,874	20,539
Operating Surplus / (Loss)	(497,433)	(194,270)
Depreciation	290,378	292,516
Accommodation Bond retentions/other deductions	(51,493)	(151,121)
Maintenance charge retentions	(3,675)	(7,175)
Loss(profit) on sale of assets	(5,490)	(4,830)
Long service leave provided	(11,287)	25,993
Increase / (Decrease) in creditors and accruals	87,247	131,796
Decrease / (Increase) in debtors	32,937	70,110
Decrease / (Increase) in prepayments	(1,388)	352
Decrease / (Increase) in stores	(1,034)	1,613
<b>Net cash from / (used in) operating activities</b>	<u>(161,238)</u>	<u>164,984</u>

**INDIGO NORTH HEALTH INC.**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**13. Superannuation**

Indigo North Health Inc. has, in its staffing profile, a number of employees who are members of the following public sector superannuation schemes:

- Hesta, First State Super, Encircle Super, Essential Super and Rest Super.

During the year, Indigo North Health Inc. contributions to the above schemes totalled \$445,775.

First State Super's Actuary conducted a review of the First State Super Defined Benefit Scheme's assets for the 2017/2018 year.

In relation to the year ended 30 June 2018, the Actuary advised that Indigo North Health's share of the notional excess assets of its defined benefit employees was \$35,626.

No asset has been recognised in the Statement of Financial Position as at 30 June 2018 in relation to the excess regarding the assets of the First State Super Defined Benefits Scheme.

The policy adopted for calculating employer contributions is based on the advice of the scheme's trustees.

***Basis for Calculating Contributions***

In accordance with the Trust Deeds of the Funds, employer contributions are calculated as a percentage of the employee's salary. The rates for 2017/2018 were:

**Superannuation Guarantee      9.5%**

***Contributory***

<b>Employee</b>	<b>Employers</b>
<b>0.0%</b>	<b>1.0%</b>
<b>3.0%</b>	<b>6.0%</b>
<b>4.0%</b>	<b>6.0%</b>
<b>6.0%</b>	<b>10.0%</b>

**INDIGO NORTH HEALTH INC.  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**14. Related Party Disclosures**

**(a) Committee of Management**

The following persons were members of the Committee of Management of Indigo North Health Inc. during the year:

- ◆ Mr Stephen McIntosh ( President)
- ◆ Mrs Jo Slattery (Vice President)
- ◆ Mrs Irene Cracknell OAM (Treasurer)
- ◆ Mr Tony Jones
- ◆ Mr Colin Glanville (resigned 4 December 2017)
- ◆ Mrs Janice Farrell
- ◆ Ms Roberta Horne
- ◆ Ms Penny Bingham (Appointed 4 December 2017)
- ◆ Mrs Glenda Burke (Appointed 4 December 2017)

**(b) Transactions with Committee Members or their related interest**

There were no transactions with Committee Members or their related interests.

## INDIGO NORTH HEALTH INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

## 15. Financial Risk Management

## Interest Rate Exposure and Market Value

	Fixed Interest Rate Maturing				Total book & Net market value
	Floating Interest Rate	1 Year or Less	1 – 2 Years	Non Interest Bearing	
<b>Financial Assets</b>					
Cash at bank and on hand	2,067,513	2,093,576		1,500	4,162,589
Receivables				86,750	86,750
	<u>2,067,513</u>	<u>2,093,576</u>		<u>88,250</u>	<u>4,249,339</u>
<b>Financial Liabilities</b>					
Trade creditors and accruals				994,026	994,026
Unexpended grants				957,202	957,202
Accommodation bonds /RAD's				3,161,453	3,161,453
Resident advances				686,050	686,050
				<u>5,798,731</u>	<u>5,798,731</u>
<b>Net Financial Assets</b>	<u>2,067,513</u>	<u>2,093,576</u>		<u>(5,710,481)</u>	<u>(1,549,392)</u>
Weighted average interest rate financial assets = 2.4 % pa					
Weighted average interest rate financial liability = Nil % pa					

## 16. MONIES HELD IN TRUST

	2018	2017
	\$	\$
Funds held in trust for patients not included in the statement of financial position.	<u>8,576</u>	<u>15,305</u>

## 17. AUDITORS REMUNERATION

	2018	2017
	\$	\$
Auditing the financial report (including out-of pocket expenses)	6,565	6,320
Other auditing services	730	685
Other accounting & secretarial services	760	720

**INDIGO NORTH HEALTH INC.****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018****18. Bed Licences**

Indigo North Health Inc. held 40 aged care bed licences as at 30 June 2018. Under Accounting Standards not for profit organisations are able to recognise such licences in their balance sheet as “intangible assets” at their “fair value” at the date of acquisition. Indigo North Health Inc. acquired the above licences at no cost. “Fair value” would normally be obtained through an independent valuation carried out by an expert valuer of bed licences.

There are significant issues to be taken into account in placing a value on these licences and in particular any restrictions / required approvals for their sale / transfer, linkage to other operational assets of the entity, the profitability of operations and a current active market.

At this stage Indigo North Health Inc. Committee of Management have not commissioned an independent expert valuation of the bed licences and, as such, have considered it prudent not to include a separate value for the bed licences in its balance sheet as at 30 June 2018. The assumption that land and buildings are used in the operation of an Aged Care Facility was incorporated in the previous revaluations of the Association’s land and buildings.

**19(a). Segment Assets / Liabilities**

Indigo North Health Inc. operates an Aged Care facility and Community Health Service in the Rutherglen/Chiltern district of Victoria. The registered office and principal place of business is High Street, Rutherglen Vic.

Assets and liabilities and revenue and expenses by segment are set out below:

	<b>Residential Aged Care</b>	<b>Primary Care</b>	<b>Other</b>	<b>Consolidated</b>
	\$	\$	\$	\$
<b>Assets</b>				
Cash and cash equivalents	2,325,373	993,498	843,718	4,162,589
Trade and other receivables	86,750			86,750
Inventories	11,319			11,319
Prepayments	24,714			24,714
Property, plant & equipment WDV	4,381,691	635,741	694,640	5,712,072
<b>Total Assets</b>	<b>6,829,847</b>	<b>1,629,239</b>	<b>1,538,358</b>	<b>9,997,444</b>

## Schedule 5/12

## INDIGO NORTH HEALTH INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

	Residential Aged Care \$	Primary Care \$	Other \$	Consolidated \$
<b>Liabilities</b>				
Trade and other payables	664,016	330,010		994,026
Unexpended capital grants		957,202		957,202
Provisions – LSL	387,630	158,328		545,958
Resident advances			686,050	686,050
Accommodation bonds/RAD's	3,161,453			3,161,453
Total Liabilities & Provisions	4,213,099	1,445,540	686,050	6,344,689
Net Assets	2,616,748	183,699	852,308	3,652,755

## 19(b) Segment Revenue and Expenses

	Residential Aged Care \$	Primary Care \$	Other \$	Consolidated \$
<b>Revenue</b>				
Government grants	3,118,717	1,305,718		4,424,485
Client & resident fees	954,367		22,933	977,300
Other revenue	313,989	603,366		917,355
Total revenue	4,387,073	1,909,134	22,933	6,319,140
<b>Operating expenses</b>				
Depreciation	229,182	45,243	15,953	290,378
Employee related costs	3,900,709	1,593,247		5,493,956
Other operating costs	620,685	411,554		1,032,239
	4,750,576	2,050,044	15,953	6,816,573
Add: - Capital grants	21,874			21,874
- Surplus on revaluation	964,965	(201,473)	2,832	766,324
Total surplus / loss	623,336	(342,383)	9,812	290,765

## INDIGO NORTH HEALTH INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

## 20(a) 2017 Comparative Segment Assets / Liabilities

	Residential Aged Care \$	Primary Care \$	Other \$	Consolidated \$
<b>Assets</b>				
Cash and cash equivalents	2,133,545	86,255	829,100	3,048,900
Trade and other receivables	119,687			119,687
Inventories	10,285			10,285
Prepayments	23,326			23,326
Property, plant & equipment WDV	3,513,895	931,404	703,121	5,148,420
Total Assets	5,800,738	1,017,659	1,532,221	8,350,618
<b>Liabilities</b>				
Trade and other payables	605,088	329,976		935,064
Provisions – LSL	395,644	161,601		557,245
Resident advances			689,725	689,725
Accommodation bonds/Rad's	2,806,594			2,806,594
Total Liabilities & Provisions	3,807,326	491,577	689,725	4,988,628
Net Assets	1,993,412	526,082	842,496	3,361,990

## 20(b) Segment Revenue and Expenses

	Residential Aged Care \$	Primary Care \$	Other \$	Consolidated \$
<b>Revenue</b>				
Government grants	3,111,473	1,376,063		4,487,536
Client & resident fees	1,034,541		26,187	1,060,728
Other revenue	220,714	560,995		781,709
Total revenue	4,366,728	1,937,058	26,187	6,329,973
<b>Operating expenses</b>				
Depreciation	228,661	47,092	15,953	292,516
Employee related costs	3,716,874	1,518,160		5,235,034
Other operating costs	598,016	398,677		996,693
	4,543,551	1,964,739	15,953	6,524,243
Add: - Capital grants	20,539			20,539
- Surplus on revaluation				
Total surplus / loss	(156,284)	(27,681)	10,234	(173,731)

## INDIGO NORTH HEALTH INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

## 21. Accounts Receivable Analysis

			Past due but not impaired			
	Gross Amount	Within Trade Terms	31-60	61-90	> 90	Impaired
<b>2017</b>						
Patient Fees	119,687	82,304	7,927	25,175	4,281	
Other Debtors						
	<u>119,687</u>	<u>82,304</u>	<u>7,927</u>	<u>25,175</u>	<u>4,281</u>	
<b>2018</b>						
Patient Fees	86,750	68,409	3,870	2,863	11,608	
Other Debtors						
	<u>86,750</u>	<u>68,409</u>	<u>3,870</u>	<u>2,863</u>	<u>11,608</u>	

## 22. Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its operations. Risk management policies are approved and reviewed by the Committee on a regular basis.




**INDIGO NORTH HEALTH INC.**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

We, Mr Stephen McIntosh and Mrs Irene Cracknell, being members of the Committee of Indigo North Health Inc., hereby certify that:

- (a) In the opinion of the Committee, the attached financial statements comprising the Statement of Financial Position, Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and explanatory notes to the financial statements of Indigo North Health Inc. give a true and fair view of the financial position and performance of Indigo North Health Inc. during and at the end of the financial year of the Association ending on 30 June 2018.
- (b) Have been prepared and presented in accordance with Australian Accounting Standards, the Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012.
- (c) At the date of the statement, there are reasonable grounds to believe that Indigo North Health Inc. will be able to pay its debts as and when they fall due.

Signed at Rutherglen this 28<sup>th</sup> day of September 2018.

President  ..... Mr Stephen McIntosh

Treasurer  ..... Mrs Irene Cracknell

