

Hobart District Nursing Service Inc

Annual Report

2006 — 2007



"Committed to Care"

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Board Members

Patroness: Mrs Jocelyn Cox

Chairperson: Rick McClean

Vice Chairperson: Lorraine Bailey

Treasurer: Owen Lloyd

Chief Executive Officer: Kim Macgowan

Board Members:
Lorraine Bailey
Lynne Dean
Dr Tom Foley
Narelle Green
Owen Lloyd
Cecily Pollard
Glenn Ward
Harry Wilsdon

Chairperson's report

This is my first Chairman's Report, having been elected to the position last year when our previous long-serving President and Chairman, Dr Tom Foley, did not seek re-election. I have been privileged to chair this very fine organization and have been most fortunate to have a committed and skilled group of Board Members and staff to work with.

During the year the Board involved itself in major strategic planning to further define and consolidate our plans for the future of the District Nurses.

Together with our dedicated management team we began a process of organizational change which has been necessary to ensure that our financial future stays sound, particularly having regard to very tight funding from government.

This has required many difficult and unavoidable decisions to be carefully considered and then taken at both the Board and senior management levels.

Whilst we have therefore spent a great deal of time on these financial and forward planning issues, we have never lost sight of the reason we exist to provide quality and timely care to

members of our community.

In the coming year, the Board will continue to pursue its long term objectives with vigour.

I wish to thank my fellow Board Members for their contributions this year. I thank Kim (and congratulate her on her well-deserved Telstra Businesswoman of the Year Award), and Barbara and also Izabell for her services to the Board and committee meetings. I also acknowledge the fine work carried out by the staff of the District Nurses

I commend the Annual Report to you.

Rick McKeen

Chief Executive Officer's Report



It gives me great pleasure to present the 111th Annual Report on the operations of the Hobart District Nursing Service Inc.

This year commenced with the clear purpose for all of us that we would need to consolidate the growth experienced in the last financial year. Our further purpose this year has been to commit resources to developing the systems required to ensure this now multi faceted operation can meet our vast statutory and quality reporting obligations.

The growth into such diverse areas as brokerage of staff and services to non-traditional customers such as residential care facilities and outreach services has presented challenges. The rising cost of our human and material resources has necessitated strict budgetary controls throughout the year. As a result we have commenced a restructure of the entire organisation which will continue into 2008. The purpose of the restructure is to:

- *Improve operational efficiency.*
- *Improve client services.*
- *Provide for future growth.*

This is an immense task. All staff are involved and all our systems and structures are being reviewed. It is a path not chosen lightly. Any change agenda of this magnitude will cause distress to some staff. Minimising the impact on staff will be our first priority, after ensuring client services are not unduly disrupted.

The nature of in-home care is rapidly changing from basic services to complex packages of care delivered by a number of service providers. We are increasingly the service of choice to deliver this care on behalf of the fund holders. Our challenge is to be responsive to these requests without compromising standards of care. I am proud to say we have been effective at maintaining a client focus, within what is often a

commercial environment.

The Certificated Community Care training program commenced in 2004 has graduated another 12 staff this year. We currently have four staff undertaking Enrolled Nurse training three of whom gained their initial qualification through our training program. We have also sponsored eight staff to complete diploma studies in Business Management. Developing our workforce to be highly skilled and motivated to undertake professional and personal development is an investment in the future of our organisation.

The coming year will see us assess the range of services we provide. To achieve this we will be consulting with current and future service recipients. The generational change to the baby boomers is a predictor of a change in needs. We are committed to being proactive in offering the right services and it will require research to establish those services. The other major influencing factor is the increasing numbers of clients living with memory loss and varying forms of dementia. Assisting these clients to remain at home will see us integrating modern clinical models of care with state of the art technological and information systems.

I would like to extend my thanks to our staff and volunteers. Their loyalty and unique contributions to our clients, their families and carers so often becomes lost in the fray. I look forward to the coming year as one of renewal and revitalization. An entity such as ours, cannot ever remain static, however there must be purpose and continuity to our advance. Only continual forward motion will see us able to meet our strategic objectives and community responsibilities.

Kim Macgowan

Glenorchy Auxiliary

I have pleasure in presenting the 45th Annual Report of the Glenorchy Auxiliary.

We meet the first Wednesday in each month at Headquarters at 10 a.m. and after morning tea, conduct our meeting at 10.30. At the conclusion of the meeting we play Bingo and have a Trade Table. We have raised \$381 during the year at the meetings.

During the year we have been pleased to welcome four new members, Jean Jackson, Linda Isaac, Malveen Jackman and Pauline Fergusson. Also Dorothy Holmes and Dorothy Young have rejoined after a short absence. We hope they enjoy their time with us.

Bus Trips have continued weekly during the year, the country trips during the summer months being replaced by shorter trips to Cambridge and Pontville during the winter. These outings are enjoyed by the clients as well as the carers. My thanks to the ladies who act as carers and to our volunteer drivers.

We held a Barbeque for clients at Headquarters during the year. We bought the meat and Auxiliary members provided salads and sweets. This was enjoyed by clients and we made a profit of \$111.00. Another is planned for later this year. Towards the end of the year we held a Coffee Morning at

Headquarters and this combined with a raffle held in conjunction with this function raised \$1,068.40.

Girls from St. Mary's College under the guidance of Claire Ryan held a Morning Tea at Headquarters and the proceeds of \$150, was donated to the Auxiliary. Many thanks to Claire and her friends for their support. It was a very pleasant Morning Tea.

Again mention must be made of the efforts of Judy and Ray Thompson. Judy sews throughout the year and donates the proceeds to the Auxiliary – and Ray saves his five cents! We do appreciate what they do, and have done for many years. This year they have contributed \$112.60 to our funds.

During the year we paid \$1,700 for a 48 hour syringe for cancer patients and paid \$407.65 to register the bus.

Mention should be made that this is the 45th Anniversary of the Auxiliary I don't know, and I don't expect anyone else does, but it would be interesting to know just how much the Auxiliary has contributed to the Service during all those years. !.

My sincere thanks to our Secretary Jenny Milles, Treasurer Elizabeth Drumm and Kath Smith, vice President who has acted during my

absence. Thanks to Libby Shaw who has also acted as President, Secretary and Treasurer when called upon.

Appreciation must also be expressed to the staff at Headquarters for their friendly and cheerful help at all times. This is truly appreciated.

Again I would like to thank all members for their attendance at meetings and ready help at functions.

We are indeed a happy group who appreciate each others company.

Jean Ryland
PRESIDENT

Director of Nursing Report



"Perfect solutions for our difficulties are not to be looked

for in an imperfect world"

Winston Churchill

As I ponder what words of wisdom to include in this year's Don's report, I have cause to reflect on the past year. What have we achieved? Is this a better place to work? Are our clients receiving a better service? As my role is primarily responsible for service development, quality control and compliance, I should be able to answer these questions with ease. With the current climate of uncertainty, I momentarily wonder whether I have done any good at all!!!! There are few projects where I can honestly say I have planned, implemented, monitored and evaluated *and* achieved the desired outcome with clearly visible results. AAAAGHHHHH But after a momentary panic, I realized that I can actually come up with some answers the questions.

The Team Model is firmly entrenched and poised to encompass the Community Support staff. Our nurses are now able to approach client care within a team framework resulting in a more collaborative care approach and a more supportive environment for staff. This has been particularly evident in the management of palliative clients. We gained accreditation and although not with flying colours, the experience has given us some clear goals for future planning. We have

introduced a middle management tier which has enabled us to concentrate on refining the operational management of our day to day business. This has also removed some of the shackles that prevented me from performing in the capacity for which I was initially employed. The District Night Nurse is fast gaining momentum with three major players now utilizing our service. The Foot Clinic has sprouted legs and become mobile. Our out of hour's service has expanded. *(I could go on and on!!!)*

Here and now, all of these achievements fade into insignificant with the current task at hand. Change management of the organizational restructure, I predict, will be the most challenging task of my career. But I firmly believe it will be the most rewarding. I have every confidence in my management team, my administrative staff and my workers on the coal face. I believe the key to our success will be our united vision and the desire to successfully complete our mission. Not only will we be giving the right care to the right client, we will be giving the best and the most relevant care to our clients with maximum efficiency and economy of effort. You can loose sleep over change, or you can turn it into an adrenalin rush!! Change is great; *"bring it on!"* After all, as a famous American Indian, cowboy, humourist, actor and social commentator named Will Roger once stated, *"Even if you are on the right track – you will get run over if you stand still!"*

Barbara Watson

Financial Statements for the Year Ended 30 June 2007

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Income Statement

For the Year Ended 30 June 2007

	Note	2007 \$	2006 \$
REVENUE			
Government funding		2,479,856	2,261,103
Fees		744,306	703,285
Interest revenue		21,152	19,096
Rental income		78,336	67,762
Other income		29,543	53,162
Total Revenue		3,353,193	3,104,408
EXPENSES			
Employee benefits expense		2,903,549	2,360,929
Medical supplies and equipment		46,641	38,883
Travel and motor vehicle fleet		147,264	124,216
Communications and information technology		62,393	44,342
Depreciation, amortisation and impairments		110,218	108,471
Finance costs		43,414	49,117
Other expenses		145,945	138,849
Total Expenses		3,459,424	2,864,807
NET SURPLUS/(DEFICIT)		(106,231)	239,601

This statement should be read in conjunction with the accompanying notes

Balance Sheet

For the Year Ended 30 June 2007

	Note	2007 \$	2006 \$
ASSETS			
Current assets			
Cash	2	114,858	188,886
Trade and other receivables	3	89,916	68,683
Prepayments		44,229	54,157
Total current assets		249,003	311,726
Non-current assets			
Property, plant and equipment	5	1,540,851	1,557,868
Intangible assets	4	110,203	124,050
Total non-current assets		1,651,054	1,681,918
TOTAL ASSETS		1,900,057	1,993,644
LIABILITIES			
Current liabilities			
Trade and other payables	6	174,720	133,655
Borrowings	7	33,364	58,534
Provisions	8	182,889	167,495
Total current liabilities		390,973	359,684
Non-current liabilities			
Borrowings	7	494,023	527,769
Provisions	8	153,952	138,851
Total non-current liabilities		647,975	666,620
TOTAL LIABILITIES		1,038,948	1,026,304
NET ASSETS		861,109	967,340
EQUITY			
Reserves		32,631	32,631
Retained earnings		828,478	934,709
TOTAL EQUITY		861,109	967,340

This statement should be read in conjunction with the accompanying notes

Statement of Changes in Equity

For the Year Ended 30 June 2007

	Retained earnings	Development fund	Building renovation & mainte- nance fund	Total
2007	\$	\$	\$	\$
Balance at 1 July 2006	934,709	22,631	10,000	967,340
Net surplus/(deficit)	(106,231)	-	-	(106,231)
Balance at 30 June 2007	828,478	22,631	10,000	861,109
2006				
Balance at 1 July 2005	695,107	22,631	10,000	727,738
Net surplus/(deficit)	239,601	-	-	239,601
Balance at 30 June 2006	934,708	22,631	10,000	967,339

This statement should be read in conjunction with the accompanying notes

Cash Flow Statement

For the Year Ended 30 June 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities:			
Receipts from customers		887,166	911,352
Receipts from government funding		2,727,841	2,487,213
Payments to suppliers		(422,520)	(434,693)
Payments to employees		(2,844,729)	(2,439,911)
Interest received		21,152	19,096
Interest paid		(43,414)	(49,117)
GST remitted		(256,967)	(224,517)
Net cash provided by operating activities	9	68,529	269,423
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		9,091	57,909
Payments for purchase of property, plant and equipment		(92,730)	(124,496)
Net cash used in investing activities		(83,639)	(66,587)
Cash flows from financing activities:			
Repayment of borrowings		(54,384)	(47,745)
Net cash used in financing activities		(54,384)	(47,745)
Net increase/(decrease) in cash held		(69,494)	155,091
Cash at beginning of financial year		184,352	29,261
Cash at end of financial year	2	114,858	184,352

This statement should be read in conjunction with the accompanying notes

Notes to the Financial Statements

1. Statement of Significant Accounting Policies

The financial report is a special purpose financial report prepared to satisfy the financial report preparation requirements of the Associations Incorporation Act (Tasmania) 1964. The board of management have determined that the association is not a reporting entity.

The financial report covers Hobart District Nursing Service Inc as an individual entity. Hobart District Nursing Service Inc is an association incorporated in Tasmania under the Associations Incorporations Act 1964.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The report has been prepared in accordance with the requirements of all applicable Australian Accounting Standards and Interpretations with the exception of:

AASB 114: Segment Reporting

AASB 124: Related Party Disclosures

AASB 132: Financial Instruments: Presentation

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(b) Property, Plant and Equipment

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

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Buildings 2.5%

White goods and floor coverings 10.0%

Motor Vehicles 12.5%

Office Equipment 20.0%

Computer Equipment 33.3%

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

Notes to the Financial Statements

30 June 2007

1. Statement of Significant Accounting Policies (continued)

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(d) Employee Benefits

Provision is made for the association's liability for employee benefits arising from 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 related on costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(e) Income Tax

The association is an endorsed income tax exempt organisation, and accordingly is not subject to income tax.

(f) Revenue

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Rental income is recognised as it accrues over the period that the property is leased to the third party.

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

(g) 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2007

	2007	2006
Note	\$	\$
2. Cash		
Cash on hand	933	400
Cash at bank	40,079	-
Short-term bank deposits	73,846	188,486
	114,858	188,886

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash	114,858	188,886
Bank overdraft	-	(4,534)
	114,858	184,352

3. Trade and Other Receivables

Private clients	51,898	45,691
Health and Community Care	30,947	30,947
Other	15,152	2,045
	97,997	78,683
Provision for impairment	(10,000)	(10,000)
	87,997	68,683
GST recoverable	1,487	-
Accrued income	432	-
	89,916	68,683

4. Intangible Assets

Nursing service rights at cost	138,475	138,475
Accumulated amortisation and impairment	(28,272)	(14,425)
Total Intangibles	110,203	124,050

Notes to the Financial Statements

For the Year Ended 30 June 2007

	2007	2006
Note	\$	\$
5. Property Plant and Equipment		
LAND AND BUILDINGS		
Freehold land at cost	235,000	235,000
Buildings at cost	1,149,442	1,148,647
less accumulated depreciation	(120,280)	(86,911)
Total buildings	1,029,162	1,061,736
Total land and buildings	1,264,162	1,296,736
PLANT AND EQUIPMENT		
Furniture, fixture and fittings at cost	50,736	47,947
less accumulated depreciation	(31,789)	(24,026)
	18,947	23,921
Motor vehicles at cost	318,364	301,913
less accumulated depreciation	(120,536)	(86,193)
	197,828	215,720
Computer equipment at cost	88,977	33,926
less accumulated depreciation	(29,063)	(12,434)
	59,914	21,492
Total plant and equipment	276,689	261,133
Total property, plant and equipment	1,540,851	1,557,869

Notes to the Financial Statements

Continued from previous page.

Movements in Carrying Amounts

	Land	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	235,000	1,061,736	23,921	215,720	21,492	1,557,869
Additions	-	795	2,789	34,095	55,051	92,730
Disposals	-	-	-	(13,378)	-	(13,378)
Depreciation	-	(33,369)	(7,763)	(38,609)	(16,629)	(96,370)
Carrying amount at the end of year	235,000	1,029,162	18,947	197,828	59,914	1,540,851

Notes to the Financial Statements

For the Year Ended 30 June 2007

	2007	2006
Note	\$	\$
6. Trade and Other Payables		
Trade payables	20,459	7,722
Payroll withholdings	42,315	19,542
Sundry payables and accrued expenses	111,947	106,391
	174,721	133,655
7. Borrowings		
CURRENT		
Secured liabilities		
Bank overdraft	-	4,534
Bank loans	33,364	54,000
	33,364	58,534
NON-CURRENT		
Secured liabilities		
Bank loans	494,023	527,769
	494,023	527,769
<p>The bank overdraft and loan are secured by a registered first mortgage over the freehold land and building and a floating charge over the trade receivables.</p>		
8. Provisions		
CURRENT		
Annual leave	147,889	132,495
Sick leave	35,000	35,000
	182,889	167,495
NON-CURRENT		
Long service leave	153,952	138,851
	153,952	138,851

Notes to the Financial Statements

For the Year Ended 30 June 2007

	2007	2006
Note	\$	\$
9. Cash Flow Reconciliation		
Net surplus/(deficit) for the period	(106,231)	239,601
Non-cash flows in profit		
Amortisation of intangibles	13,848	13,848
Depreciation of property, plant and equipment	96,370	90,101
Gain and loss on disposal of assets	4,287	745
Changes in operating assets and liabilities		
Trade and other receivables	(21,232)	48,259
Prepayments	9,928	1,580
Provisions	30,495	(45,687)
Trade and other payables	41,064	(79,024)
Net cash flows from operating activities	68,529	269,423

Board Declaration

30 June 2007

The board of management of the association declare that:

1. the financial report as set out on pages 1 to 10 presents a true and fair view of the financial position of Hobart District Nursing Service Inc as at 30 June 2007 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
2. at the date of this statement, there are reasonable grounds to believe that Hobart District Nursing Service Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the board and is signed for and on behalf of the board by:

Chairman



Treasurer



Dated

26th September 2007

Independent Auditor's Report

GARROTT & GARROTT

Chartered Accountants

ABN 23 701 982 945

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Offices at Burnie, Devonport and Smithton

To the members of Hobart District Nursing Service Inc.

We have audited the accompanying financial report, being a special purpose financial report, of Hobart District Nursing Service Inc, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the Board of Management declaration.

The Responsibility of Board of Management for the Financial Report

The Board of Management of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the Associations Incorporation Act (Tasmania) 1964 and are appropriate to meet the needs of the members.

The Board of Management responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial report.

Independent Auditor's Report

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board of Management's financial reporting obligations under the Associations Incorporation Act (Tasmania) 1964. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Associations Incorporation Act (Tasmania) 1964.

Auditor's Opinion

In our opinion:

- the financial report presents fairly, in accordance with the accounting policies described in Note 1 to the financial statement, the financial position of Hobart District Nursing Service Inc as at 30 June 2007 and its performance and cash flows for the year then ended;
- we obtained the information we required for the audit and Hobart District Nursing Service Inc kept proper accounting records and other books during the year ended 30 June 2007; and
- the rules relating to the administration of the funds of Hobart District Nursing Service Inc have been observed.


GARROTT & GARROTT
Chartered Accountants

Ian R Wright
Partner

Launceston

Date: 10th October 2007

Staff Awards 2006

Staff Awards for Excellence

Wendy Cornish Enrolled Nurse

Jodie Coleman Community Care Assistant

Lorraine Lorkin Home Help

The Chief Executive Officer's Award

Pam Walsh Administrative Assistant

Staff Awards for Excellence 2005

Elena McShane Registered Nurse

Susan Cartwright Enrolled Nurse

Lisa Webster Home Care Assistant

Kim Richardson Home Help

The Chief Executive Officer's Award

Anne Turner Registered Nurse



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a Division of Hobart District Nursing Services Inc.

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