



NagambieHealthCare



ANNUAL REPORT
2016-2017





VISION

- To provide high quality, accessible services that best meet the needs of our community
- To deliver care with empathy, compassion and competence.

VALUES

The Nagambie HealthCare Values are designed to guide us in our relationship with our patients, residents, carers, staff and all other consumers of our service. Through them we become a health service operating with a common understanding of what we all can expect from each other.

RESPECT

We will value each other and acknowledge our differences by actively listening to all points of view

COOPERATION

We will involve staff and service providers in decision making and will work in partnership with our patients, residents, their families, carers and other health care providers

FLEXIBILITY

We will demonstrate resilience and be open to modification and change

PRIDE

We will be proud of Nagambie HealthCare

Released by the Board of Management August 2014

BOARD

COMMITTEE		
CHAIRMAN	James Tehan	Finance, Nominations and Fundraising
DEPUTY CHAIR	Sam Verrocchi	Building & Maintenance
BOARD MEMBERS	Margaret Moss	Building & Maintenance and Nominations
	John Palmer	Finance & Fundraising
	Doug Proud	Finance
	John Smith	Finance and Fundraising
	Lisa Pearson	Quality
	Timothy Goodacre	Finance and Fundraising
LIFE GOVERNORS	Nola Palmer Dr. Graeme Ratten	

TEAM

Chief Executive Officer / Director of Nursing	Bronwyn Beadle
Nurse Unit Managers	Claire Sampson Katrina McMaster Simone Homewood
Nursing Administration Assistant Quality & Risk Co-ordinator Community Care Co-ordinator	Christine Karacsay Kathryn Coll
Administration	Deb Ure
Finance	Tanya Williams
Hotel Services	Diane Jenner
Maintenance	Steve D'Andrea
Auditors	Davidsons

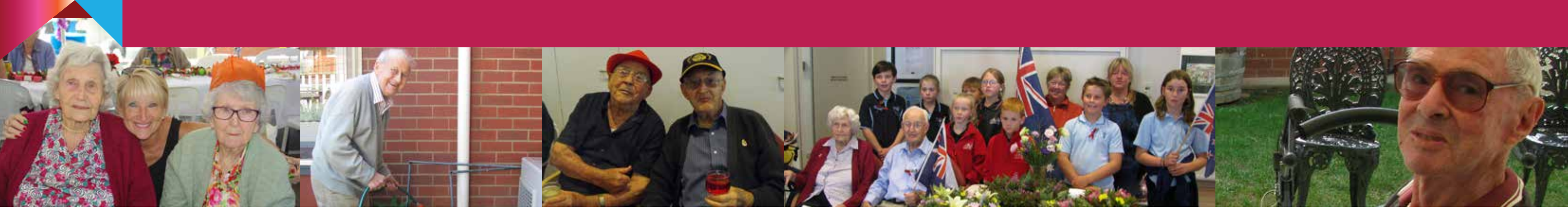


NOTICE OF ANNUAL GENERAL MEETING

You are invited to attend the Annual General Meeting of Members which will be held in the Conference Room of the Nagambie HealthCare, Community Health Centre at 7:00pm on Tuesday 24th October 2017

AGENDA

- Present**
- Apologies**
- Welcome**
- Confirmation of Minutes**
Confirmation of Minutes of the previous Annual General Meeting held on 24th October 2016.
- Business arising from minutes**
- Guest Speaker – Veronica Jamison**
Veronica has a background in general management and has been involved in the Health Sector for over 30 years. She currently holds the position of Victorian State Manager & National General Manager, Member Support at LASA (Leading Age Services Australia). Prior to commencing in her role at LASA, Veronica held CEO and senior executive roles in both Rural Victoria and in Metropolitan Melbourne Health Services in both the Public Healthcare and Not for Profit Sectors.
- Reports**
 - Chairman's Report
 - Chief Executive Officer's Report
 - Chair of Finance Committee
- Election of Board Members**
- Nomination of Life Members**
- Election of Auditor for the financial year 2017/2018**
- Community Feedback/Comments**
- Other business**
Of which the Secretary has received notice in writing of not less than 7 days.
- Close of Annual General Meeting**



CHAIRMAN'S REPORT

It gives me much pleasure to present the Chairman's Report for the past year.

In March the board, together with input from the community and staff, developed our Strategic Plan for 2017-20. The new Strategic Plan was very much in line with our previous three years with emphasis on high quality of care, fostering partnerships with those around us and expanding our services to the community wherever there is a need, be it in supported or independent living and supporting people at home.

The Board has undergone education and training in board recruitment, self-assessment, board skill requirements, financial skills and governance.

During the past year we completed the first stage of our new development with the building of three new hostel rooms. We have achieved a permit for the next stage which will incorporate the refurbishment of the old hospital wing with the creation of ten new rooms. We are grateful for the continued support of the Scobie and Claire Mackinnon Trust.

The board thanks the Ladies Auxiliary under the leadership of Helen Kennedy for their support of our residents and for their fundraising efforts during the year.

The board thanks our CEO Bronwyn for the leadership she provides our organisation and the way she integrates Nagambie HealthCare into the community through the many services we now provide.

Nagambie HealthCare has a strong reputation for quality of care and compassion. This is due to our staff and we thank them for the respect they show to the residents. We thank all of our volunteers for the great work and support that they give our residents.

The board thanks Dr Atif and his group for their care of our patients and residents.

I would like to thank the board for their support and in particular to our Deputy Chair, Sam Verrocchi, for his work in the planning and building area.

I move my report be received.

James Tehan
Chairman

CEO & DON REPORT WELCOME

2016/17 has been a year of responding to rapid change within the health industry with a focus on diversifying our services to ensure not only relevance to community need but also ongoing viability. As a community owned rural health service we are very much a small fish in a big pond and this is highlighted by the fact that in the late 1980s there were 37 community owned Hospitals in Victoria and today there are five, a reflection of the vastly changing environment for rural healthcare. As a not for profit aged care provider we are delivering services in an industry environment of mergers, acquisitions and closures with many smaller Aged Care providers being taken over by much larger multinational corporations. The current industry message is very clear: diversify, collaborate, deliver high quality services, be business savvy or close, a very challenging concept for Nagambie HealthCare in light of significant funding cuts within the Commonwealth's aged care sector and minimal State funding for our Hospital Services.

Nagambie HealthCare has a history of resilience and tenacity and it is with this in mind that we will turn the challenges we face into opportunities and work with our community and stakeholders on maximising the many attributes of our health service, in particular the point of difference we are able to offer through our genuine approach to personalised consumer directed care.

Enthusiasm for facing challenges together as a community was clearly evident at our strategic planning day at which key stakeholders, representatives from across our catchment area, staff and Board joined together to focus on the many issues faced with particular emphasis on our relevance to the community. From our strategic planning day those attending returned a strong message of Nagambie HealthCare being the preferred provider across the continuum of care with emphasis on Nagambie HealthCare committing to the following:

- supporting people to remain at home for as long as possible through our provision of home care services
- supporting families and carers with enhanced short and long term respite care options
- continuing to facilitate and grow programs that address social isolation and foster general well-being
- building on opportunities to maximise access to appropriate acute care services close to home
- seeking opportunities to provide a local health service response to the palliative care needs of our community.
- creating further independent living environments.

As outlined in our quality report, Nagambie HealthCare has strong demand for services and we have responded to this demand through infrastructure improvements, acquirement of additional bed licences, attainment of Approved Home Care Provider status and development of our workforce to meet service provision demands. This 'front end investment' in our diversification

of services has not come without initial set up and development costs and it will be a key focus over the next 12 months to revise expenditure and allocate resources where they are most required.

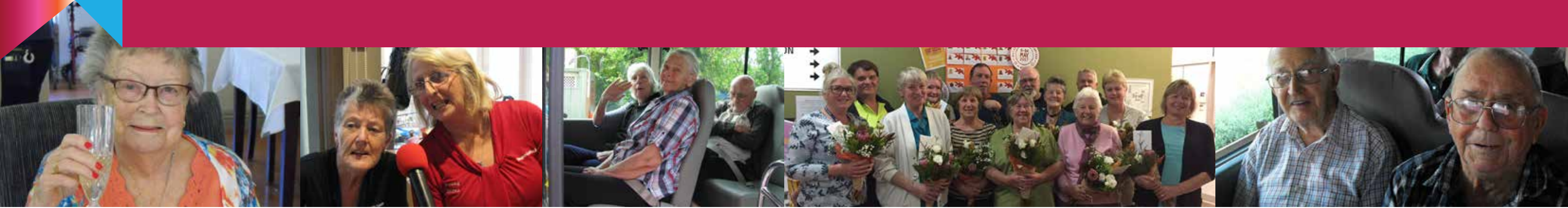
Our ability to adapt to the changing environment and maintain a healthy workforce culture would not be possible without a Board of Management who have been prepared to be brave and an amazing team of staff who have embraced some significant changes. We are so fortunate to have a supportive team of staff who are willing to go above and beyond and who work with each other to maintain a 'can do' attitude through each change process.

Our high standards of clinical care which meet industry best practice benchmarks would not be possible without our strong leadership team who place great emphasis on high standards of clinical care and service provision. Also worthy of note is our broader senior workforce who enthusiastically focus on the development and mentoring of others which has resulted in us establishing a well-rounded workforce with capability strength across all domains of care.

Our ability to operate in this challenging financial environment would also not be possible without our growing team of volunteers who commit so much time to supporting our residents, facilitating our various activity programs and maintaining our grounds and gardens. Their dedication and generosity of spirit is inspiring.

Nagambie HealthCare is on a transformational journey, one which will have significant challenges and one which cannot be travelled without ongoing support from our community. I look forward working together in enhancing and improving our services so that Nagambie HealthCare continues to be the very special place that it is well into the future.

Bronwyn Beadle
CEO/DON



QUALITY OUTCOMES REPORT

BOARD GOVERNANCE

The Nagambie HealthCare Board are responsible for the overall governance of the health service and work together to ensure that Nagambie HealthCare delivers care and services in line with best practice standards.

The board monitors operations, outcomes and improvements through analysis of an Accountability Framework Score Card report which is tabled on a monthly basis. The Score Card report covers the domains of Efficiency and Productivity, Access and Equity, Quality Outcomes and Organisational Culture. Board members receive monthly education to support understanding and analysis of the Score Card report along with information sessions on the current

environment of Health and Aged Care.

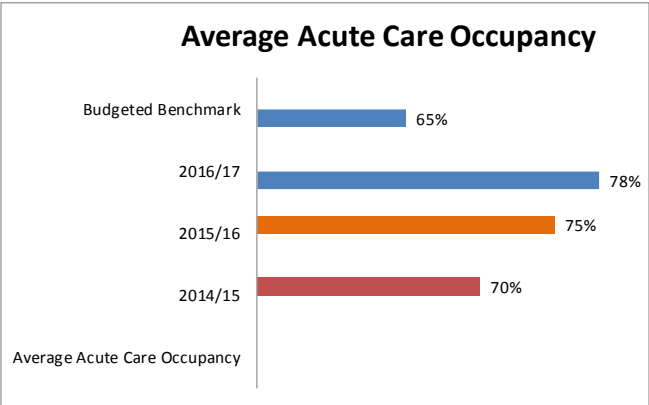
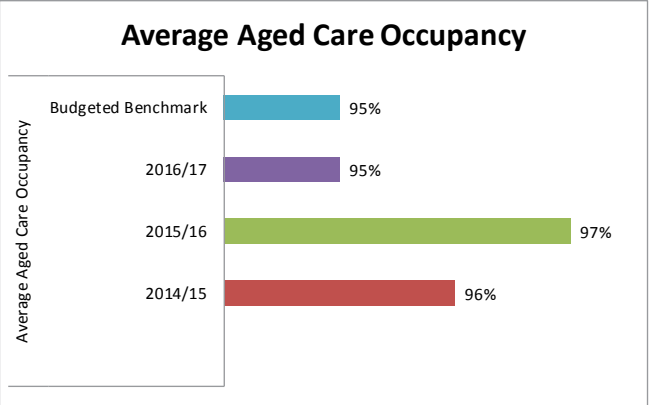
Board members provide representation on Nagambie HealthCare's Quality Committee which includes oversight of Nagambie HealthCare's Risk Management and Legislative Compliance requirements.

Feeding into the Scorecard Report are the results and actions from internal audits against the National and Aged Care Standards.

External evaluation reports on our compliance against the National and Aged Care Standards have commended Nagambie HealthCare's well imbedded Quality and Risk Management Systems.

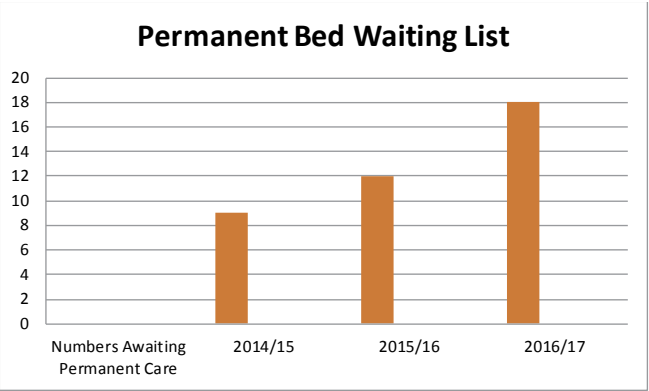
One key example of quality improvement and service provision initiative has been Nagambie HealthCare's response to data relating to service demand and access to services, with the following graphs reflective of bed use and demand.

Nagambie HealthCare continues to experience strong demand for both Acute and Aged Care Services, in particular respite care. Through our subcontracted service provision arrangements with Goulburn Valley Health we are able to support our community members with post acute care services and supported transition home. We are also able to support a local response to care needs through collaborative partnerships with our GPs who support admission to our hospital beds for Acute and Palliative Care. It is the demand for our Acute and Aged Care beds that has been the driver for continued infrastructure improvements, our successful application for additional bed licences and our plans to build a new hospital wing which will include a designated palliative care area.



Accountability/Scorecard Report														Form no: 2.0.5			
	2016-17 Benchmark*	Score	Delta	Scorecard	Good	Fair	Moderate	Poor	Very Poor	Score	Delta	Scorecard	Good	Fair	Moderate	Poor	Very Poor
Prevalence of stage 1 pressure ulcers	1.2	0	0.8	0	0	0	0	0.8	0	0	0	0	0	0	0	0.5	
Prevalence of Stage 2 pressure ulcers	0.8	0	0	0	0	0	0	0.8	0	0.8	0	0	0	0	0	0.5	
Prevalence of Stage 3 and 4 pressure ulcers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prevalence of falls	11	2.6	15.2	8.0	7.5	7.9	5.6	7.2	8.0	5.3	8.0	6.6	4.6	7.1			
Prevalence of falls resulting in fractures	0.1	0.6	0	0	1	0	1	0	0	0	0	0.08	0	0			
Incidence of physical restraint	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Unplanned weight loss >3kg	1.0	1.6	0	0.8	1.5	0.7	0.8	0	0	0	0	0	0	0	0.8		
Compliance with food safety standards (external audit)	100%				100%				100%								
Organisational Culture																	
Staff separation rate	Trend	0	0	0	1	1	1	1	0	0	1	1	0	1			
Number of new WorkCover claims	Trend	0	0	0	0	0	0	0	0	0	0	0	0	0			

(snapshot of NHCs accountability report)





PLANNING OUR FUTURE 2017-2020 STRATEGIC PLANNING DAY

COMMUNITY CARE

In line with community feedback from our strategic planning day and community consultation processes our expansion in Community Care service provision and supportive services has been met with a very strong take-up by the community. Our services to community clients which include nursing, personal care home help and maintenance have grown steadily over the last 12 months with Nagambie HealthCare now designated as an Approved Provider of Home and Community Support services, strengthening our capacity through the allocation of Home Care packages which we can directly manage. Home Care service provision has enabled a seamless transition for members of our community across the journey of hospital admission, respite care, residential care and home support.



Claire Sampson, NUM/Clinical Coordinator
Kathryn Coll, Community Engagement Officer

PLANNED ACTIVITY GROUP

Nagambie HealthCare's Planned Activity Group (PAG) has grown from 10 members one day a week to 30 members two days a week. Those who experience social isolation in the community come together for activities, luncheons and trips to destinations selected by the PAG group members. The activity group is immensely beneficial to general health and wellbeing and addresses core issues of loneliness, isolation and reduced functionality.



COMMUNITY LUNCHEON

Nagambie HealthCare and its team of volunteers also support a community luncheon once a month, with up to 60 people attending this very social event which not only facilitates health community engagement but also enables Nagambie HealthCare to ascertain community feedback on a range of health and aging related issues.



In March Nagambie HealthCare extended an invitation to community members and key stakeholders to join Nagambie HealthCare staff and Board in a 'consumer lead' strategic planning day. Over sixty community members attended the planning day and actively contributed to determining the health services future directions for the next three years.

Key Areas to be covered on the day included:

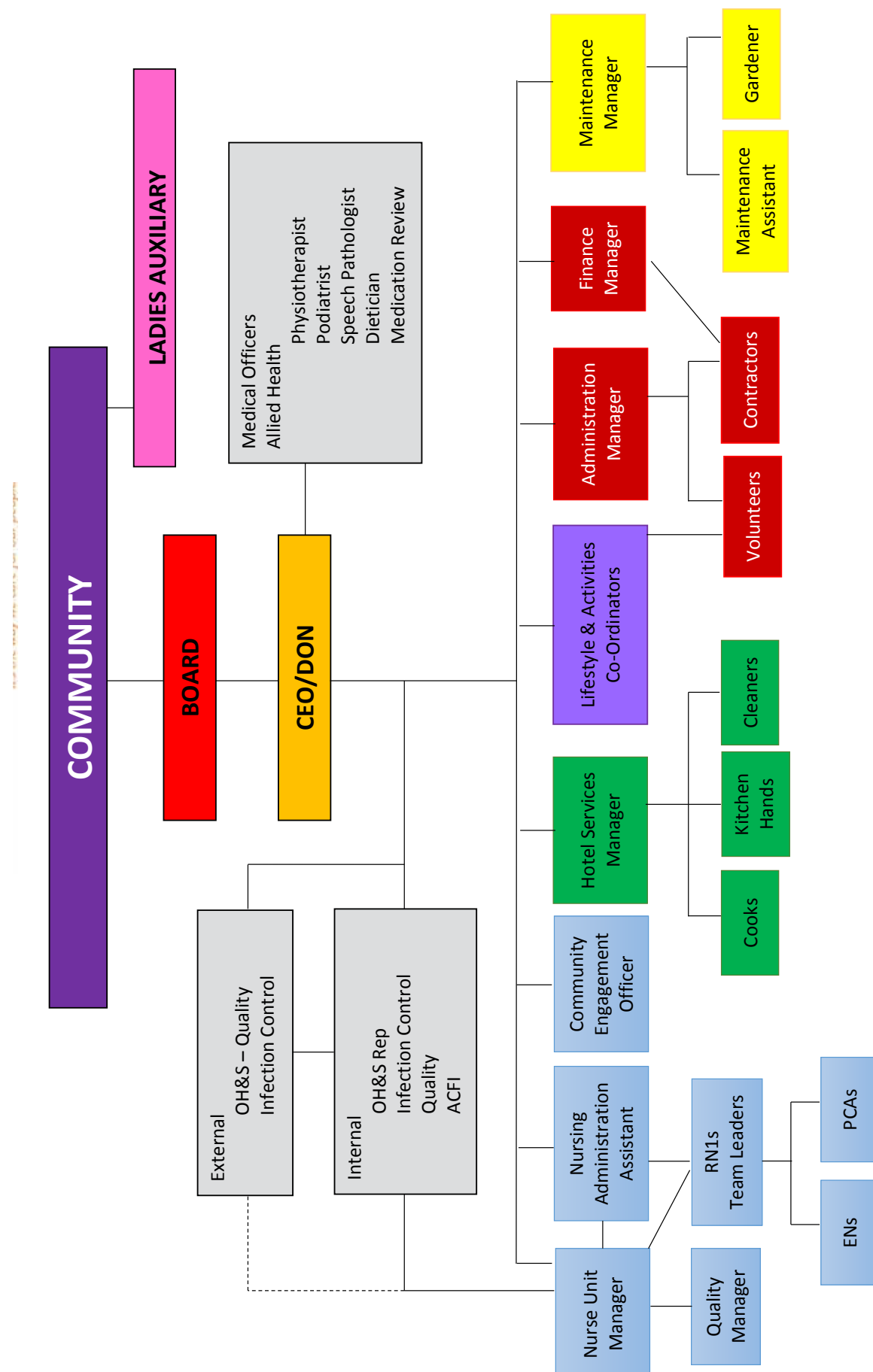
- The 2014 to 2017 journey: key achievements and what have we learnt
- Analysis of the current government policy directions for health and aged care
 - Future directions for our current services
 - Diversification of Services
- Partnering with those around us
- Supporting a Healthy Community
- Supporting independent living in our community

From the day there was a strong voice from the community that as a health service our strategic journey thus far was in line with community expectations and that further diversification of services have strong emphasis on Nagambie HealthCare supporting its aging community to remain at home for as long as possible, through home care, respite and palliative care services.

As a community owned health service it is important to us that we work with our community and key stakeholders to ensure a viable and relevant health service which is meeting the needs of our community well into the future.



ORGANISATIONAL STRUCTURE



FINANCIAL RESULTS AT A GLANCE

Statement of Financial Performance

WHAT WE EARNED:	\$000
Government Subsidies	2,366,484
Resident payments	1,210,731
Patient Fees	300,736
Donations Received	71,995
Other income	345,165
Investment income	171,083
Federal & Community Funding	285,701
Capital Grant	0
Total Revenue	4,751,895

WHAT WE SPENT	\$000
Staff Costs	3,193,473
Property costs including depreciation/maintenance	567,164
Operational expenses	651,041
Total Costs	4,411,678

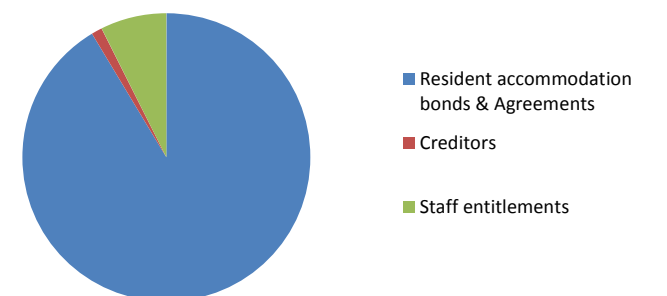
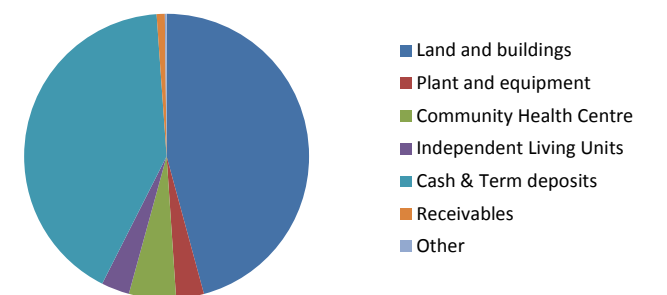
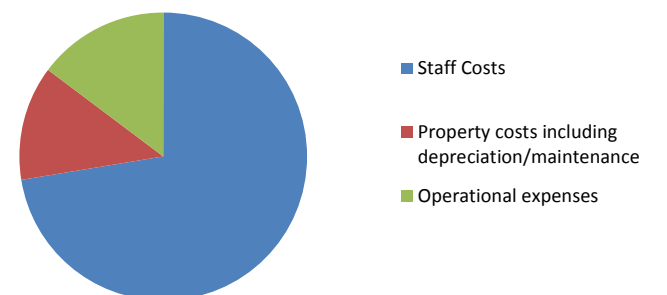
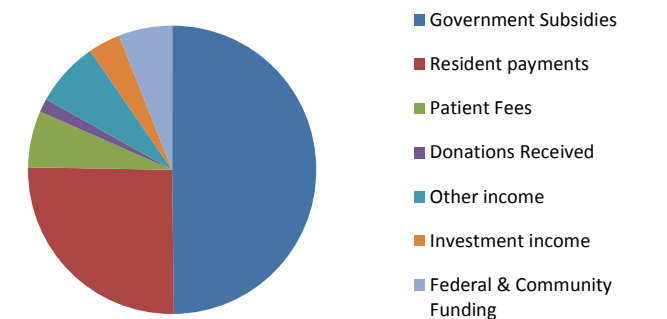
Surplus for the year **340,217**

Statement of Financial Position

WHAT WE OWN	\$000
Land and buildings	8,854,917
Plant and equipment	606,832
Community Health Centre	1,033,250
Independent Living Units	614,794
Cash & Term deposits	8,013,727
Receivables	176,883
Other	39,325
Total Assets	19,339,728

WHAT WE OWE	\$000
Resident accommodation bonds & Agreements	6,526,746
Creditors	85,688
Staff entitlements	530,106
Total Liabilities	7,142,540

Equity **12,197,188**



LADIES' AUXILIARY PRESIDENTS REPORT 2016-2017

BY HELEN KENNEDY

The Auxiliary has been working for Nagambie's health needs for over 85 years.

Those needs have changed significantly as community expectations and requirements change. With those changes our role has also changed.

The Board has formed a fundraising committee with a view to building expansion requiring considerable funds in the near future. We have been pleased to support the Board in their efforts.

Four general meetings were held throughout the year with an average attendance of 9 members. We would be delighted to welcome any new members.

We again held our popular Card Luncheon Day at the Rowing Club with a pleasing attendance and profit of \$1,770.

Members again kept the trolley weekly roster going supplying residents and patients with a service they appreciate. The profit was \$110.

The Lions Club was again a generous supporter with their \$500 donation.

The Board Fundraising Committee took responsibility for organising the Annual Christmas Drinks fundraiser which was a great success at Box Grove.

Auxiliary members and friends were able to support with food as usual. Many thanks for that support.

My thanks also to all members for continued support, especially Secretary Nola, who has everything at her finger-tips and Treasurer Denise.

Well done.

LADIES' AUXILIARY FINANCIAL STATEMENT 2016-2017

THE AUXILIARY OF NAGAMBIE HEALTH CARE INC.		
BALANCE SHEET		
AS AT 31 JANUARY 2017		
	2017 (\$)	2016 (\$)
CURRENT ASSETS		
Business Cheque A/C	10713.33	8267.50
Cash Management A/C	2478.70	2448.81
NET ASSETS	13192.03	10716.31
ACCUMULATED ACCOUNT		
Opening Balance	10716.31	8503.27
Excess Expenditure over Income	2475.72	2213.04
NET ACCUMULATION	13192.03	10716.31



LADIES AUXILIARY FINANCIAL SUMMARY 2016

THE AUXILIARY OF NAGAMBIE HEALTH CARE INC.

STATEMENT OF RECEIPTS AND EXPENDITURE

FOR THE PERIOD 1 FEBRUARY 2016 TO 31 JANUARY 2017

INCOME	Yr end 31/1/17 (\$)	Yr end 31/1/16 (\$)
Subscriptions	55.00	70.00
Donations	670.00	1480.00
Bank Interest	30.82	110.84
Sundries (Sale of excess supplies)		50.00
Raffles		790.00
Functions	1825.90	5615.00
Trolley	100.00	100.00
Fee Refund		12.00
TOTAL INCOME	2681.72	8227.84
EXPENDITURE		
Bank Charges		4.00
Function Expenses	156.00	510.80
Sundries	50.00	0.00
Equipment Purchases - Bladder Scanner		5500.00
Equipment Purchases - Lifter		
TOTAL EXPENDITURE	206.00	6014.80
Excess Expenditure over Income	2475.72	2213.04


DONATIONS 2016/17

WE WISH TO THANK THE FOLLOWING FOR
THEIR GENEROUS DONATIONS

Theresa Hall	Dennis Mason	Bob & June Doherty
Philip Miller	T & F Price	P & A Cahill
Fr F P Hickey	Fred Bloetz	Peter & Helen Hower
D & S Verrocchi	John & Edith Plant	James Scouler
Monique Kidd	Fiona Grainger	James Tehan
Ian Metherrall	Danni Whitaker	Wayne Sullivan
James Glover	Christine Spencer	Nadia Lakamas
Alan Crawford	Andrew Facey	Rachel Connell
Elizabeth Armstrong	K J Carter	Dolores Lei
T & J Goodacre	Julie Baldwin	J & P Jennings
Robert Parris	Douglas & Julie Druitt	Ian Sutton
Richard Moore	Gladys Parris	Bruce Parris
Cavallaro Builders	Kaitlyn Newton	Anne Fahey
Nikki McPherson	Nancy McKenzie	Antonia D'Andrea
Ashlee Wilde	Winifred & Jim Peart	Estate of Patricia McLeod
John, Cecelia & Mike	Robert McMaster	Veronica Harvey
Webb	John Purbrick	Leonie Zanussi

The Scobie and Claire Mackinnon Trust
Ladies Auxiliary of Nagambie HealthCare
Newton Family – in memory of June

William Angliss Victoria


THE WILLIAM ANGLISS CHARITABLE FUND

STAFF SERVICE 2016-2017

15+	Jennifer Andrea Marisa Haysom Leonie Zanussi		
10+	Kristyn Green Christine Karacsay Mark Kramer	Clara Lynch Katrina McMaster	
5+	Veronika Bastow Stefano D'Andrea Antonia D'Andrea John Fuhrmann Diane Jenner Irene Keogh	Pamela Maura Chipo Muvirimi Claire Sampson Christine Spencer Nicole Stafford	Patricia Stuart Debra Ure Barbara Watts Tanya Williams

Whilst recognising the special achievement of these long serving staff members the Board would like to thank all members of staff for their commitment, hard work and dedication throughout the year.



PERMANENT AND CASUAL STAFF

Chief Executive Officer	Bronwyn Beadle		
Nurse Unit Managers	Claire Sampson	Katrina McMaster	
Administration & Finance	Debra Ure Tanya Williams	Simone Homewood Kathryn Coll	
Registered Nurses Division 1	Hannah Capstick Denise Cerini Maylor Eldridge Kirsty Hare Jyothi John	Pamela Maura Chipo Muvirimi Sreena Sreedharan Nicole Stafford	Shiney Thomas Ambily Varghese
Enrolled Nurses Division 2	Sharon Bathman Veronica Bastow Jennie Brack Lisette Brew Amy Bryce-Singh Yvette Demavibas Fiona Dowling	Fiona Grainger Joanne Joyce Christine Karacsay Mark Kramer Peggy Leopoldo Danielle McMaster	Joanne Neven Gail Wallace Barbara Watts Renae Webb Amy Wilde Sarah Zanetti
Personal Care Workers	Haralyn Aldous Sarah Aldridge Susan Bender Alison Blake Millie Button	Brett Felini Carol Florence Veronica Harvey Eugenia Hourigan Irene Keogh Susan Martin	Paula O'Toole Donna Pearce Maria Sellars Ashlee Wilde Dawn Wilde
Activities and Lifestyle	Rachael Grainger Clara Lynch	Dawn Newman Kayla Shepherd	Christine Spencer Patricia Stuart
Hotel Services	Jean Aitken Jennifer Andrea Sarah Beadle Megan Brack Elsbeth Chay Antonia D'Andrea	Kristyn Green Marisa Haysom Diane Jenner Angel Manneken Sandra McKenzie	Claire Raeburn Leanda Scopel Jodi Smith Wesley Ure Jeanette Verhardt Leonie Zanussi
Maintenance	Stefano D'Andrea Matthew Bruce	Lawrence Desmond John Fuhrmann	James Godkin Philip Miller
Volunteers	Terence Barber Maureen Fowler Jenny Gurr Jen Howden	Edna James Julie Jones Stephen Jones Deirdre Kleinig	Rachel Kleinig Robert Parris Sandra Slater Chad Grainger

2016 ANNUAL GENERAL MEETING

Minutes of the Annual General Meeting held on Monday 24th October 2016 at 7:00pm

1. PRESENT as per attendance register

2. APOLOGIES as per attendance register

3. WELCOME

Chairman James Tehan welcomed all those present, including guest speaker Chris Kelly, Life Governors Dr Graeme Ratten and Nola Palmer, Board Members and members of the community.

4. PREVIOUS MINUTES

Minutes of the Annual General Meeting held on the 27th October 2015 were accepted as true and correct.

Moved: Lisa Pearson Seconded: Henry Moss

5. MATTERS ARISING FROM PREVIOUS MINUTES

Nil

6. GUEST SPEAKER

Chairman Tehan introduced Chris Kelly (*Marketing Acumen*) who spoke on 'Surviving the Aged Care Reforms as a rural healthcare provider: Diversification and knowing your brand'.

Chris spoke about the increasing and growing demand of our ageing population and outlined the following statistics:

The percentage of over 65s are increasing at a steady rate and according to the population pyramid will outnumber the under 18s for the first time in 2044.

More alarming is the over 85 age group which are growing even faster – so much so that the life expectancy in 2044 will be 90.5.

In 2016 over 2,650 letters from the queen were received by Australians turning 100. In 30 years time that figure will be over 18,500.

As the baby boomers move closer toward requiring aged care services, health care providers will need to understand and manage their needs. Unlike the expectation of their parents, baby boomers have a very different and heightened expectation about their service and care. They will expect to be consulted, manage and have a contribution in their health and aged care needs.

An organisations brand is what defines and differentiates them and choice, control and flexibility is paramount to this.

2016 ANNUAL GENERAL MEETING

Branding is not just about websites and advertising. The three facets of branding are the external brand, the visual brand and the internal brand – the delivery of the brand promise.

To clients, the staff are your brand. It is therefore critical that staff understand, believe in and are able to deliver what you are promising for your brand for every client every day. Reputations are built on this.

Sam Verrocchi thanked Chris for his informative presentation and Jim presented him with a gift on behalf of the board.

7. REPORTS:

7.1 CHAIRMAN'S REPORT

Jim emphasized that the Board's main priority was to grow the organisation from within and that its survival was dependent on strong community support, which given the success of the Planned Activity Group program looked evident.

Jim summarised his report by highlighting the purchase of the Vale Street Units to meet community demand for affordable supported living, drawing up plans for a two stage development, the first of which is almost complete - 3 new hostel rooms with ensuites. The second stage, to renovate the front area of the facility, requires a major fundraising appeal and this has commenced and which was officially launched with a 'Buy a Brick' campaign last month.

Jim thanked Bronwyn for her leadership, Dr Atif, the Ladies Auxiliary and the Board for their support throughout the year.

Motion: To accept the Chairman's Report

Moved: James Tehan Seconded: John Palmer

7.2 CHIEF EXECUTIVE OFFICER'S REPORT

Bronwyn began by stating that she felt we could be proud of the report being put forward as it represented the continued development of our governance and quality improvement processes and captured the essence of who we are as a health service and *how we care for our people*.

Essential to this is the development of a planned activity group two days each week, the recommencement of community lunches run by a dedicated volunteer team, the implementation of community services delivery and provision of a health service bus, with assistance from the Bendigo Bank.

Capability development of staff has been a focus and over the last 12 months we have worked closely with a marketing and branding consulting team who have guided us through the development of an organisation brand with strategies for effectively communicating to the community who we are as an organisation and the services we have to offer.

2016 ANNUAL GENERAL MEETING

In closing Bronwyn thanked the Board for their commitment to the funding investment being made, together with staff and volunteers for their willingness to support these changes which don't come without risk.

Motion: To accept the Chief Executive Officer's Report

Moved: Bronwyn Beadle

Seconded: John Smith

7.3 FINANCE REPORT

John Palmer, Chair of the Finance Sub Committee, presented the Audited Statements and Reports prepared by Davidsons for 2015/16.

John reported on a net result (before capital and specific items) for the year of \$91,448 with depreciation being \$314,910. In terms of liability the organisation has no loans and all bonds are covered – held in term deposits.

With occupancy close to 100% and a strong balance sheet funds were able to be put back into the facility for improvements and into community services.

John spoke about major refurbishments in future and urged everyone to 'Buy a Brick' towards our fundraising activities.

Motion: To accept the Financial Statements

Moved: John Palmer

Seconded: Lisa Pearson

8. ELECTION OF COMMITTEES:

8.1 BOARD MEMBERS

The Chairman declared there were two members of the Board, Lisa Pearson and Bruce Parris, who had completed three year terms.

Lisa Pearson nominated for re-election.

One nomination was received from Timothy Goodacre who introduced himself to those present at the meeting and stated his reasons for nominating to the Board.

No other nominations were received therefore the nominees were elected.

Motion: To elect Lisa Pearson and Timothy Goodacre to the Board of Nagambie HealthCare for a three year term.

Moved: Margaret Moss

Seconded: John Smith

The President then thanked retiring Member, Bruce Parris, for his commitment to Nagambie HealthCare during his time on the Board. Bruce was elected in 1974, was President in 1998 and has been a valued contributor providing great input and influence.

9. ELECTION OF AUDITOR

Motion: That on the recommendation of the committee 'Davidsons' be re-appointed to carry out the 2016/17 Audit.

Moved: John Palmer

Seconded: Margaret Moss

2016 ANNUAL GENERAL MEETING

10. COMMUNITY FEEDBACK/COMMENTS

Di Proud congratulated NHC on the commencement of the Planned Activity Group, expressing it has been the best thing to happen in the community for elderly persons, particularly those who feel isolated due to mobility.

11. OTHER BUSINESS

Jim thanked all those present for attending and invited everyone to stay for supper.

12. ANNUAL GENERAL MEETING – CLOSED AT 8PM

2016 ANNUAL GENERAL MEETING ATTENDANCE ROLE

FRANK MOSS	Margaret Moon
Bert Ratten	V. Up
Dorothy Ratten	
Nola & Vin Palmer.	
Sinola Price /	
Boz Fowler	
Jasper Graham	
JOHN PALMER	
John Smith.	
SAM VERROCHI	
Bryan Bell.	
Rebecca	
Puelke	
Gunneth Haines	
Deane Page	
Ka Piny	
G. B. Paris.	
R. B. Paris	
B. Paris.	
Lore Plaus	
Di Plaus	

2016 ANNUAL GENERAL MEETING

APOLOGIES

[illegible]

2016/2017 FINANCIAL REPORT

Stephen Wight
Davidsons Assurance Services Pty Ltd
101 West Fyans Street
GEELONG Victoria 3220

17 October 2017

Dear Stephen,

AUDIT FOR YEAR ENDED 30 June 2017 OF NAGAMBIE HEALTH CARE INC.

This representation letter is provided in connection with your audit of the financial report of Nagambie Healthcare Inc. for the year ended 30 June 2017, for the purpose of expressing an opinion as to whether the financial report gives a true and fair view in accordance with Accounting Standards and the Associations Incorporation Act (Vic).

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 30 June 2017, for the preparation for the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*; in particular that the financial report gives a true and fair view in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
6. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.

2016/2017 FINANCIAL REPORT

Books, records and documentation

8. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - All minutes of meetings held by the Board of Directors, Committees and shareholders since the end of the previous reporting period have been given to you for your inspection;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
9. All transactions have been recorded in the accounting records and are reflected in the financial report.

Related parties

10. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
11. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

12. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
13. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
14. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
15. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.

Litigation and claims

16. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

17. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
18. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.
There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Subsequent events

19. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required have been adjusted or disclosed.

2016/2017 FINANCIAL REPORT

Other information

20. We have informed you of all the documents that we expect to issue which may compromise other information accompanying the financial report.
21. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.

Impairment of Assets

22. We have reviewed the requirements of AASB 136 *Impairment of Assets* and have determined that there have been no impairment indicators in the period which would require the performance of impairment testing.

Receivables

23. Adequate allowance has been made, in the opinion of the directors, against receivables owing at the end of the reporting period. Such allowance has been made in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*.

Revenue

24. Revenue has been recognised in accordance with AASB 118 *Revenue*.

Electronic presentation of Financial Report

25. We are responsible for the electronic presentation of the financial report.
26. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
27. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
28. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
29. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.
30. Where applicable, we have complied with the requirements of the *Corporations Act 2001* with respect to the electronic presentation of the audited financial reports.

Yours faithfully



Bronwyn Beadle
Chief Executive Officer
Nagambie Healthcare Inc.

2016/2017 FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NAGAMBIE HEALTHCARE INC.

Opinion

We have audited the financial report of Nagambie Healthcare Inc. (the Entity), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report, in all material respects, gives a true and fair view of the financial position of the Entity as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*.

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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



Stephen Wight
Director

Dated this 17th day of October, 2017

Davidsons Assurance Services Pty Ltd
101 West Fyans Street
Geelong, Victoria 3220

2016/2017 FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF NAGAMBIE HEALTHCARE INC. AND
THE SECRETARY OF THE DEPARTMENT OF HEALTH.

Report on Nagambie Healthcare Inc.'s compliance with the Aged Care Act 1997 and the Fees and Payments Principles 2014 (No.2).

We have audited the compliance of Nagambie Healthcare Inc. with the requirements of Part 5 of the *Fees and Payments Principles 2014 (No.2)* (Fees and Payments Principles) for the period 1 July 2016 to 30 June 2017.

Opinion

In our opinion, Nagambie Healthcare Inc. has complied, in all material respects, with the requirements of Part 5 of the *Fees and Payments Principles 2014 (No.2)* for the period 1 July 2016 to 30 June 2017.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Guide, we are required to report all instances of non-compliance with the requirements of the Act and the Fees and Payments Principles by Nagambie Healthcare Inc. that came to our attention during the course of our audit.

There were no instances of non-compliance with the prudential requirements.

Directors' Responsibility

The directors of Nagambie Healthcare Inc. are responsible for compliance with the Act and the Fees and Payments Principles and for such internal control as the directors determine is necessary for compliance with the Act and the Fees and Payments Principles. The responsibilities of the directors include requirements under the Act and the Fees and Payments Principles for the preparation and presentation of the Annual Prudential Compliance Statement (APCS) and compliance with the Prudential Standards contained within the Fees and Payments Principles.

Auditor's Responsibility

Our responsibility is to form and express an opinion on Nagambie Healthcare Inc.'s compliance, in all material respects, with the prudential requirements of the Act and the Fees and Payments Principles.

Our audit has been conducted in accordance with the applicable Standards on Assurance Engagements (ASAE 3100 *Compliance Engagements*), issued by the Auditing and Assurance Standards Board and with the requirements of the Department of Health as set out in the Guide to the Audit of the Approved Provider's Compliance with the Prudential Requirements (the Guide). Our audit has been conducted to provide reasonable assurance that Nagambie Healthcare Inc. has complied with the requirements of the Fees and Payments Principles. ASAE 3100 requires that we comply with relevant ethical requirements.

Audit procedures selected depend on the auditor's judgement. The auditor designs procedures that are appropriate in the circumstances and incorporate the audit scope requirements set out in the Guide. The audit procedures have been undertaken to form an opinion on compliance of Nagambie Healthcare Inc. with Part 5 of the Fees and Payments Principles. Audit procedures include obtaining evidence relating to refundable deposits, accommodation bonds and entry contributions held; refunds of refundable deposits, accommodation bond balances and entry contributions; limits on charging refundable deposits, accommodation bonds; compliance with the Prudential Standards relating to liquidity, records, governance and disclosure; and use of refundable deposits and accommodation bonds.

2016/2017 FINANCIAL REPORT

Use of Report and Restriction on Distribution

This auditor's report has been prepared for the directors of Nagambie Healthcare Inc. and the Secretary of the Department of Health for the purpose of fulfilling the requirements of the Disclosure Standard. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the directors and the Secretary of the Department of Health, or for any purpose other than that for which it was prepared. Our report is intended for the directors of Nagambie Healthcare Inc. and the Secretary of the Department of Health and should not be distributed to other parties.

Inherent Limitations

Because of the inherent limitations of any compliance procedures, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements of the Act and Fees and Payments Principles, as the audit procedures are not performed continuously throughout the year and are undertaken on a test basis.

The auditor's opinion expressed in this report has been formed on the above basis.



Stephen Wight
Director
Registered Company Auditor
No. 326755

Dated this 17th day of October, 2017

Davidsons Assurance Services Pty Ltd
101 West Fyans Street
Geelong, Victoria 3220

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
BOARD OF MANAGEMENT REPORT

Your Board of Management submit the financial report of Nagambie Healthcare Inc. for the financial year ended 30 June 2017.

BOARD OF MANAGEMENT

The names of Board of Management members throughout the year and at the date of this report are:

Governing Board

- Mr. J Tehan
- Mr. S Verrocchi
- Mrs. M Moss
- Mr. J Palmer
- Mr. T Goodacre
- Mr. D Proud
- Mr. J Smith
- Ms. L Pearson

Accountable Officers

- Ms. B Beadle

PRINCIPAL ACTIVITIES

The principal activities of the association during the financial year were:

- the provision of residential aged care services to Nagambie and the surrounding area.
- the provision of hospital services to Nagambie and the surrounding area.


SIGNIFICANT CHANGES

No significant change in the nature of these activities occurred during the year.

OPERATING RESULT

The net result for the year ended 30 June 2017, prior to comprehensive items amounted to \$340,217 (2016 profit of \$91,448).

Signed in accordance with a resolution of the Board of Management.


BOARD MEMBER


BOARD MEMBER

Dated this 17th day of October 2017.

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue from Operating Activities	(2)	4,394,199	3,992,015
Revenue from Non-Operating Activities	(2)	357,696	196,853
Employee Expenses	(3)	(3,193,473)	(2,915,781)
Operational Expenses	(5)	(885,439)	(860,229)
Audit Fees	(14)	(7,700)	(6,500)
Net Result Before Capital & Specific Items		665,283	406,358
Depreciation	(4)	(325,066)	(314,910)
NET RESULT FOR THE YEAR		340,217	91,448
Movement in physical asset revaluation reserve	(13b)	-	-
COMPREHENSIVE RESULT		340,217	91,448

This Statement should be read in conjunction with the accompanying notes.

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	(6)	1,113,727	1,192,249
Trade and Other Receivables	(7)	176,883	139,891
Inventory		30,627	28,986
Financial Assets	(8)	6,900,000	5,450,000
Prepayments		8,698	7,493
TOTAL CURRENT ASSETS		8,229,935	6,818,619
NON-CURRENT ASSETS			
Property, Plant and Equipment	(9)	11,109,793	11,060,689
TOTAL NON-CURRENT ASSETS		11,109,793	11,060,689
TOTAL ASSETS		19,339,728	17,879,308
CURRENT LIABILITIES			
Trade and Other Payables	(10)	85,688	129,531
Financial Liabilities	(11)	6,526,746	5,378,224
Provisions	(12)	412,285	396,088
TOTAL CURRENT LIABILITIES		7,024,719	5,903,843
NON-CURRENT LIABILITIES			
Provisions	(12)	117,821	118,494
TOTAL NON-CURRENT LIABILITIES		117,821	118,494
TOTAL LIABILITIES		7,142,540	6,022,337
NET ASSETS		12,197,188	11,856,971
EQUITY			
Reserves	(13a)	4,982,041	4,982,041
Retained earnings	(13b)	7,215,147	6,874,930
TOTAL EQUITY		12,197,188	11,856,971

This Statement should be read in conjunction with the accompanying notes.

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Retained Earnings \$	Asset Revaluation Reserve \$	Retention Reserves \$	TOTAL \$
2016				
Balance at beginning of year	6,783,482	4,878,356	103,685	11,765,523
Total Comprehensive Income for the year	91,448	-	-	91,448
Balance at end of year	6,874,930	4,878,356	103,685	11,856,971
2017				
Balance at beginning of year	6,874,930	4,878,356	103,685	11,856,971
Total Comprehensive Income for the year	340,217	-	-	340,217
Balance at end of year	7,215,147	4,878,356	103,685	12,197,188

This Statement should be read in conjunction with the accompanying notes.

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	<i>Note</i>	<i>2017</i> \$	<i>2016</i> \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and activities		4,571,341	3,951,510
Interest Received		145,047	145,148
Payments to Suppliers and Employees		<u>(4,136,528)</u>	<u>(3,687,535)</u>
Net Cash Provided by Operating Activities	19	<u>579,860</u>	<u>409,123</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, plant and equipment		(374,170)	(355,520)
Purchase of Investments		<u>(1,450,000)</u>	<u>(1,500,000)</u>
Net Cash Used in Investing Activities		<u>(1,824,170)</u>	<u>(1,855,520)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) of Loans		25,068	(29,598)
Net Receipt/(Payment) of refundable entry fees & deposits		<u>1,140,720</u>	<u>1,941,239</u>
Net Cash Used in/(Provided by) Investing Activities		<u>1,165,788</u>	<u>1,911,641</u>
Net Increase in Cash Held		(78,522)	465,244
Cash at Beginning of Financial Year		<u>1,192,249</u>	<u>727,005</u>
Cash at End of Financial Year	6	<u>1,113,727</u>	<u>1,192,249</u>

This Statement should be read in conjunction with the accompanying notes.

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with the Associations Incorporation Reform Act 2012 (Vic) and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Basis of preparation

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Consistent with AASB 13 Fair Value Measurement, Nagambie Healthcare Inc. determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial report for the year ended 30 June 2017, and the comparative information presented in these financial statements for the year ended 30 June 2016.

(a) Reporting Entity Report

The financial statements include all the controlled activities of Nagambie Healthcare Inc. (ABN 94 288 195 795). The Association is a not-for-profit entity and therefore applies the additional Aus. paragraphs applicable to "not-for-profit" entities under the AAS's.

(b) Rounding Of Amounts

All amounts shown in the financial statements are expressed to the nearest \$1.

(c) Cash and Cash Equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments (with an original maturity of 3 months or less), which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the balance sheet.

(d) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists. Bad debts are written off when identified.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less any accumulated depreciation and impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

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 net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(f) Fair Value of Assets and Liabilities

Nagambie Healthcare Inc. measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

(g) Revaluations of Non-current Physical Assets

Non-Current physical assets measured at fair value are revalued with sufficient regularity to ensure that fair values do not differ materially from their carrying value. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net result, the increment is recognised as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation

Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost - or valuation - over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually.

The following table indicates the expected useful lives of non current assets on which the depreciation charges are based using the prime cost method.

	2017	2016
Buildings	Up to 40 Years	Up to 40 Years
Property & Improvements	Up to 40 Years	Up to 40 Years
Plant & Equipment	Up to 15 Years	Up to 15 Years
Motor Vehicles	Up to 5 Years	Up to 5 Years

(i) Impairment of Assets

At the end of each reporting period Nagambie Healthcare Inc. assesses whether there is any indication that an asset may be impaired. The assessment considers both external and internal sources of information.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off by a charge to profit or loss to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(j) Payables

These amounts consist predominantly of liabilities for goods and services.

Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to the association prior to the end of the financial year that are unpaid, and arise when the association becomes obliged to make future payments in respect of the purchase of these goods and services.

The normal credit terms are usually Net 30 days.

(k) Provisions

Provisions are recognised when Nagambie Healthcare Inc. has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(l) Functional and Presentation Currency

The presentation currency of Nagambie Healthcare Inc. is the Australian dollar, which has also been identified as the functional currency of Nagambie Healthcare Inc.

(m) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included with other receivables or payables in the Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Employee Benefits

Wages and Salaries, Annual Leave and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits and annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the health service does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- Undiscounted value – if the health service expects to wholly settle within 12 months; or
- Present value – if the health service does not expect to wholly settle within 12 months

Long Service Leave (LSL)

Liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the health service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value – if the health service expects to wholly settle within 12 months; and
- Present value – if the health service does not expect to wholly settle within 12 months

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow.

Superannuation

Contributions to defined contribution superannuation plans are expensed when incurred.

(o) Intersegment Transactions

Transactions between segments within Nagambie Healthcare Inc. have been eliminated to reflect the extent of Nagambie Healthcare Inc.'s operations as a group.

(p) Income Recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Nagambie Healthcare Inc. and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Government Grants

Grants are recognised as income when Nagambie Healthcare Inc. gains control of the underlying assets in accordance with AASB 1004 Contributions. For reciprocal grants, Nagambie Healthcare Inc. is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, Nagambie Healthcare Inc. is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a reserve, such as specific restricted purpose reserve.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset, which allocates interest over the relevant period.

Service Revenue

Revenue from the rendering of a service is recognised upon delivery of the service.

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NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

(r) Income Tax

Nagambie Healthcare Incorporated is an exempt body for taxation purposes under the Income Tax Assessment Act. Accordingly there is no income tax payable.

(s) Critical Accounting Estimates and Judgments

The members of the committee evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Impairment

Nagambie Healthcare Inc. assesses impairment at each reporting date by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgments

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) 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 services. The association expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, which will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

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NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) **AASs issued that are not yet effective**
Certain new Australian Accounting Standards and Interpretations have been published that are not mandatory for 30 June 2017 reporting period.

As at 30 June 2017, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Nagambie Healthcare Inc. has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Associations Annual Statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to <i>recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.</i>	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	The standard was issued in June 2014. While preliminary assessment has not identified any material impact arising from AASB 1056, further work to assess the impact of this standard will be undertaken.
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: - establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; - prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	1-Jan-17	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2016-16 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2016-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Note	2017 \$	2016 \$
2. REVENUE		
<i>Revenue from Operating Activities</i>		
Patient Fees	300,736	339,048
Residential Fees	1,193,465	1,005,097
Government Subsidies	2,366,484	2,218,854
Meals	25,191	28,004
Interest	171,083	151,470
Retentions	17,266	24,261
Rent	60,552	61,346
Other Income	259,422	163,935
<i>Subtotal Revenue from Operating Activities</i>	<u>4,394,199</u>	<u>3,992,015</u>
<i>Revenue from Non-Operating Activities</i>		
Federal and Community Funding	285,701	120,996
Capital Grant - Department of Human Services	-	45,797
Donations Received	71,995	30,060
<i>Subtotal Revenue from Non-Operating Activities</i>	<u>357,696</u>	<u>196,853</u>
Total Revenue	<u>4,751,895</u>	<u>4,188,868</u>
3. EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages	2,843,283	2,633,146
Staff Training	5,568	25,016
Superannuation	260,207	232,474
Workcover	84,415	25,145
	<u>3,193,473</u>	<u>2,915,781</u>
4. DEPRECIATION		
Buildings	174,086	171,898
Independent Living Units	10,809	10,809
Property Improvements	15,393	14,691
Plant and Equipment	77,031	74,587
Motor Vehicles	24,329	19,577
Furniture & Fixtures	23,418	23,348
	<u>325,066</u>	<u>314,910</u>
5. OPERATIONAL EXPENSES		
Administration	319,546	240,155
Food	169,667	147,191
Insurance	34,668	35,443
Medical	87,186	99,575
Repairs and Maintenance	154,611	173,970
Utilities	87,487	87,643
Bad & Doubtful Debts	(7,213)	38,272
Other	39,487	37,980
	<u>885,439</u>	<u>860,229</u>

2016/2017 FINANCIAL REPORT

*NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017*

	<i>Note</i>	<i>2017</i> \$	<i>2016</i> \$
6. CASH & CASH EQUIVALENTS			
Cash at bank and on hand		1,113,727	1,192,249
		<u>1,113,727</u>	<u>1,192,249</u>
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 on Hand		566	284
Cash & Cash Equivalents		<u>1,113,161</u>	<u>1,191,965</u>
		<u>1,113,727</u>	<u>1,192,249</u>
7. RECEIVABLES			
Trade Receivables		134,823	142,618
GST Receivable		-	19,521
Other Receivables		42,060	16,024
Less Provision for Doubtful Debts			
- Trade Receivables		-	(38,272)
		<u>176,883</u>	<u>139,891</u>
Movement in Allowance for Doubtful Debts			
Balance at beginning of year		38,272	-
Amounts written off during the year		(31,059)	
Increase/(Decrease) in allowance recognised in net result		<u>(7,213)</u>	<u>38,272</u>
Balance at end of year		<u>-</u>	<u>38,272</u>
8. INVESTMENTS AND OTHER FINANCIAL ASSETS			
Loans and Receivables			
Term Deposits			
Aust. Dollar Term Deposits		<u>6,900,000</u>	<u>5,450,000</u>
		<u>6,900,000</u>	<u>5,450,000</u>

2016/2017 FINANCIAL REPORT

*NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017*

	<i>Note</i>	<i>2017</i> \$	<i>2016</i> \$
9. PROPERTY, PLANT AND EQUIPMENT			
(a) Gross carrying amount and accumulated depreciation			
Land at Fair Value		<u>3,375,000</u>	<u>3,375,000</u>
		<u>3,375,000</u>	<u>3,375,000</u>
Buildings at Fair Value		7,456,116	7,105,000
less Accumulated Depreciation		<u>(550,308)</u>	<u>(365,413)</u>
		<u>6,905,808</u>	<u>6,739,587</u>
Property Improvements at Cost		171,821	169,263
less Accumulated Depreciation		<u>(36,102)</u>	<u>(20,709)</u>
		<u>135,719</u>	<u>148,554</u>
Plant & Equipment at Cost		1,069,812	1,037,571
less Accumulated Depreciation		<u>(671,040)</u>	<u>(594,010)</u>
		<u>398,772</u>	<u>443,561</u>
Motor Vehicles at Cost		116,650	105,299
less Accumulated Depreciation		<u>(43,906)</u>	<u>(19,577)</u>
		<u>72,744</u>	<u>85,722</u>
Furniture and Fixtures at Cost		292,866	276,408
less Accumulated Depreciation		<u>(157,550)</u>	<u>(134,133)</u>
		<u>135,316</u>	<u>142,275</u>
Work In Progress		<u>86,434</u>	<u>125,990</u>
Total Property, Plant & Equipment		<u>11,109,793</u>	<u>11,060,689</u>

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

9. PROPERTY, PLANT AND EQUIPMENT (Continued)
(b) Movements in Carrying Amounts

Movement in the carrying amounts for each class of Property, Plant and Equipment between the beginning and the end of the current financial year.

	Land	Buildings	Independent Living Units	Property Improvements	Plant & Equipment	Furniture & Fixtures	Motor Vehicles	Works in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year Ended 30 June 2016									
Balance at beginning of year	3,375,000	6,285,883	636,411	141,470	417,324	163,991	-	-	11,020,079
Additions	-	-	-	21,775	100,824	1,632	105,299	125,990	355,520
Disposals	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	(171,898)	(10,809)	(14,691)	(74,587)	(23,348)	(19,577)	-	314,910
Carrying amount at the end of year	3,375,000	6,113,985	625,602	148,554	443,561	142,275	85,722	125,990	11,060,689

	Land	Buildings	Independent Living Units	Property Improvements	Plant & Equipment	Furniture & Fixtures	Motor Vehicles	Works in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year Ended 30 June 2017									
Balance at beginning of year	3,375,000	6,113,985	625,602	148,554	443,561	142,275	85,722	125,990	11,060,689
Additions	-	351,116	-	2,558	32,242	16,458	11,352	39,556	374,170
Disposals	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	(174,086)	(10,809)	(15,393)	(77,031)	(23,418)	(24,329)	-	(325,066)
Carrying amount at the end of year	3,375,000	6,291,015	614,793	135,719	398,772	135,315	72,745	86,434	11,109,793

Land and Buildings carried at valuation

An independent valuation of land and buildings was performed by David McKenzie certified practising valuer AAPI, CPV of Opteon (Goulburn North East Vic) Pty Ltd. The valuation which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments and was adopted by the Committee effective 30 June 2014.

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
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9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair value measurement hierarchy for assets as at 30 June 2017	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
Land at fair value				
Specialised land	3,375,000	-	-	3,375,000
Total of land at fair value	3,375,000	-	-	3,375,000
Buildings at fair value				
Specialised buildings	6,291,015	-	-	6,291,015
Independent Living Units	614,793	-	-	614,793
Property Improvements	135,719	-	-	135,719
Total of building at fair value	7,041,527	-	-	7,041,527
Plant and equipment at fair value				
Plant and Equipment at fair value				
- Furniture & Fixtures	135,315	-	-	135,315
- Motor Vehicles	72,745	-	72,745	0
- Plant and equipment	398,772	-	-	398,772
Total of plant, equipment and vehicles at fair value	606,832	-	72,745	534,087

(i) Classified in accordance with the fair value hierarchy, see Note 1

There have been no transfers between levels during the period.

Fair value measurement hierarchy for assets as at 30 June 2016	Carrying amount as at 30 June 2016	Fair value measurement at end of reporting		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
Land at fair value				
Specialised land	3,375,000	-	-	3,375,000
Total of land at fair value	3,375,000	-	-	3,375,000
Buildings at fair value				
Specialised buildings	6,113,985	-	-	6,113,985
Independent Living Units	625,602	-	-	625,602
Property Improvements	148,554	-	-	148,554
Total of building at fair value	6,888,141	-	-	6,888,141
Plant and equipment at fair value				
Plant and Equipment at fair value				
- Furniture & Fixtures	142,275	-	-	142,275
- Motor Vehicles	85,722	-	85,722	0
- Plant and equipment	443,561	-	-	443,561
Total of plant, equipment and vehicles at fair value	671,558	-	85,722	585,836

(i) Classified in accordance with the fair value hierarchy, see Note 1

There have been no transfers between levels during the period.

Specialised land and specialised buildings

The market approach is also used for specialised land and specialised buildings although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For Nagambie Healthcare Inc., the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

2016/2017 FINANCIAL REPORT

NAGAMBIE HEALTHCARE INC.
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9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Plant and equipment

Plant and equipment is held at carrying value (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying value.

There were no changes in valuation techniques throughout the period to 30 June 2017.

For all assets measured at fair value, the current use is considered the highest and best use.

(d) Reconciliation of Level 3 fair value as at 30 June 2017

2017	Land	Buildings	Plant and equipment
Opening Balance	3,375,000	6,888,141	585,836
Purchases (sales) & Reclassifications	-	353,674	48,700
Transfers in (out) of Level 3	-	-	-
Gains or losses recognised in net result			
- Depreciation	-	(200,288)	(100,449)
- Impairment loss	-	-	-
Closing Balance	3,375,000	7,041,527	534,087

There have been no transfers between levels during the period.

Reconciliation of Level 3 fair value as at 30 June 2016

2016	Land	Buildings	Plant and equipment
Opening Balance	3,375,000	7,063,764	581,315
Purchases (sales) & Reclassifications	-	21,775	102,456
Transfers in (out) of Level 3	-	-	-
Gains or losses recognised in net result			
- Depreciation	-	(197,398)	(97,935)
- Impairment loss	-	-	-
Subtotal	3,375,000	6,888,141	585,836
Items recognised in other comprehensive income			
- Revaluation	-	-	-
Subtotal	-	-	-
Closing Balance	3,375,000	6,888,141	585,836

There have been no transfers between levels during the period.

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NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
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	Note	2017 \$	2016 \$
10. PAYABLES			
Trade Payables		47,435	89,386
PAYG Payable		29,952	24,937
GST Payable		8,301	-
Other Payables		-	15,208
		85,688	129,531

11. OTHER LIABILITIES

CURRENT

Independent Living Unit Loans	737,334	712,266
Residential accommodation bonds	5,787,412	4,664,958
Other Deposits Held	2,000	1,000
	6,526,746	5,378,224

Residential accommodation bonds are represented by the following assets:

Term Deposits	5,787,412	4,664,958
	5,787,412	4,664,958

12. PROVISIONS

Current

Employee Benefits	12a	412,285	396,088
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Non Current

Employee Benefits	12a	117,821	118,494
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		530,106	514,582
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12a. EMPLOYEE BENEFITS

Current

Annual Leave - at nominal value	195,385	178,393
Long Service Leave - at present value	25,000	25,000
Long Service Leave - at nominal value	86,777	106,668
Accrued Salaries & Wages	105,123	86,027
	412,285	396,088

Non Current

Long Service Leave - at present value	117,821	118,494
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	530,106	514,582
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Provision for Long-term Employee Benefits

A provision has been recognised for non-current employee benefits relating to long service leave for employees. 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. The measurement and recognition criteria for employee benefits has been included in Note 1.

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*NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017*

	Note	2017 \$	2016 \$
13. RESERVES			
Retention Reserves (refer note 13a)		103,685	103,685
Asset Revaluation Reserve	13b	4,878,356	4,878,356
		4,982,041	4,982,041
13a. RETENTION RESERVES			
Movement during the year:			
Opening Balance		103,685	103,685
Transfer from accommodation bonds		17,266	24,261
Transfer to profit and loss statement		(17,266)	(24,261)
		103,685	103,685
<i>Accommodation bond retentions are required to be set aside and expended in meeting capital works costs, retiring of debt, or in improving the quality and range of aged care. This reserve represents the amount set aside but not expended for these purposes</i>			
13b. ASSET REVALUATION RESERVE			
Opening Balance		4,878,356	4,878,356
Revaluation Movements			
- Land		-	-
- Buildings		-	-
		4,878,356	4,878,356
Represented by:			
- Land		3,110,000	3,110,000
- Buildings		1,768,356	1,768,356
		4,878,356	4,878,356

Asset revaluation reserve represents the accumulation of movements in Land & Buildings after recognising their current fair value as assessed by a registered valuer.

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*NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
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	2017 \$	2016 \$
13c. RETAINED EARNINGS		
Movement during the year:		
Opening Balance	6,874,930	6,783,482
Net Gain/(Loss)	340,217	91,448
	7,215,147	6,874,930
14. AUDIT FEES		
Auditing of Financial Statements	7,700	6,500
	7,700	6,500
15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS		
The Board of Management was not aware of any contingent assets as at 30 June 2017.		
The Board of Management was not aware of any contingent liabilities as at 30 June 2017.		
16. COMMITMENTS FOR EXPENDITURE		
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	11,596	15,688
Total Lease Commitments	11,596	15,688
Operating Leases		
Operating lease exists for a photocopier		
<i>Non-Cancellable</i>		
Not later than one year	4,092	4,092
Later than 1 and not later than 5 years	7,504	11,596
TOTAL	11,596	15,688
Total commitments for expenditure (inclusive of GST)	11,596	15,688
Less GST recoverable from the Australian Taxation Office	1,054	1,426
Total commitments for expenditure (exclusive of GST)	10,542	14,262

17. EVENTS AFTER THE BALANCE SHEET DATE

There have been no major events after 30 June 2017 that affect the figures reported in the financial statements.

2016/2017 FINANCIAL REPORT

*NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017*

	2017	2016
	\$	\$
18. RELATED PARTY TRANSACTIONS		
a. Key Management Personnel		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its committee members, is considered key management personnel.		
Key management personnel compensation	2017	2016
	\$	\$
- Short term benefits	159,820	150,680
- Post employment benefits	15,180	14,320
	<u>175,000</u>	<u>165,000</u>
b. Other Related Parties		
Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.		
There were no transactions with other related parties for the reporting period.		
There were no transactions with related parties during the year.		
19. CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Profit from Operations	2017	2016
	\$	\$
Profit from Operations	340,217	91,448
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation	325,066	314,910
- Allowance for Doubtful Debts	(38,272)	38,272
- Retention on Accommodation Bonds	(17,266)	(24,261)
Changes in assets and liabilities		
- (Increase)/Decrease in Trade & Other Receivables	1,280	(67,949)
- (Increase)/Decrease in Inventories	(1,641)	(8,634)
- (Increase)/Decrease in Prepayments	(1,205)	(5,164)
- Increase/(Decrease) in Trade & Other Payables	(43,843)	38,523
- Increase/(Decrease) in Provisions	15,524	31,978
	<u>579,860</u>	<u>409,123</u>

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*NAGAMBIE HEALTHCARE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017*

20. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

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

The Association does not have any derivative instruments at 30 June 2017.

Treasury Risk Management

A finance committee consisting of senior committee members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Financial Risk Exposure and Management

The main risks the Association is exposed to throughout its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

The Association does not have any debt financing and therefore is not exposed to fluctuations in interest rates.

Foreign Currency Risk

The Association is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

There are no material amounts of collateral held as security at 30 June 2017.

Credit risk is managed by the Association and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

The Association monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Only banks and financial institutions with a minimum 'BBB' rating are utilised.
- Only accredited fund managers linked to minimum 'BBB' rated financial institutions are used.
- The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

The trade receivables balances at 30 June 2017 and 30 June 2016 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Price Risk

The Association is not exposed to any material commodity price risks.

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Nagambie Healthcare Inc. believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Reserve Bank of Australia).

- A shift of 100 basis points up and down in market interest rates (AUD) from year-end rates of 2.64%; and
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 1.23%.

The following table discloses the impact on net operating result and equity for each category of financial instrument held by Nagambie Healthcare Inc. at year end as presented to key management personnel, if changes in the relevant risk occur.

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20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit Risk

Nagambie Healthcare Inc.'s exposure to credit risk and effective weighted average interest rate by ageing periods is set out in the following table. For interest rates applicable to each class of asset refer to individual notes to the financial statements.

Interest rate exposure and ageing analysis of financial assets as at 30/6/2017

	Weighted Average Effective Interest Rates %	Total Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$	Not Past due and not impaired \$	Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	Impaired Financial Assets \$
2017										
Financial Assets										
Cash and Cash Equivalents	0.60%	1,113,727	-	1,113,161	566	1,113,727	-	-	-	-
Short-Term Deposits	2.37%	6,900,000	6,900,000	-	-	6,900,000	-	-	-	-
Trade & Other Receivables (i)	0.00%	176,883	-	-	176,883	-	61,634	44,513	31,454	-
Total Financial Assets		8,190,610	6,900,000	1,113,161	177,449	8,013,727	61,634	44,513	31,454	-
2016										
Financial Assets										
Cash and Cash Equivalents	1.22%	1,192,249	-	1,191,965	284	1,192,249	-	-	-	-
Short-Term Deposits	2.79%	5,450,000	5,450,000	-	-	5,450,000	-	-	-	-
Trade & Other Receivables (i)	0.00%	158,642	-	-	158,642	-	78,103	40,207	40,332	-
Total Financial Assets		6,800,891	5,450,000	1,191,965	158,926	6,642,249	78,103	40,207	40,332	-

(i) The carrying amount excludes types of statutory financial assets (i.e. GST input tax credit)

(c) Liquidity Risk

The following table discloses the contractual maturity analysis for Nagambie Healthcare Inc.'s financial liabilities.

Interest rate exposure and maturity analysis of financial liabilities as at 30/6/2017

	Total Carrying Amount \$	Interest Rate Exposure			Weighted Average Effective Interest Rates %	Contractual Cash Flows \$	Maturity Dates			
		Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$			Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	Perpetual \$
2017										
Payables (i)										
Trade creditors and accruals	77,387	-	-	77,387	0.00%	77,387	77,387	-	-	-
Independent Living Unit Bonds	737,334	-	-	737,334	0.00%	737,334	-	-	-	737,334
Resident Accommodation Bonds	5,787,412	-	-	5,787,412	0.00%	5,787,412	-	-	-	5,787,412
Total Financial Liabilities	6,602,133	-	-	6,602,133		6,602,133	77,387	-	-	6,524,746
2016										
Payables (i)										
Trade creditors and accruals	129,531	-	-	129,531	0.00%	129,531	129,531	-	-	-
Independent Living Unit Bonds	712,266	-	-	712,266	0.00%	712,266	-	-	-	712,266
Resident Accommodation Bonds	4,664,958	-	-	4,664,958	0.00%	4,664,958	-	-	-	4,664,958
Total Financial Liabilities	5,506,755	-	-	5,506,755		5,506,755	129,531	-	-	5,377,224

(i) The carrying amount excludes types of statutory financial liabilities (i.e. GST payable)

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20. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market Risk

Sensitivity Analysis

	Carrying Amount \$	Interest Rate Risk				Other Price Risk			
		-1% Profit \$	Equity \$	+1% Profit \$	Equity \$	-1% Profit \$	Equity \$	+1% Profit \$	Equity \$
2017									
Financial Assets									
Cash and Cash Equivalents	1,113,727	(11,137)	(11,137)	11,137	11,137	-	-	-	-
Short Term Deposits	6,900,000	(69,000)	(69,000)	69,000	69,000	-	-	-	-
Loans and Receivables	176,883	-	-	-	-	-	-	-	-
Financial Liabilities									
Trade Creditors and Accruals	77,387	-	-	-	-	-	-	-	-
Other Liabilities (i)	6,524,746	-	-	-	-	-	-	-	-

	Carrying Amount \$	Interest Rate Risk				Other Price Risk			
		-1% Profit \$	Equity \$	+1% Profit \$	Equity \$	-1% Profit \$	Equity \$	+1% Profit \$	Equity \$
2016									
Financial Assets									
Cash and Cash Equivalents	1,192,249	(11,922)	(11,922)	11,922	11,922	-	-	-	-
Short Term Deposits	5,450,000	(54,500)	(54,500)	54,500	54,500	-	-	-	-
Loans and Receivables	158,642	-	-	-	-	-	-	-	-
Financial Liabilities									
Trade Creditors and Accruals	129,531	-	-	-	-	-	-	-	-
Other Liabilities (i)	5,377,224	-	-	-	-	-	-	-	-

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

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20. FINANCIAL RISK MANAGEMENT (Continued)

(e) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value.

No financial assets and liabilities are readily traded on markets in standardised form other than listed investments.

Financial assets where the carrying amount exceeds net fair values have not been written down as the entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date

	Carrying Amount 2017 \$	Net Fair Value 2017 \$	Carrying Amount 2016 \$	Net Fair Value 2016 \$
Financial Assets				
Cash on Hand	566	566	284	284
Cash at Bank	1,113,161	1,113,161	1,191,965	1,191,965
Term Deposits	6,900,000	6,900,000	5,450,000	5,450,000
Trade & Other Receivables	176,883	176,883	158,642	158,642
Total Financial Assets	8,190,610	8,190,610	6,800,891	6,800,891
Financial Liabilities				
Trade & Other Payables	85,688	85,688	129,108	129,108
Resident Accommodation Bonds	5,787,412	5,787,412	4,664,958	4,664,958
ILU Loans	737,334	737,334	712,266	712,266
Total Financial Liabilities	6,610,434	6,610,434	5,506,332	5,506,332

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21. SEGMENT REPORTING

The Nagambie Healthcare Inc. has two business segments being residential aged care & other hospital services and only operate in Nagambie, Victoria.

	Residential Aged Care		Hospital Services		Consolidated	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Segment revenue from outside	3,665,554	3,260,677	915,258	776,721	4,580,812	4,037,398
Interest Revenue	171,083	151,470	-	-	171,083	151,470
Total Revenue	3,836,637	3,412,147	915,258	776,721	4,751,895	4,188,868
Allocated Segment Expense	3,270,096	3,054,825	816,516	727,685	4,086,612	3,782,510
Depreciation and amortisation	260,053	251,928	65,013	62,982	325,066	314,910
Total Expense	3,530,150	3,306,754	881,529	790,667	4,411,678	4,097,420
Net Result from ordinary activities	306,487	105,394	33,729	(13,946)	340,217	91,448
Net Result for year	306,487	105,394	33,729	(13,946)	340,217	91,448
Segment Assets	10,719,605	9,233,452	8,620,123	8,645,857	19,339,728	17,879,309
Total Assets	10,719,605	9,233,452	8,620,123	8,645,857	19,339,728	17,879,309
Segment Liabilities	6,834,643	5,700,281	307,897	322,057	7,142,540	6,022,338
Total liabilities	6,834,643	5,700,281	307,897	322,057	7,142,540	6,022,337
Acquisition of property, plant & Equipment	351,116	249,289	23,054	106,231	374,170	355,520

22. ENTITY DETAILS

The registered office of the entity is:

Nagambie Healthcare Inc.
22 Church Street, Nagambie, Victoria, 3608

The principal places of business is:

Nagambie Healthcare Inc.
22 Church Street, Nagambie, Victoria, 3608

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NAGAMBIE HEALTHCARE INC.

BOARD OF MANAGEMENT STATEMENT

In the opinion of the Board of Management the financial report as set out on the preceding pages:

1. Presents a true and fair view of the financial position of Nagambie Healthcare Inc. as at 30 June 2017 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Nagambie Healthcare 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 of Management and is signed for and on behalf of the Board of Management by:



.....
BOARD MEMBER



.....
BOARD MEMBER

Dated this 17th day of October 2017.