

INGLEWOOD & DISTRICTS HEALTH SERVICE

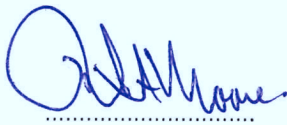
**BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND
CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION**

The attached financial statements for Inglewood & Districts Health Service have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable *Financial Reporting Directions*, Australian Accounting Standards, Australian Accounting Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2015 and financial position of Inglewood & Districts Health Service at 30 June 2015.

At the time of signature, we are not aware of any circumstance which would render any particulars included in the financial report to be misleading or inaccurate.

We authorise the attached financial statements for issue on this day.



Peter Moore
Board Chair

Inglewood

08/09/2015



Mike Parker
Chief Executive Officer

Inglewood

08/09/2015



Geoffrey Vendy
Chief Finance & Accounting Officer

Inglewood

08/09/2015

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Inglewood and Districts Health Service

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Inglewood and Districts Health Service which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the Inglewood and Districts Health Service are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Inglewood and Districts Health Service as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
10 September 2015



J John Doyle
Auditor-General

**INGLEWOOD & DISTRICTS HEALTH SERVICE
 COMPREHENSIVE OPERATING STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Revenue from Operating Activities	2	6,323,260	5,665,469
Revenue from Non-operating Activities	2	126,371	169,981
Employee Expenses	3	(4,934,963)	(4,563,979)
Non Salary Labour Costs	3	(142,039)	(134,410)
Supplies and Consumables	3	(316,395)	(307,374)
Other Expenses	3	(968,248)	(836,515)
Net Result Before Capital & Specific Items		87,986	(6,828)
Capital Purpose Income	2	346,054	411,950
Depreciation	4	(752,775)	(915,933)
Expenditure Using Capital Purpose Income	3	(118,027)	(130,822)
Specific Expense	3a	(100,000)	0
NET RESULT FOR THE YEAR		(536,762)	(641,633)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	15a	0	4,524,473
Items that may be recalssified subsequently to net result			
Changes to financial assets available-for-sale revaluation surplus	15a	(4,149)	7,680
COMPREHENSIVE RESULT		(540,911)	3,890,520

**INGLEWOOD & DISTRICTS HEALTH SERVICE
BALANCE SHEET
AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
Current Assets			
Cash and Cash Equivalents	5	775,677	377,566
Receivables	6	365,337	329,879
Investments and Other Financial Assets	7	2,653,793	2,810,885
Other Assets	8	39,312	46,141
Total Current Assets		<u>3,834,119</u>	<u>3,564,471</u>
Non-Current Assets			
Receivables	6	205,657	189,416
Property, Plant & Equipment	10	10,842,702	11,455,430
Total Non-Current Assets		<u>11,048,359</u>	<u>11,644,846</u>
TOTAL ASSETS		<u>14,882,478</u>	<u>15,209,317</u>
Current Liabilities			
Payables	11	350,273	268,369
Provisions	12	1,605,572	1,446,514
Other Liabilities	14	1,930,708	1,977,742
Total Current Liabilities		<u>3,886,553</u>	<u>3,692,625</u>
Non-Current Liabilities			
Provisions	12	116,310	96,166
Total Non-Current Liabilities		<u>116,310</u>	<u>96,166</u>
TOTAL LIABILITIES		<u>4,002,863</u>	<u>3,788,791</u>
NET ASSETS		<u>10,879,615</u>	<u>11,420,526</u>
EQUITY			
Property, Plant & Equipment Revaluation Surplus	15a	8,201,358	8,201,358
Financial Asset Available for Sale Revaluation Surplus	15a	5,818	9,967
Restricted Specific Purpose Surplus	15a	650,349	650,349
Contributed Capital	15b	5,284,700	5,284,700
Accumulated Surpluses/(Deficits)	15c	(3,262,610)	(2,725,848)
TOTAL EQUITY		<u>10,879,615</u>	<u>11,420,526</u>
Contingent Assets and Contingent Liabilities	19		
Commitments	18		

**INGLEWOOD & DISTRICTS HEALTH SERVICE
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

	Note	Property, Plant & Equipment Revaluation Surplus \$	Financial Assets Available for Sale Revaluation Surplus \$	Restricted Specific Purpose Surplus \$	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
Balance at 30 June 2013		3,639,429	2,287	650,349	5,294,666	(2,084,215)	7,502,516
Net result for the year	15(c)	0	0	0	0	(641,633)	(641,633)
Other comprehensive income for the year	15(a)	4,561,929	7,680	0	0	0	4,569,609
Transfer from Capital	15(b)	0	0	0	(9,966)	0	(9,966)
Balance at 30 June 2014		8,201,358	9,967	650,349	5,284,700	(2,725,848)	11,420,526
Net result for the year	15(c)	0	0	0	0	(536,762)	(536,762)
Other comprehensive income for the year	15(a)	0	(4,149)	0	0	0	(4,149)
Balance at 30 June 2015		8,201,358	5,818	650,349	5,284,700	(3,262,610)	10,879,615

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

**INGLEWOOD & DISTRICTS HEALTH SERVICE
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		5,166,068	4,634,469
Patient and Resident Fees Received		750,188	752,134
Donations and Bequests Received		36,490	10,508
GST (Paid to)/received from ATO		61,184	102,242
Interest Received		52,452	156,681
Other Receipts		337,242	122,009
Total Receipts		6,403,624	5,778,043
Employee Expenses Paid		(4,742,291)	(4,552,454)
Non Salary Labour Costs		(142,039)	(134,410)
Payments for Supplies and Consumables		(316,395)	(307,374)
Other Payments		(1,081,505)	(1,040,362)
Total Payments		(6,282,230)	(6,034,600)
Cash Generated from Operations		121,394	(256,557)
Capital Grants from Government		109,100	332,690
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	16	230,494	76,133
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Investments		178,430	81,409
Payments for Non-Financial Assets		(209,438)	(430,756)
Proceeds from Sale of Non-Financial Assets		242,500	158,065
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		211,492	(191,282)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		441,986	(115,149)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		175,202	290,351
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	617,188	175,202

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements represent the audited general purpose financial statements for Inglewood and Districts Health Service for the period ending 30 June 2015. The purpose of the report is to provide users with information about the Health Services' stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Financial Management Act 1994, and applicable Australian Accounting Standards (AASs), which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 Presentation of Financial Statements.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

The Health Service is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AAS's.

The annual financial statements were authorised for issue by the Board of Inglewood & Districts Health Service on 8 September 2015.

(b) Basis of accounting preparation and measurement

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 statements for the year ended 30 June 2015, and the comparative information presented in these financial statements for the year ended 30 June 2014.

The going concern basis was used to prepare the financial statements.

These financial statements are presented in Australian Dollars, the functional and presentation currency of the Health Service.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are prepared in accordance with the historical cost convention, except for:

- Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are reassessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised; and
- The fair value of assets other than land is generally based on their depreciated replacement value.

Historical cost is based on the fair value of the consideration given in exchange for assets.

In the application of AASs, management is required to make judgements, estimates and assumptions about 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.

(b) Basis of accounting preparation and measurement (Cont'd)

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment, (refer to note 1(k))
- superannuation expense (refer to note 1(h))
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 1(l))

Consistent with AASB 13 Fair Value Measurement, Inglewood & Districts Health Service determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures Inglewood & Districts Health Service has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the health service determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General (VGV) is the health services' independent valuation agency.

The health service in conjunction with VGV monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

The estimates and underlying assumptions are reviewed on an ongoing basis.

(c) Reporting Entity

The financial statements include all the controlled activities of Inglewood & Districts Health Service.

Its principal address is:

3 Hospital Street
Inglewood Vic 3517

A description of the nature of Inglewood & Districts Health Service's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Objectives and funding

Inglewood & Districts Health Service overall objective is to provide quality health services which respond to community needs and enhance wellbeing within the community.

Inglewood & Districts Health Service is predominately funded by accrual based grant funding for the provision of outputs.

(d) Principles of Consolidation

Intersegment Transactions

Transactions between segments within Inglewood & Districts Health Service have been eliminated to reflect the extent of Inglewood & Districts Health Service's operations as a group.

(d) Principles of Consolidation (cont'd)

Jointly controlled assets or operations

Interest in jointly controlled assets or operations are not consolidated by Inglewood & Districts Health Service, but are accounted for in accordance with the policy outlined in Note 1(k) Financial Assets.

Details of the joint operation are set out in note 9.

(e) Scope and presentation of financial statements

Fund Accounting

Inglewood & Districts Health Service operates on a fund accounting basis and maintains three funds:

Operating, Specific Purpose and Capital Funds. Inglewood & Districts Health Service's Capital and Specific Purpose Funds include unspent capital donations and receipts from fundraising activities conducted solely in respect of these funds.

Services Supported by Health Services Agreement and Services Supported by Hospital and Community Initiatives.

Activities classified as *Services Supported by Health Services Agreement* (HSA) are substantially funded by the Department of Health and Human Services and include Residential Aged Care Services (RACS) and are also funded from other sources such as the Commonwealth, patients and residents, while Services Supported by Hospital and Community Initiatives (Non HSA) are funded by the Health Service's own activities or local initiatives and/or the Commonwealth.

Residential Aged Care Service

The Residential Aged Care Service's operations are an integral part of the Inglewood & Districts Health Service and share its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in Notes 2 and 3 to the financial statements.

Comprehensive operating statement

The Comprehensive operating statement includes the subtotal entitled 'Net result Before Capital & Specific Items' to enhance the understanding of the financial performance of Inglewood & Districts Health Service. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, expenditure using capital purpose income and items of an unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'Net result Before Capital & Specific Items' is used by the management of Inglewood & Districts Health Service, the Department of Health and Human Services and the Victorian Government to measure the ongoing performance of Health Services.

Capital and specific items, which are excluded from this sub-total comprise:

- * Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer note 1 (g)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.
- * Specific income/expense, comprises the following items, where material:
 - * Voluntary departure packages
 - * Write-down of inventories
 - * Non-current asset revaluation increments/decrements
 - * Diminution/impairment of investments
 - * Non-current assets lost or found
 - * Reversals of provisions
- * Impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with note 1 (k)
- * Depreciation, as described in note 1 (h)
- * Assets provided or received free of charge (refer to Note 1 (g) and (h))
- * Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the Balance Sheet, where funding for that expenditure is from capital purpose income.

Balance Sheet

Assets and liabilities are categorised either as current or non-current (non-current being those assets or liabilities expected to be recovered/settled more than 12 months after reporting period), are disclosed in the notes where relevant.

The net result is equivalent to profit or loss derived in accordance with AASs.

(e) **Scope and presentation of financial statements (Cont'd)**

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

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

Rounding

All amounts shown in the financial statements are expressed to the nearest dollar unless other wise stated.

Comparative Information

There have been no changes to comparative information which require additional disclosure.

(f) **Change in Accounting Policies**

AASB 10 Consolidated financial statements

AASB 10 provides a new approach to determine whether an entity has control over another entity, and therefore must present consolidated financial statements. The new approach requires the satisfaction of all three criteria for control to exist over an entity for financial reporting purposes:

- (a) The investor has power over the investee;
- (b) The investor has exposure, or rights to variable returns from its involvement with the investee; and
- (c) The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the new criteria prescribed in AASB 10, Inglewood & Districts Health Service has reviewed the existing arrangements to determine if there are any additional entities that need to be consolidated into the group.

There are no other entities that need to be consolidated in to the Inglewood & Districts Health Service group.

AASB 11 Joint Arrangements

In accordance with AASB 11, there are two types of joint arrangements, i.e. joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportionate consolidation of joint ventures is no longer permitted.

Inglewood & Districts Health Service has reviewed its existing contractual arrangements with other entities to ensure they are aligned with the new classifications under AASB 11.

Inglewood & Districts Health Service is advised that the Loddon Mallee Rural Health Alliance is a Joint Operation. No other contractual arrangements are affected by the realignment of classifications under AASB 11.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 Disclosure of Interests in Other Entities prescribes the disclosure requirements for an entity's interests in subsidiaries, associates and joint arrangements; and extends to the entity's association with unconsolidated structured entities.

Inglewood & Districts Health Service has disclosed information about its interests in associates and joint ventures, including any significant judgements and assumptions used in determining the type of joint arrangement in which it has an interest.

(g) Income from transactions

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 Inglewood & Districts Health Service 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 and other transfers of income (other than contributions by owners)

In accordance with AASB 1004 Contributions, government grants and other transfers of income (other than contributions by owners) are recognised as income when the Health Service gains control of the underlying assets irrespective of whether conditions are imposed on the Health Service's use of the contributions.

Contributions are deferred as income in advance when the health service has a present obligation to repay them and the present obligation can be reliably measured.

Indirect Contributions from the Department of Health and Human Services

-Insurance is recognised as revenue following advice from the Department of Health and Human Services.

-Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL Liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2013.

Patient and Resident Fees

Patient fees are recognised as revenue at the time invoices are raised.

Private Practice Fees

Private Practice fees are recognised as revenue at the time invoices are raised.

Revenue from commercial activities

Revenue from commercial activities such as provision of meals to external users is recognised at the time the invoices are raised.

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.

Dividend Revenue

Dividend revenue is recognised when the right to receive payment is established.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset.

Sale of investments

The profit/loss on the sale of investments is recognised when the investment is realised.

Fair value of assets and services received free of charge or for nominal consideration

Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

(h) Expense Recognition

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

Cost of goods sold

Cost of goods sold are recognised when the sale of an item occurs by transferring the cost or value of the items from inventories.

(h) Expense Recognition (Cont'd)

Employee expenses

Employee expenses include:

- Wages and salaries;
- Annual leave;
- Sick leave;
- Long service leave; and
- Superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

Defined contribution superannuation plans

In relation to defined contributions (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit superannuation plans

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Inglewood & Districts Health Service does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial statements.

The names and details of the major employee superannuation funds and contributions made by Inglewood & Districts Health Service are disclosed in Note 13.

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. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Health and Human Services.

Depreciation is provided on property, plant and equipment, including freehold buildings, but excluding land and investment properties. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

The following table indicates the expected useful lives of non-current assets on which the depreciation charges are based.

	2015	2014
Buildings		
- Structure Shell Building Fabric 45 to 60 years	50 years	45 to 60 years
- Site Engineering Services and Central Plant	20 years	20 to 30 years
Central Plant		
- Fit Out 20 to 30 years	15 years	20 to 30 years
- Trunk Reticulated Building Systems	15 years	30 to 40 years
Plant & Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture & Fittings	13 years	13 years
Motor Vehicles	10 years	10 years
Leasehold Improvements	6 to 7 years	6 to 7 years

As part of the Buildings valuation, building values were separated into components and each component assessed for its useful life which is represented above.

(h) Expense Recognition (Continued)

Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred.

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance charges in respect of finance leases recognised in accordance with AASB 117 Leases.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and consumables

Supplies and services costs which are recognised as an expense in the reporting period in which they are incurred.

The carrying amounts of any inventories held for distribution are expensed when distributed.

Bad and doubtful debts

Refer note 1(k) *Impairment of financial assets*

Fair value of assets, services and resources provided free of charge or for nominal consideration

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(i) Other comprehensive income

Other comprehensive income measures the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/(losses) of non-financial physical assets

Refer to note 1(k) *Revaluations of non-financial physical assets*.

Net gain/(loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

(j) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Inglewood & Districts Health Service's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market.

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(k)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

(j) Financial Instruments (Cont'd)

Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 17.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the Health Service's contractual payables, deposits held and advances received, and interest bearing arrangements other than those designated at fair value through profit and loss.

(k) Assets

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 three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

Receivables

Receivables consist of:

- Contractual receivables, which includes of mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables; and
- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

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

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 recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Investments and Other Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified in the following categories:

- Loans and receivables; and
- Available-for-sale financial assets.

The Inglewood & Districts Health Service classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

(k) Assets (Cont'd)

Inglewood & Districts Health Service assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets are subject to annual review for impairment.

Inventories

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It includes land held for sale and excludes depreciable assets.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

The bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Non-financial Physical Assets Classified as Held for Sale

Non-financial physical assets and disposal groups and related liabilities are treated as current and are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group) is expected to be completed within 12 months from the date of classification, and the asset is available for immediate use in the current condition.

Non-financial physical assets (including disposal groups) classified as held for sale are treated as current and are measured at the lower of carrying amount and fair value less costs of disposal, and are not subject to depreciation or amortisation.

Property, Plant and Equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger or machinery of government are transferred at their carrying amount. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 10 Property, plant and equipment.

Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restriction will no longer apply.

Land and Buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment.

Plant, Equipment and Vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for fair value because of the short lives of the assets concerned.

Revaluations of Non-current Physical Assets

Non-Current physical assets are measured at fair value and are revalued in accordance with FRD 103F Non-current physical assets. This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. 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 surplus except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

(k) Assets (Cont'd)

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 surplus in respect of the same class of assets, they are debited directly to the asset revaluation surplus.

Revaluations of Non-current Physical Assets (Cont'd)

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 surplus is not transferred to accumulated funds on derecognition of the relevant asset.

In accordance with FRD 103F Inglewood & Districts Health Service's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement. Refer Note 1(i) - 'comprehensive income'.

Impairment of Non-Financial Assets

Apart from intangible assets with indefinite useful lives, all other assets are assessed annually for indications of impairment, except for:

- inventories;
- assets arising from construction contracts.

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 as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction 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.

Investments in jointly controlled assets and operations

In respect of any interest in jointly controlled assets, Inglewood & Districts Health Service recognises in the financial statements:

- its share of jointly controlled assets;
- any liabilities that it had incurred;
- its share of liabilities incurred jointly by the joint venture;
- any income earned from the selling or using of its share of the output from the joint venture; and
- any expenses incurred in relation to being an investor in the joint venture.

For jointly controlled operations Inglewood & Districts Health Service recognises:

- the assets that it controls;
- the liabilities that it incurs;
- expenses that it incurs; and
- the share of income that it earns from selling outputs of the joint venture.

(k) Assets (Cont'd)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset; or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Health Service's continuing involvement in the asset.

Impairment of Financial Assets

At the end of each reporting period Inglewood & Districts Health Service assesses whether there is objective evidence that a financial asset or group of financial asset is impaired. All financial instrument assets, except those measured at fair value through profit and loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as written off and allowances for doubtful receivables are expensed. The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months. The financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2015 for its portfolio of financial assets, Inglewood & Districts Health Service obtained a valuation based on the best available advice using an estimated market value through a reputable financial institution. This value was compared against valuation methodologies provided by the issuer as at 30 June 2015. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

Net Gain/(Loss) on Financial Instruments

Net Gain/(Loss) on financial instruments includes:

- Impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets.

(l) Liabilities

Payables

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the health service prior to the end of the financial year that are unpaid, and arise when the health service becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms for accounts payable are usually Nett 30 days.
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are initially recognised at fair value, and then subsequently carried at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Provisions

Provisions are recognised when the Health Service 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

(I) Liabilities (Cont'd)

Provisions (Cont'd)

cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee Benefits

This provision arises for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave for services rendered to the reporting date.

Wages and Salaries, Annual Leave, and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accrued days off which are to be settled expected within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee's services up to the reporting date, and are classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long Service Leave

The liability for long service leave (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.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits.

The health service recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

On-Costs

Employee benefit on-costs, such as payroll tax, workers compensation, superannuation are recognised together with provisions for employee benefits.

Superannuation Liabilities

The Inglewood & Districts Health Service does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Health Service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

(l) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

For service concession arrangements, the commencement of the lease term is deemed to be the date of the asset is commissioned.

Finance Leases

Entity as lessor

The Health Service does not hold any finance lease arrangements with other parties.

Operating Leases

Entity as lessor

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Operating lease payments, including any contingent rentals, are recognised as an expense in the Comprehensive Operating Statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Lease Incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received by the lessee to enter into operating leases, such incentives are recognised as a liability.

The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished.

Leasehold Improvements

The cost of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

(m) Equity

Contributed Capital

Consistent with *Australian Accounting Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities and FRD 119A Contributions by Owners*, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are also treated as contributed capital.

Property, Plant & Equipment Revaluation Surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

Financial Asset Available-for-Sale Revaluation Surplus

The available-for-sale revaluation surplus arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset is effectively realised, and is recognised in the Comprehensive Operating Statement. Where a revalued financial asset is impaired, that portion of the reserve which relates to that financial asset is recognised in the Comprehensive Operating Statement.

General Purpose Surplus

No general purpose surpluses are in existence at the date of this report.

Specific Restricted Purpose Surplus

A specific restricted purpose surplus is established where the Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

(n) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 18) at their nominal value and are inclusive of the goods and services tax ("GST") payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(o) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

(p) Goods and Services Tax ("GST")

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.

Commitments and contingent assets and liabilities are presented on a gross basis.

(q) AASs issued that are not yet effective

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting period. DTF assesses the impact of all these new standards and advises the Health Service of their applicability and early adoption where applicable.

As at 30 June 2015, 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. Inglewood & Districts Health Service has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 9 <i>Financial instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	1 January 2018	The preliminary 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.

(r) AASBs issued that are not yet effective (Continued)			
Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2017 (Exposure Draft 263 – potential deferral to 1 Jan 2018).	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASBs 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 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
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: <ul style="list-style-type: none"> - 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 January 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.

(r) AASBs issued that are not yet effective (Continued)			
Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: <ul style="list-style-type: none"> - a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and - a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. 	1 January 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 January 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

AASB 2015-7 Amendments to Australian Accounting Standards

The Australian Accounting Standards Board issued an amending accounting standard AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value disclosures of Not-for-Profit Public Sector Entities* on 13 July 2015. In accordance with FRD 7A *Early adoption of authoritative accounting pronouncements*, the Minister for Finance has approved the option for Victorian not-for-profit public sector entities to early adopt the amending accounting standard to enable them to benefit from some limited exemption in relation to fair value disclosures for the 2014-15 reporting period. The limited exemption is available to those entities whose assets are held primarily for their current service potential rather than to generate net cash inflows.

Inglewood & Districts Health Service meets the criteria specified in AASB 2015-7 to benefit from the reduced disclosure requirements, so it has chosen to early adopt the amendments to Fair Value disclosure of Not-for-profit-public sector entities.

(r) AASs issued that are not yet effective (Continued)

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2014-15 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2014-15 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.
- 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.
- 2013-5 Amendments to Australian Accounting Standards – Investment Entities
- 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements
- 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders
- 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB Interpretation 21 Levies.

(s) Category Groups

Inglewood & Districts Health Service has used the following category groups for reporting purposes for the current and previous financial years.

Admitted Patient Services (Admitted Patients) comprises all recurrent health revenue/expenditure on admitted patient services, where services are delivered in public hospitals, or free standing day hospital facilities, or alcohol and drug treatment units or hospitals specialising in dental services, hearing and ophthalmic aids.

Aged Care comprises revenue/expenditure from Home and Community Care (HACC) programs, allied Health, Aged Care Assessment and support services.

Primary Health comprises revenue/expenditure for Community Health Services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy.

Residential Aged Care including Mental Health (RAC incl. Mental Health) referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from DH under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health funded community care units (CCUs) and secure extended care units (SECs).

Other Services excluded from Australian Health Care Agreement (AHCA) (Other) comprises revenue/expenditure for services not separately classified above, including: Public health services including Laboratory testing, Blood Borne Viruses/ Sexually Transmitted Infections clinical services, Kooris liaison officers, immunisation and screening services, Drugs services including drug withdrawal, counselling and the needle and syringe program, Dental Health services, including general and specialist dental care, school dental services and clinical education. Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

Note 2: ANALYSIS OF REVENUE BY SOURCE

	Admitted Patients 2015 \$	Residential Aged Care 2015 \$	Aged Care 2015 \$	Primary Health 2015 \$	Other 2015 \$	TOTAL 2015 \$
Government Grants	1,880,705	1,867,602	1,021,317	396,444	0	5,166,068
Indirect Contributions by Department of Health and Human Services	19,194	4,910	500	1,742	0	26,346
Patient and Resident Fees	78,774	690,288	28,730	0	0	797,792
Loddon Mallee Rural Health Alliance	181,392	0	0	0	0	181,392
Catering	0	0	0	0	50,703	50,703
Property Income	0	0	0	0	11,330	11,330
Other Revenue from Operating Activities	17,393	28,954	29,601	13,681	0	89,629
Total Revenue from Operating Activities	2,177,458	2,591,754	1,080,148	411,867	62,033	6,323,260
Bank & Investment Income	89,881	0	0	0	0	89,881
Donations	0	0	0	0	36,490	36,490
Total Revenue from Non-Operating Activities	89,881	0	0	0	36,490	126,371
Capital Purpose Income	109,100	47,606	0	0	166,707	323,413
Capital Interest	0	0	0	0	22,641	22,641
Total Capital Purpose Income	109,100	47,606	0	0	189,348	346,054
Total Revenue	2,376,439	2,639,360	1,080,148	411,867	287,871	6,795,685

Indirect contributions by Department of Health (1 July 2014 - 31 December 2014)/Department of Health and Human Services (1 Jan 2015 - 30 June 2015)

Department of Health/Department of Health and Human Services makes certain payments on behalf of the Health Service. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

Note 2: ANALYSIS OF REVENUE BY SOURCE (Continued)

	Admitted Patients 2014 \$	Residential Aged Care 2014 \$	Aged Care 2014 \$	Primary Health 2014 \$	Other 2014 \$	TOTAL 2014 \$
Government Grants	1,726,634	1,559,562	992,363	412,510	0	4,691,069
Indirect Contributions by Department of Health and Human Services	13,725	4,268	434	1,516	0	19,943
Patient and Resident Fees	79,071	616,876	23,863	2,273	0	722,083
Loddon Mallee Rural Health Alliance	71,461	0	0	0	0	71,461
Catering	0	0	0	0	54,576	54,576
Property Income	0	0	0	0	12,235	12,235
Other Revenue from Operating Activities	23,094	38,400	20,193	12,415	0	94,102
Total Revenue from Operating Activities	1,913,985	2,219,106	1,036,853	428,714	66,811	5,665,469
Interest and Dividends	159,473	0	0	0	0	159,473
Donations	0	0	0	0	10,508	10,508
Total Revenue from Non-Operating Activities	159,473	0	0	0	10,508	169,981
Capital Purpose Income	347,520	57,994	0	0	(18,940)	386,574
Capital Interest	0	0	0	0	25,376	25,376
Total Capital Purpose Income	347,520	57,994	0	0	6,436	411,950
Total Revenue	2,420,978	2,277,100	1,036,853	428,714	83,755	6,247,400

Indirect contributions by Department of Health (1 July 2014 - 31 December 2014)/Department of Health and Human Services (1 Jan 2015 - 30 June 2015)

Department of Health/Department of Health and Human Services makes certain payments on behalf of the Health Service. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

NOTE 2a: NET GAIN/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS

	2015 \$	2014 \$
Proceeds from Disposal of Non-Current Assets		
- Land and Buildings	182,500	0
- Motor Vehicles	60,000	158,066
Total Proceeds from Disposal of Non-Current Assets	242,500	158,066
Less: Written Down Value of Non-Current Assets Sold		
- Motor Vehicles	75,793	177,006
Total Written Down Value of Non-Current Assets Sold	75,793	177,006
NET GAINS/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS	166,707	(18,940)

Note 3: ANALYSIS OF EXPENSE BY SOURCE

	Admitted Patients 2015 \$	Residential Aged Care 2015 \$	Aged Care 2015 \$	Primary Health 2015 \$	Other 2015 \$	TOTAL 2015 \$
Employee Expenses	1,646,753	2,034,476	317,368	824,877	111,489	4,934,963
Non Salary Labour Costs	142,039	0	0	0	0	142,039
Supplies and Consumables	114,784	132,539	25,625	1,048	42,399	316,395
Other Expenses from continuing operations	277,434	452,009	75,912	159,399	3,494	968,248
Total Expenditure from Operating Activities	2,181,010	2,619,024	418,905	985,324	157,382	6,361,645
Depreciation (refer note 4)	0	0	0	0	752,775	752,775
Expenditure for Capital Purposes	0	0	0	0	118,027	118,027
Specific Expense (refer note 3a)	0	0	0	0	100,000	100,000
Total Other Expenses	0	0	0	0	970,802	970,802

Total Expenses 2,181,010 2,619,024 418,905 985,324 1,128,184 7,332,447

	Admitted Patients 2014 \$	Residential Aged Care 2014 \$	Aged Care 2014 \$	Primary Health 2014 \$	Other 2014 \$	TOTAL 2014 \$
Employee Expenses	1,502,235	1,886,340	265,312	769,533	140,559	4,563,979
Non Salary Labour Costs	134,410	0	0	0	0	134,410
Supplies and Consumables	105,419	131,234	26,696	1,245	42,780	307,374
Other Expenses from continuing operations	195,917	313,850	68,246	104,041	154,461	836,515
Total Expenditure from Operating Activities	1,937,981	2,331,424	360,254	874,819	337,800	5,842,278
Depreciation (refer note 4)	0	0	0	0	915,933	915,933
Expenditure for Capital Purposes	0	0	0	0	130,822	130,822
Total Other Expenses	0	0	0	0	1,046,755	1,046,755
Total Expenses	1,937,981	2,331,424	360,254	874,819	1,384,555	6,889,033

NOTE 3a: SPECIFIC EXPENSES

	2015 \$	2014 \$
Capital Donation to Wedderburn Community Centre	100,000	0

NOTE 4: DEPRECIATION

	2015	2014
	\$	\$
Depreciation		
Buildings	575,505	729,276
Plant & Equipment	66,308	67,587
Motor Vehicles	79,570	81,291
Medical Equipment	25,568	32,870
Furniture and Fittings	5,824	4,908
	<u>752,775</u>	<u>915,932</u>
TOTAL DEPRECIATION	<u>752,775</u>	<u>915,932</u>

NOTE 5: CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	2015	2014
	\$	\$
Cash on Hand	1,650	1,650
Cash at Bank	774,027	375,916
	<u>775,677</u>	<u>377,566</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>775,677</u>	<u>377,566</u>
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	617,188	175,202
Cash for Loddon Mallee Rural Health Alliance	429	4,344
Cash for Monies Held in Trust		
- Cash on Hand	500	500
- Cash at Bank	157,560	197,520
	<u>775,677</u>	<u>377,566</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>775,677</u>	<u>377,566</u>

NOTE 6: RECEIVABLES

INGLEWOOD & DISTRICTS HEALTH SERVICE

Notes to the Financial Statements

	30 June 2015	
	2015	2014
	\$	\$
CURRENT		
Contractual		
Trade Debtors	145,703	204,001
Patient Fees	110,886	59,519
Loddon Mallee Rural Health Alliance Receivables	681	1,532
Accrued Revenue	123,689	67,768
Less Allowance for Doubtful Debts		
Trade Debtors	(18,114)	(14,351)
	<u>362,845</u>	<u>318,469</u>
Statutory		
GST Receivable - Health Service	1,248	9,132
Loddon Mallee Rural Health Alliance GST Receivable	1,244	2,278
	<u>2,492</u>	<u>11,410</u>
TOTAL CURRENT RECEIVABLES	<u>365,337</u>	<u>329,879</u>
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	205,657	189,416
	<u>205,657</u>	<u>189,416</u>
TOTAL NON-CURRENT RECEIVABLES	<u>205,657</u>	<u>189,416</u>
TOTAL RECEIVABLES	<u><u>570,994</u></u>	<u><u>519,295</u></u>

(a) Movement in the Allowance for doubtful debts

	2015	2014
	\$	\$
Balance at beginning of year	14,351	8,707
Amounts written off during the year	0	0
Increase in allowance recognised in net result	3,763	5,644
Balance at end of year	<u>18,114</u>	<u>14,351</u>

(a) Ageing analysis of receivables

Please refer to note 17(b) for the ageing analysis of receivables

(b) Nature and extent of risk arising from receivables

Please refer to note 17(b) for the nature and extent of credit risk arising from contractual receivables

NOTE 7: INVESTMENTS AND OTHER FINANCIAL ASSETS

	Operating Fund		Specific Purpose Fund		Capital Fund		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT								
Loans and receivables								
<i>Term Deposit</i>								
Aust. Dollar Term Deposits (i)	965,096	934,140	630,719	803,219	321,401	311,281	1,917,216	2,048,640
Available for sale								
<i>Equities and Managed Investment Schemes</i>								
Managed Funds	0	0	556,253	606,183	136,101	107,689	692,354	713,872
Shares	44,223	48,373	0	0	0	0	44,223	48,373
Total Investment and Other Financial Assets	<u>1,009,319</u>	<u>982,513</u>	<u>1,186,972</u>	<u>1,409,402</u>	<u>457,502</u>	<u>418,970</u>	<u>2,653,793</u>	<u>2,810,885</u>
Represented by:								
Health Service Investments	44,223	161,650	379,420	606,183	321,401	155,641	745,044	923,474
LMRHA Investments	0	0	0	0	136,101	107,689	136,101	107,689
Monies Held in Trust								
Accommodation Bonds	904,701	799,407	807,552	803,219	0	155,640	1,712,253	1,758,266
Other	60,395	21,456	0	0	0	0	60,395	21,456
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	<u>1,009,319</u>	<u>982,513</u>	<u>1,186,972</u>	<u>1,409,402</u>	<u>457,502</u>	<u>418,970</u>	<u>2,653,793</u>	<u>2,810,885</u>

(i) Term Deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

(a) Ageing analysis of investments and other financial assets

Please refer to note 17(b) for the ageing analysis of investments and other financial assets

(b) Nature and extent of risk arising from investments and other financial assets

Please refer to note 17(b) for the nature and extent of credit risk arising from investments and other financial assets

INGLEWOOD & DISTRICTS HEALTH SERVICE

Notes to the Financial Statements

30 June 2015

NOTE 8: OTHER ASSETS

	2015	2014
	\$	\$
Health Service Prepayments	36,905	42,239
Loddon Mallee Rural Health Alliance Prepayments	2,407	3,902
TOTAL OTHER ASSETS	39,312	46,141

NOTE 9: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest	
		2015	2014
		%	%
Loddon Mallee Rural Health Alliance	Information Systems	2.18	2.11

Inglewood and District Health Services interest in assets employed in the above jointly controlled operations and assets is detailed below

The amounts are included in the financial statements under their respective asset categories:

	2015	2014
	\$	\$
Current Assets		
Cash and Cash Equivalents	429	4,344
Other Financial Assets	136,101	107,689
Receivables	1,925	3,810
Prepayments	2,407	3,902
Total Current Assets	140,862	119,745
Non Current Assets		
Property, Plant & Equipment	10,286	9,972
Total Non Current Assets	10,286	9,972
Total Assets	151,148	129,717
Current Liabilities		
Payables	13,722	12,815
Accrued Expenses	3,655	3,830
Total Current Liabilities	17,377	16,645
Total Liabilities	17,377	16,645

Inglewood and District Health Services interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenues		
Revenue from Operating Activities	181,392	71,462
Capital Grants	0	14,830
Total Revenue	181,392	86,292
Expenses		
Information Technology and Administrative Expenses	154,180	151,467
Depreciation	6,088	3,193
Asset Disposal	16	0
Total Expenses	160,284	154,660
Net Result	21,108	(68,368)

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities for Loddon Mallee Rural Health Alliance as at the date of this report.

Commitments for Expenditure

There are no known capital commitments for Loddon Mallee Rural Health Alliance as at the date of this report.

Loddon Mallee Rural Health Alliance has entered into the following contract commitments for expenditure as at 30 June 2014.

	No Later than 1 year	Later than 1 year no later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$
<u>Payable:</u>				
Information Communication Technology	1,881	0	0	1,881
Total Capital Commitments	1,881	0	0	1,881

NOTE 10: PROPERTY, PLANT & EQUIPMENT
(a) Gross carrying amount and accumulated depreciation

INGLEWOOD & DISTRICTS HEALTH SERVICE
Notes to the Financial Statements

30 June 2015

	2015	2014
	\$	\$
Land		
- Land at Fair Value	182,000	182,000
Total Land	<u>182,000</u>	<u>182,000</u>
Buildings		
- Buildings Under Construction at Cost	8,764	0
Less Accumulated Depreciation	0	0
- Buildings at Fair Value	10,477,258	10,459,000
Less Accumulated Depreciation	575,505	0
Total Buildings	<u>9,910,517</u>	<u>10,459,000</u>
Plant & Equipment		
- Loddon Mallee Rural Health Alliance at Fair Value	19,568	19,739
Less Accumulated Depreciation	9,282	9,767
- Plant and Equipment at Fair Value	668,453	577,317
Less Accumulated Depreciation	346,177	285,956
Total Plant and Equipment	<u>332,562</u>	<u>301,333</u>
Medical Equipment		
- Medical Equipment at Fair Value	308,927	308,928
Less Accumulated Depreciation	213,603	188,036
Total Medical Equipment	<u>95,324</u>	<u>120,892</u>
Furniture and Fittings		
- Furniture and Fittings at Fair Value	76,294	76,295
Less Accumulated Depreciation	23,272	17,449
Total Furniture and Fittings	<u>53,022</u>	<u>58,846</u>
Motor Vehicles		
- Motor Vehicles at Fair Value	479,298	481,242
Less Accumulated Depreciation	210,021	147,883
Total Motor Vehicles	<u>269,277</u>	<u>333,359</u>
TOTAL	<u>10,842,702</u>	<u>11,455,430</u>

NOTE 10: PROPERTY, PLANT & EQUIPMENT (Cont'd)

(b) Reconciliations of the carrying amounts of each class of asset

INGLEWOOD & DISTRICTS HEALTH SERVICE

Notes to the Financial Statements

30 June 2015

	Land	Buildings	Plant & Equipment	Motor Vehicle	Medical Equipment	Furniture & Fittings	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013	147,500	6,619,337	310,907	288,600	151,426	37,088	0	7,554,858
Additions	0	51,476	47,222	303,056	2,336	26,666	0	430,756
Revaluation Increment	37,457	4,524,472	0	0	0	0	0	4,561,929
LMRHA	0	0	10,791	0	0	0	0	10,791
Contributed Capital	(2,957)	(7,009)	0	0	0	0	0	(9,966)
Disposals	0	0	0	(177,006)	0	0	0	(177,006)
Depreciation (note 4)	0	(729,276)	(67,587)	(81,291)	(32,870)	(4,908)	0	(915,932)
Balance at 1 July 2014	182,000	10,459,000	301,333	333,359	120,892	58,846	0	11,455,430
Additions	0	18,258	91,135	91,281	0	0	8,764	209,438
LMRHA	0	0	6,402	0	0	0	0	6,402
Disposals	0	0	0	(75,793)	0	0	0	(75,793)
Depreciation (note 4)	0	(575,505)	(66,308)	(79,570)	(25,568)	(5,824)	0	(752,775)
Balance at 30 June 2015	182,000	9,901,753	332,562	269,277	95,324	53,022	8,764	10,842,702

Land and buildings carried at valuation

An independent valuation of the Health Service's property, plant & equipment was performed by the Valuer-General Victoria to determine the value of the land and buildings. 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.

The effective date of the valuation is 30 June 2014.

Plant and Equipment carried at fair value

Fair value of plant and equipment has been assessed by management in accordance with Financial Reporting Direction 103E. Management have obtained secondhand values for equipment where possible, or completed an assessment of value based on depreciated replacement cost.

(c) Fair value measurement hierarchy for assets as at 30 June 2015

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$	\$	\$	\$
Land at fair value				
Non-specialised land	24,000	0	24,000	0
Specialised land	158,000	0	0	158,000
Total of land at fair value	182,000	0	24,000	158,000
Buildings at fair value				
Specialised buildings	9,910,517	0	0	9,910,517
Total of building at fair value	9,910,517	0	0	9,910,517
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles	269,277	0	0	269,277
- Plant and equipment	385,584	0	0	385,584
Total of plant, equipment and vehicles at fair value	654,861	0	0	654,861
Medical equipment at fair value				
Total medical equipment at fair value	95,324	0	0	95,324
	10,842,702	0	24,000	10,818,702

Note

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

There have been no transfers between levels during the period.

NOTE 10: PROPERTY, PLANT & EQUIPMENT (Continued)
Fair value measurement hierarchy for assets as at 30 June 2014

INGLEWOOD & DISTRICTS HEALTH SERVICE
Notes to the Financial Statements
30 June 2015

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$	\$	\$	\$
Land at fair value				
Non-specialised land	24,000	0	24,000	0
Specialised land	158,000	0	0	158,000
Total of land at fair value	182,000	0	24,000	158,000
Buildings at fair value				
Specialised buildings	10,459,000	0	0	10,459,000
Total of building at fair value	10,459,000	0	0	10,459,000
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles	333,359	0	0	333,359
- Plant and equipment	360,179	0	0	360,179
Total of plant, equipment and vehicles at fair value	693,538	0	0	693,538
Medical equipment at fair value				
Total medical equipment at fair value	120,892	0	0	120,892
	11,455,430	0	24,000	11,431,430

Note

(i) Classified in accordance with the fair value hierarchy, see Note 1
There have been no transfers between levels during the period.

(c) Fair value measurement hierarchy for assets as at 30 June 2015

Non-specialised land and non-specialised buildings

Non-specialised land, non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by independent values to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

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 the health services, 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.

An independent valuation of the Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

Vehicles

The Health Service acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the Health Service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying value (depreciated cost).

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

NOTE 10: PROPERTY, PLANT & EQUIPMENT (Continued)

(c) Fair value measurement hierarchy for assets as at 30 June 2015

Specialised land and specialised buildings (Continued)

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 2015.

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

(d) Reconciliation of Level 3 fair value

2015	Land	Buildings	Plant and equipment
	\$	\$	\$
Opening Balance	158,000	10,459,000	814,430
Purchases (sales)	0	27,022	188,818
Transfers in (out) of Level 3	0	0	0
Gains or losses recognised in net result			
- Depreciation	0	(575,505)	(177,270)
Unrealised gains/(losses) on non-financial assets	0	0	(75,793)
	158,000	9,910,517	750,185

Note

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

There have been no transfers between levels during the period.

2014	Land	Buildings	Plant and equipment
	\$	\$	\$
Opening Balance	123,500	6,619,337	788,021
Purchases (sales)	0	51,476	390,071
Transfers in (out) of Level 3	(2,957)	(7,009)	0
Gains or losses recognised in net result			
- Depreciation	0	(729,276)	(186,656)
Items recognised in other comprehensive income			
- Revaluation	37,457	4,524,472	0
Unrealised gains/(losses) on non-financial assets	0	0	(177,006)
	158,000	10,459,000	814,430

Note

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

There have been no transfers between levels during the period.

(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO)
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment at fair value	Depreciated replacement cost	Cost per unit Useful life of PPE
Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles
Medical equipment at fair value	Depreciated replacement cost	Cost per unit Useful life of medical equipment

NOTE 11: PAYABLES

	2015	2014
	\$	\$
CURRENT		
Contractual		
Trade Creditors	133,487	108,867
Accrued Audit Fees	14,400	14,400
Loddon Mallee Rural Health Alliance Payables	17,377	16,645
Other	125,787	82,705
	291,051	222,617
Statutory		
FBT Payable	2,430	2,430
PAYG Withheld	56,792	43,322
	59,222	45,752
TOTAL PAYABLES	350,273	268,369

(a) Maturity analysis of payables

Please refer to Note 17(c) for the ageing analysis of contractual payables

(b) Nature and extent of risk arising from payables

Please refer to note 17(c) for the nature and extent of risks arising from contractual payables

NOTE 12: PROVISIONS

	2015	2014
	\$	\$
Current Provisions		
Employee Benefits (i)		
Accrued Salary and wages		
- unconditional and expected to be settled within 12 months (ii)	186,304	143,053
Accrued Days Off		
- unconditional and expected to be settled within 12 months (ii)	30,379	20,057
Annual Leave		
- unconditional and expected to be settled within 12 months (ii)	418,117	390,829
- unconditional and expected to be settled after 12 months (iii)	69,041	63,830
Long Service Leave		
- unconditional and expected to be settled within 12 months (ii)	311,377	288,461
- unconditional and expected to be settled after 12 months (iii)	429,997	398,351
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (nominal value) (ii)	96,490	84,643
- unconditional and expected to be settled after 12 months (present value) (iii)	63,867	57,290
Total Current Provisions	1,605,572	1,446,514
Non-Current Provisions		
Employee Benefits (iii)	105,736	87,424
Provisions related to employee benefit on-costs (iii)	10,574	8,742
Total Non-Current Provisions	116,310	96,166
Total Provisions	1,721,882	1,542,680

(a) Employee Benefits and Related On-Costs**Current Employee Benefits and Related On-Costs**

Unconditional Long Service Leave Entitlements	815,511	755,494
Annual Leave Entitlements	551,711	511,599
Accrued Salaries and Wages	204,934	157,358
Accrued Days Off	33,417	22,063

Non-Current Employee Benefits and Related On-Costs

Conditional Long Service Leave Entitlements (present value) (iii)	116,310	96,166
Total Employee Benefits and Related On-Costs	1,721,883	1,542,680

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present values

NOTE 12: PROVISIONS (Continued)

INGLEWOOD & DISTRICTS HEALTH SERVICE

Notes to the Financial Statements

30 June 2015

(b) Movements in Provisions

Movement in Long Service Leave:

Balance at start of year

Provision made during the year

Settlement made during the year

Balance at end of year

2015	2014
\$	\$
851,660	846,083
127,398	100,404
(47,237)	(94,827)
931,821	851,660

NOTE 13: SUPERANNUATION

Employees of the Inglewood & Districts Health Service are entitled to receive superannuation benefits and the Health Service contributes to both the defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The Health Service does not recognise any defined liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered terms.

However superannuation contributions paid or payable for the reporting period are included as part of the employment benefits in the comprehensive operating statement of the Health Service. The name, details, and amounts expense in relation to the major employee superannuation funds and contributions made by the health services are as follows:

Fund		Paid Contributions for the year	
		2015 \$	2014 \$
Defined Benefit Plans:	Health Super	22,842	23,442
Defined Contribution Plans:	Health Super	300,777	311,885
	HESTA	49,303	28,695
	ING	524	1,117
	IOOF	80	45
	VicSuper	0	2,284
	MikeCarol	31,175	26,597
	Vision Super	2,022	1,276
	Common	1,274	1,926
	Australian Super	7,480	2,680
	Other	13,353	193
Total		428,830	400,140

NOTE 14: OTHER LIABILITIES

CURRENT

Monies Held in Trust*

- Patient Monies Held in Trust

- Accommodation Bonds (Refundable Entrance Fees)

- Other Monies Held in Trust

TOTAL CURRENT

2015	2014
\$	\$
190,083	198,020
1,712,253	1,758,266
28,372	21,456
1,930,708	1,977,742

* Total Monies Held in Trust

Represented by the following assets:

Cash Assets (refer to Note 5)

Other Financial Assets (refer to Note 7)

TOTAL

158,060	198,020
1,772,648	1,779,722
1,930,708	1,977,742

INGLEWOOD & DISTRICTS HEALTH SERVICE

Notes to the Financial Statements

30 June 2015

NOTE 15: EQUITY	2015	2014
	\$	\$
(a) Surpluses		
Property, Plant & Equipment Revaluation Surplus		
Balance at beginning of the reporting period	8,201,358	3,639,429
Revaluation Increments		
- Land	0	37,456
- Buildings	0	4,524,473
Balance at the end of the reporting period	8,201,358	8,201,358
Represented by:		
- Land	37,456	37,456
- Buildings	6,822,372	6,822,372
- Other	1,341,530	1,341,530
	8,201,358	8,201,358
Restricted Specific Purpose Surplus		
Balance at the beginning of the reporting period	650,349	650,349
Balance at the end of the reporting period	650,349	650,349
Financial Asset Available for Sale Revaluation Surplus		
Balance at the beginning of the reporting period	9,967	2,287
Valuation gain/(loss) recognised	(4,149)	7,680
Balance at the end of the reporting period	5,818	9,967
Total Surpluses	8,857,525	8,861,674
(b) Contributed Capital		
Balance at the beginning of the reporting period	5,284,700	5,294,666
Capital Repayments	0	(9,966)
Balance at the end of the reporting period	5,284,700	5,284,700
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(2,725,848)	(2,084,215)
Net Result for the Year	(536,762)	(641,633)
Balance at the end of the reporting period	(3,262,610)	(2,725,848)
Total Equity at end of financial year	10,879,615	11,420,526

NOTE 16: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES

	2015	2014
	\$	\$
NET RESULT FOR THE PERIOD	(536,762)	(641,633)
Depreciation	752,775	915,932
Share of Net Result from Joint Venture	(26,787)	3,704
Net (Gain)/Loss from Disposal of Plant and Equipment	(166,707)	18,940
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(57,733)	(147,231)
(Increase)/Decrease in Prepayments	5,334	(41,232)
Increase/(Decrease) in Payables	81,172	(47,117)
Increase/(Decrease) in Provisions	179,202	14,770
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	230,494	76,133

(a) Financial Risk Management Objectives and Policies

The Inglewood & Districts Health Service's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Investments in Equities and Managed Investment Schemes
- Payables (excluding statutory receivables)
- Accommodation Bonds

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

The health service's main financial risks include credit risk, liquidity risk, interest rate risk, and equity price risk. The health service manages these financial risks in accordance with its financial risk management policy.

The health service uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the financial risk management committee of the health service.

The main purpose in holding financial instruments is to prudentially manage Inglewood & Districts Health Service financial risks within the government policy parameters.

Categorisation of financial instruments

Details of each categories in accordance with AASB 139, shall be disclosed either on the face of the balance sheet or in the notes.

2015	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	775,677	0	775,677
Receivables			
- Trade Debtors	163,817	0	163,817
- Other receivables	199,028	0	199,028
Other Financial Assets			
-Term Deposit	1,917,216	0	1,917,216
- Shares in Other Entities	736,577	0	736,577
Total Financial Assets (i)	3,792,315	0	3,792,315
Financial Liabilities			
Payables	0	291,051	291,051
Other Financial Liabilities			
- Accommodation Bonds	0	1,712,253	1,712,253
- Other	0	218,455	218,455
Total Financial Liabilities (ii)	0	218,455	218,455

NOTE 17: FINANCIAL INSTRUMENTS (Cont'd)
(a) Financial Risk Management Objectives and Policies (Cont'd)
Categorisation of financial instruments (Cont'd)

INGLEWOOD & DISTRICTS HEALTH SERVICE
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2014	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	377,566	0	377,566
Receivables			
- Trade Debtors	218,352	0	218,352
- Other receivables	100,117	0	100,117
Other Financial Assets			
- Term Deposit	2,048,640	0	2,048,640
- Shares in Other Entities	762,245	0	762,245
Total Financial Assets (i)	3,506,920	0	3,506,920
Financial Liabilities			
Payables	0	222,617	222,617
Other Financial Liabilities			
- Accommodation Bonds	0	1,758,266	1,758,266
- Other	0	219,476	219,476
Total Financial Liabilities (ii)	0	219,476	219,476

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable)

Net holding gain/(loss) on financial instruments by category

	Net Holding Gain/(Loss) 2015 \$	Net Holding Gain/(Loss) 2014 \$
Financial Assets		
Available for sale (i)	112,522	184,849
Total Financial Assets	112,522	184,849
Financial Liabilities		
At amortised cost (ii)	0	0
Total Financial Liabilities	0	0

(i) For cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result; and

(ii) For financial liabilities measure at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

(b) Credit Risk

Credit risk arises from the contractual financial assets of the Health Service, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. The Health Service's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government.

In addition, the Health Service does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Health Service's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Health Service will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Inglewood & Districts Health Service's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial Institutions (Minimum A- credit rating) \$	Government agencies (AAA credit rating) \$	Government agencies (BBB credit rating) \$	Other \$	Total \$
2015					
Financial Assets					
Cash and Cash Equivalents	775,677	0	0	0	775,677
Loans and Receivables (i)					
- Trade Debtors	0	0	0	362,845	362,845
- Term Deposit	1,917,216	0	0	0	1,917,216
- Shares in Other Entities	0	0	0	736,577	736,577
Total Financial Assets	2,692,893	0	0	1,099,422	3,792,315
2014					
Financial Assets					
Cash and Cash Equivalents	0	377,566	0	0	377,566
Loans and Receivables (i)					
- Trade Debtors	0	218,352	0	100,117	318,469
- Term Deposit	0	0	0	2,048,640	2,048,640
- Shares in Other Entities	0	0	0	762,245	762,245
Total Financial Assets	0	595,918	0	2,911,002	3,506,920

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Ageing analysis of financial asset as at 30 June

	Carrying Amount \$	Not Past due and not impaired \$	Past Due But Not Impaired				Impaired Financial Assets \$
			Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$	
2015							
Financial Assets							
Cash and Cash Equivalents	775,677	775,677	0	0	0	0	0
Loans and Receivables							
- Trade Debtors	362,845	300,534	13,810	4,320	44,181	0	0
- Term Deposit	1,917,216	1,917,216	0	0	0	0	0
- Shares in Other Entities	736,577	736,577	0	0	0	0	0
Total Financial Assets	3,792,315	3,730,004	13,810	4,320	44,181	0	0
2014							
Financial Assets							
Cash and Cash Equivalents	377,566	377,566	0	0	0	0	0
Loans and Receivables							
- Trade Debtors	318,469	232,507	17,927	12,210	55,825	0	0
- Term Deposit	2,048,640	2,048,640	0	0	0	0	0
- Shares in Other Entities	762,245	762,245	0	0	0	0	0
Total Financial Assets	3,506,920	3,420,958	17,927	12,210	55,825	0	0

There are no material financial assets which are individually determined to be impaired. Currently Inglewood & Districts Health Service does not hold an collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amount as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

(c) Liquidity Risk

Liquidity risk is the risk that the Health Service would be unable to meet its financial obligations as and when they fall due. The Health Services operates under the Government's fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Health Service's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Health Service manages its liquidity risk by rolling term deposits evenly throughout the year and utilising the State Governments High Yield Investment Account.

The following table discloses the contractual maturity analysis for Inglewood & Districts Health Service's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Maturity analysis of financial liabilities as at 30 June

	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
	\$	\$	\$	\$	\$	\$
2015						
Financial Liabilities						
Payables	291,051	291,051	291,051	0	0	0
Other Financial Liabilities						
- Accommodation Bonds	1,712,253	1,712,253	0	0	1,712,253	0
- Other	218,455	218,455	218,455	0	0	0
Total Financial Liabilities	2,221,759	2,221,759	509,506	0	1,712,253	0
2014						
Financial Liabilities						
Payables	222,617	222,617	222,617	0	0	0
Other Financial Liabilities						
- Accommodation Bonds	1,758,266	1,758,266	0	0	1,758,266	0
- Other	219,476	219,476	219,476	0	0	0
Total Financial Liabilities	2,200,359	2,200,359	442,093	0	1,758,266	0

(d) Market Risk

Inglewood & Districts Health Service's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraph below.

Currency Risk

Inglewood & Districts Health Service is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

Interest Rate Risk

Exposure to interest rate risk's arise primarily through the Inglewood & Districts Health Service's other financial assets. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial liabilities the Health Service mainly holds financial liabilities with relatively even maturity profiles.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Health Service has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Health Service manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Health Service to significant bad risk, management monitors movement in interest rates on a daily basis.

Other Price Risk

The Hospital is exposed to normal price fluctuations from time to time through market forces. Where adequate notice is provided by suppliers, additional purchases are made for long term goods. Supplier contracts are also in place for major product lines purchased by the Health Service on a monthly basis. These contracts have set price arrangements and are reviewed on a regular basis.

	Weighted Average Effective Interest Rate (%)	Carrying Amount \$	Interest Rate Exposure		
			Fixed Interest Rate \$	Variable Interest Rate \$	Non - Interest Bearing \$
2015					
Financial Assets					
Cash and Cash Equivalents	2.10	775,677	0	774,027	1,650
Receivables					
- Trade Debtors		362,845	0	0	362,845
- Other receivables		736,577	0	0	736,577
- Term Deposit	2.73	1,917,216	1,781,115	136,101	0
Total Financial Assets		3,792,315	1,781,115	910,128	1,101,072
Financial Liabilities					
Payables		291,051	0	0	291,051
Other Financial Liabilities					
- Accommodation Bonds		1,712,253	0	0	1,712,253
- Other		218,455	0	0	218,455
Total Financial Liabilities		2,221,759	0	0	2,221,759
2014					
Financial Assets					
Cash and Cash Equivalents	2.50	377,566	0	375,916	1,650
Receivables					
- Trade Debtors		318,469	0	0	318,469
- Other receivables		762,245	0	0	762,245
- Term Deposit	3.50	2,048,640	1,940,951	107,689	0
Total Financial Assets		3,506,920	1,940,951	483,605	1,082,364
Financial Liabilities					
Payables		222,617	0	0	222,617
Other Financial Liabilities					
- Accommodation Bonds		1,758,266	0	0	1,758,266
- Other		219,476	0	0	219,476
Total Financial Liabilities		2,200,359	0	0	2,200,359

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Inglewood & Districts Health Service believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Bendigo Bank).

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 3.45%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

(d) Market Risk (Continued)

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

	Carrying Amount	Interest Rate Risk				Other Price Risk			
		-1% Profit	-1% Equity	+1% Profit	+1% Equity	-1% Profit	-1% Equity	+1% Profit	+1% Equity
2015	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and Cash Equivalents(i)	775,677	(7,740)	(7,740)	7,740	7,740	0	0	0	0
Receivables									
- Trade Debtors	362,845	0	0	0	0	0	0	0	0
- Other receivables	736,577	0	0	0	0	(7,366)	(7,366)	7,366	7,366
- Term Deposit	1,917,216	(19,173)	(19,172)	19,172	19,172	0	0	0	0
Financial Liabilities									
Payables	291,051	0	0	0	0	0	0	0	0
Other Financial Liabilities									
- Accommodation Bonds	1,712,253	0	0	0	0	0	0	0	0
- Other	218,455	0	0	0	0	0	0	0	0
		(26,913)	(26,913)	26,913	26,913	(7,366)	(7,366)	7,366	7,366
2014									
Financial Assets									
Cash and Cash Equivalents(i)	377,566	(3,759)	(3,759)	3,759	3,759	0	0	0	0
Receivables									
- Trade Debtors	318,469	0	0	0	0	0	0	0	0
- Other receivables	762,245	0	0	0	0	(7,622)	(7,622)	7,622	7,622
- Term Deposit	2,048,640	(20,487)	(20,486)	20,486	20,486	0	0	0	0
Financial Liabilities									
Payables	222,617	0	0	0	0	0	0	0	0
Other Financial Liabilities									
- Accommodation Bonds	1,758,266	0	0	0	0	0	0	0	0
- Other	219,476	0	0	0	0	0	0	0	0
		(24,246)	(24,246)	24,246	24,246	(7,622)	(7,622)	7,622	7,622

(i) eg. Sensitivity of cash and cash equivalents to a +1% movement in the interest rates:

(e) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- the fair value of financial instrument assets and liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial instrument assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable inputs.

The financial assets include holdings in unlisted shares. Fair value of these is determined by projecting future cash inflows from expected future dividends and subsequent disposals of the securities. These cash flows are then discounted back to their present value using a discount rate of 4.31 per cent.

The Health Service considers that the carrying amount of financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

NOTE 17: FINANCIAL INSTRUMENTS (Continued)
(e) Fair Value (Continued)

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

Comparison between carrying amount and fair value

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2015	2015	2014	2014
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	775,677	775,677	377,566	377,566
Receivables (i)				
- Trade Debtors	362,845	362,845	318,469	318,469
- Other receivables	736,577	736,577	762,245	762,245
-Term Deposits	1,917,216	1,917,216	2,048,640	2,048,640
Total Financial Assets	3,792,315	3,792,315	3,506,920	3,506,920
Financial Liabilities				
Payables	291,051	291,051	222,617	222,617
Other Financial Liabilities (i)				
-Accommodation Bonds	1,712,253	1,712,253	1,758,266	1,758,266
-Other	218,455	218,455	219,476	219,476
Total Financial Liabilities	2,221,759	2,221,759	2,200,359	2,200,359

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

NOTE 18: COMMITMENTS FOR EXPENDITURE

There are no known commitments for expenditure at the date of this report.

NOTE 19: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no known contingent assets or liabilities at the date of this report.

NOTE 20: OPERATING SEGMENTS

	ACUTE		RACS		OTHER SERVICES		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
External Segment Revenue	2,286,558	2,261,505	2,639,360	2,277,100	1,757,245	1,523,946	6,683,163	6,062,551
Total Revenue	2,286,558	2,261,505	2,639,360	2,277,100	1,757,245	1,523,946	6,683,163	6,062,551
EXPENSES								
External Segment Expenses	2,181,010	1,937,981	2,619,024	2,331,424	2,532,413	2,619,628	7,332,447	6,889,033
Total Expenses	2,181,010	1,937,981	2,619,024	2,331,424	2,532,413	2,619,628	7,332,447	6,889,033
Net Result from ordinary activities	105,548	323,524	20,336	(54,324)	(775,168)	(1,095,682)	(649,284)	(826,482)
Interest Income	89,881	159,473	0	0	22,641	25,376	112,522	184,849
Net Result for Year	195,429	482,997	20,336	(54,324)	(752,527)	(1,070,306)	(536,762)	(641,633)
OTHER INFORMATION								
Segment Assets	6,827,716	6,733,514	4,034,045	3,887,228	4,020,717	4,588,575	14,882,478	15,209,317
Total Assets	6,827,716	6,733,514	4,034,045	3,887,228	4,020,717	4,588,575	14,882,478	15,209,317
Segment Liabilities	514,471	486,705	2,764,418	2,811,452	723,974	490,634	4,002,863	3,788,791
Total Liabilities	514,471	486,705	2,764,418	2,811,452	723,974	490,634	4,002,863	3,788,791
Acquisition of property, plant and equipment and intangible assets	154,483	317,729	6,333	13,026	48,622	100,001	209,438	430,756
Depreciation & amortisation expense	467,848	569,250	220,571	268,378	64,356	78,304	752,775	915,932
Non cash expenses other than depreciation	26,346	19,943	0	0	0	0	26,346	19,943

The major products/services from which the above segments derive revenue are:

Business Segments	Services
Acute	Acute Hospital services
Residential Aged Care	Nursing Home facilities Hostel facilities
Other	Primary Health services

Geographical Segment

Inglewood & Districts Health Service operates predominantly in Inglewood, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in Inglewood, Victoria.

NOTE 21a: RESPONSIBLE PERSON DISCLOSURES

INGLEWOOD & DISTRICTS HEALTH SERVICE

Notes to the Financial Statements

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In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

Responsible Ministers:

	Period
The Honourable David Davis, MLC, Minister for Health and Minister for Ageing	01/07/2014 - 03/12/2014
The Honourable Mary Wooldridge, MLA, Minister for Mental Health and Community Services	01/07/2014 - 03/12/2014
The Honourable Mary Wooldridge, MP, Minister for Disability Services and Reform	01/07/2014 - 03/12/2014
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	04/12/2014 - 30/06/2015
The Honourable Jenny Mikakos, MLC, Minister for Families and Children	04/12/2014 - 30/06/2015
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	04/12/2014 - 30/06/2015

Governing Boards

Mr Peter Moore	01/7/2014 - 30/06/2015
Mrs Barbara Mason	01/7/2014 - 30/06/2015
Mr Allen Brownbill	01/7/2014 - 30/06/2015
Mrs Anne Canfield	01/7/2014 - 30/06/2015
Mr Peter Norman	01/7/2014 - 30/06/2015
Mr Ian Penny	01/7/2014 - 30/06/2015
Mrs Carol Gibbins	01/7/2014 - 30/06/2015
Mrs Catherine Norman	01/7/2014 - 30/06/2015

Accountable Officers

Mr Mike Parker	01/7/2014 - 30/06/2015
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Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands;

	2015 No.	2014 No.
\$0 - \$9,999	8	8
\$180,000 - \$189,999	1	1
Total Numbers	9	9
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	\$183,740	\$180,829

The Chief Executive Officer was also paid out Long Service Leave during the previous year amounting to \$39,523 including superannuation.

Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Premier & Cabinet

Other Transactions of Responsible Persons and their Related Parties

	2015 \$	2014 \$
Mr P. Moore is the proprietor of Inglewood IGA Supermarket and Hardware which provides goods to the Health Service on normal terms and conditions.	20,997	20,653
Mr P. Moore is the proprietor of Inglewood Newsagency which provides goods to the Health Service on normal terms and conditions.	769	742
A party related to the Chief Executive Officer worked in a relief capacity at the approval of the Board for two weeks	4,894	0

Note 21b: Executive Officer Disclosures
Executive Officers' Remuneration

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

The number of Responsible Persons are shown in their relevant income bands;

	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
\$130,000 - \$139,999	0	1	0	1
\$140,000 - \$149,999	1	0	1	0
Total	1	1	1	1
Total Remuneration	\$144,329	\$137,145	\$144,329	\$137,145

Note 22: Remuneration of auditors

	2015 \$	2014 \$
Victorian Auditor-General's Office		
Audit or review of financial statement	14,400	15,000

Note 23: Events Occurring after the Balance Sheet Date

There are no known events that have occurred after the balance sheet date that would require adjustment to or disclosure in the financial statements.