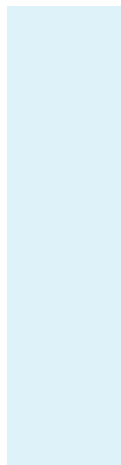


NORTHERN HEALTH FOUNDATION Annual Report

2020
2021



Northern Health
Foundation



Northern Health

Our Vision

A healthier community, making a difference for every person, every day.

Our Values

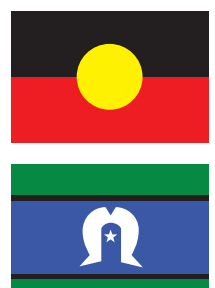


Our Priorities

- A safe, positive patient experience
- A healthier community
- An innovative and sustainable future
- Enabled staff, empowered teams
- Engaged learners, inspired researchers

Northern Health acknowledges Victoria's Aboriginal communities and their rich culture and pays respect to their Elders past, present and emerging. We acknowledge Aboriginal people as Australia's first peoples and as the Traditional Owners and custodians of the land (the Wurundjeri people) on which Northern Health's campuses are built.

We recognise and value the ongoing contribution of Aboriginal people and communities to our lives and we embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.



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Financial Report year ended 30 June 2020

Our care at a glance

103,283

Emergency
Presentations



21,455

Paediatric
Emergency
Presentations



32,357

Ambulance
Arrivals



91,713

Hospital
Admissions



3,260

Babies
Born



15,030

Elective
Surgical
Procedures



CHAIR'S MESSAGE

The Northern Health Foundation continues to make an impact in the community through its funding of life-changing equipment, research and training. Supporting Northern Health is at the heart of everything we do. We share the same passion and vision to build a healthier community in Melbourne's northern suburbs. The shared values of safe, kind, together, govern the actions of our board and our team.

This year, we have continued to navigate our way through some challenging times. Our health service has been under enormous pressure due to the impacts of COVID-19 and now, more than ever, they need our support. Whilst we have not been able to meet our donors in person, our strong relationships have enabled us to fulfil our fundraising objectives.

We are proud to have distributed \$646,420 to support the work of Northern Health during the financial year.

We are very grateful to have had the opportunity to hold a thank-you event in April this year. I hope that before too long, we can welcome back our donors and acknowledge their contributions in person.

On behalf of the Northern Health Foundation Board, I extend my sincere gratitude to all of our supporters, donors, volunteers, and Northern Health staff for their support over the past 12 months. I am very proud of how our teams have adapted to the changing landscape, finding new and innovative ways to engage with the community.

We remain committed to doing our part to improve the lives of our patients and ensuring they have access to the equipment and care they need, right here in our community.



A handwritten signature in black ink, appearing to read 'John Molnar'.

John Molnar OAM

Chairman
Northern Health Foundation Board Chair

BOARD MEMBERS

John Molnar OAM, Board Chair

John Molnar OAM has practised law for over 30 years, and during that time, became heavily involved in the field of law relating to health service providers and hospitals. He has served on the boards of a number of public and private hospitals, including Northern Health and the Nurses Board of Victoria.

Mr Molnar was instrumental in establishing the Northern Health Foundation after recognising the need for additional funding so that Northern Health can meet its commitment to its rapidly growing community, and establish itself as a major teaching and training centre. John is a passionate advocate of the Northern Health network and the dedicated professionals who work within it.



Pina Di Donato, Deputy Chair

Ms Pina Di Donato is the Marketing Manager at Turosi Pty Ltd, a national food manufacturer with head offices in Melbourne's northern suburbs. Pina has a degree in Economics and Commerce from the University of Melbourne and is a Graduate of the Australian Institute of Company Directors.

She is also the founder and Board Chair of Turosi Giving, a registered charity organisation. Pina was born, raised and works in the northern suburbs and as a result, has a strong connection with the northern community. She joined the Northern Health Foundation in 2011 as a way of maintaining this connection.



Peter McWilliam, Board Member

Peter McWilliam was appointed to the Northern Health Board in October 2013. Peter has extensive skills in business and management derived from 37 years at RBM and Paramount Plastic Extrusions, one of Australia's largest privately-owned plastic manufacturing companies. Peter served as a General Manager and Company Director within the organisation and its subsidiary Paramount Plastics (Aust.), providing leadership based on inspiring effective teamwork, strong planning and organisational skills.

Peter understands the importance and value of staff in an organisation's success and has many years of experience implementing training and mentoring programs to maintain organisational viability. As a resident of the northern suburbs, Peter is familiar with its rapid growth and development and the evolving needs of the local community.



Tricia Lee, Board Member

Tricia Lee is Director at Riverlee, a privately owned, diversified property group that specialises in development and asset ownership across the commercial, residential and retail property sectors.

Tricia is also Executive Director of the Riverlee Foundation. She is passionate about making a difference and giving back to the community and her involvement in not-for-profit began in 2008. She is currently serving her second year on the Northern Health Foundation Board and is a current committee member of the Asian Australian Foundation. Tricia holds a Bachelor of Commerce from Monash University and a Post Graduate Diploma in Applied Finance and Investment.



BOARD MEMBERS

Chris Turner, Board Member

Chris Turner is the recently retired Chief Executive Officer for Turosi, a fully integrated poultry operation producing a large range of raw, value added and cooked poultry products, marketed under such brands as Lalonica, Golden Farms and Bannockburn Free Range.

Chris has a wealth of experience running large fully integrated poultry operations from milling/farming, processing, sales and marketing. He is also a past president of the Australian Chicken Meat Federation and the Victorian Chicken Meat Council. He is a current member of The Prime Safe Board.



Peter Brooks AM, Board Member

Peter Brooks AM MD FRACP is Research Lead for Northern Health Melbourne and has Professorial appointments in the Centre for Health Policy, School of Population and Global Health, Melbourne University.

He established the Australian Health Workforce Institute at the University of Melbourne in 2008. He was Executive Dean of Health Sciences at the University of Queensland from 1998 to 2009, and held professorial positions at the UNSW, University of Sydney, Flinders University and the University of Tasmania prior to that. After graduating from Monash University he held hospital and university posts in Hobart and Glasgow, training initially as a rheumatologist. He has published widely in musculoskeletal diseases on health education, and more recently on health care and health workforce reform.



Peter Copp, Board Member

Peter Copp is Vice President for JCI Eastern, Founding Director for Engage Fundraising, Director Victoria – Partnerships at Social Ventures Australia, Fundraising Advisor for Habitat for Humanity Victoria and Non-Executive Director for Northern Health Foundation. He has spent the last decade establishing a strong career in management, relations, philanthropy, operations, marketing and communications.

Peter has worked in various roles within the disability and international non-profit sectors, before joining the executive team of one of Australia's largest not-for-profit healthcare organisations, taking the team through a period of development and philanthropic growth. Peter has a wealth of knowledge leading social impact, gender equality, philanthropy, corporate strategy, operations, special projects and marketing and communications.



Trudi Hay, Board Member

Trudi Hay is a Director of Greencor Group Pty Ltd as well as the Northern Health Foundation's Community Events Committee Chair.

Trudi has a background in Marketing, Advertising and Events and has been mentioned in State and Federal Parliament for her work in Philanthropy in the Hume area. Trudi has been a longtime supporter of the Northern Hospital, specifically fundraising for Day Oncology for over ten years.



Koby Jones, Board Member

Koby Jones is the Managing Director of The SILC Group, a specialised financial solutions provider focused on the unique needs of discerning wholesale private, commercial and institutional clients.

He is involved in all aspects of the company's operations including general management, business development, client interaction, product selection, strategic initiatives, technology, governance, risk, and compliance.

Koby holds numerous qualifications including a Bachelor of Commerce (Accounting, Commercial Law, Finance) through Deakin University and the Certified Practising Accountants (CPA) Program.



ABOUT THE NORTHERN HEALTH FOUNDATION

Northern Health Foundation was established in 2005 to increase philanthropic, corporate, and community support for Northern Health. While the fundraising landscape is changing, the Foundation is committed to supporting Northern Health's vision of creating a healthier community through the funding of life-changing medical equipment, research, and training.

Located in one of Victoria's most significant growth corridors, Northern Health is a key provider of acute, sub-acute, and ambulatory specialist services in Melbourne's northern region. With a growing population comes an increasing need for more specialised services. While the state government provides for our day-to-day needs, the Foundation focuses on funding specialised equipment and research to meet the varied and emergent needs of our community.

Northern Health sits at the heart of a very diverse and growing population. By 2031, the local population is expected to grow by an additional 228,000 people. The catchment encompasses the local government areas of Banyule, Darebin, Hume, Moreland, Nillumbik, and Whittlesea. Diversity is a key strength in the northern community, representing 185 countries of origin and speaking more than 118 different languages.

Northern Health Foundation relies on the support of trusts and foundations, corporate and local businesses, patrons, regular givers, grateful patients, and bequests. The support of these groups enables us to achieve our mission of funding life-changing equipment, capital works, research and training for Northern Health and the community.



OUR ACHIEVEMENTS

Northern Health Foundation guides fundraising activities on behalf of Northern Health. It works with corporate partners, trusts and foundations, local businesses, community partners, and donors to raise funds to support the purchase of cutting-edge medical equipment, fund small research and PhD research grants, education, and training opportunities.

Northern Health Foundation Chair John Molnar, and his fellow board members, support the strategic direction of the Foundation. While we have many long-serving board members, in the past 12 months we have welcomed new members, whose skills add value to the board. We sincerely thank all members of our Foundation Board for their invaluable contribution.

THE IMPACTS OF COVID-19

In 2020-21, the Foundation's fundraising capacity was severely impacted by COVID-19. The consistent lockdowns in Victoria, and the subsequent effect on businesses and the public, made it challenging to reach fundraising targets. Events were cancelled and some were moved to a virtual format. Notwithstanding these limitations, the Foundation successfully funded projects and equipment essential to patient care.

FUNDRAISING TARGET ACHIEVED FOR EBUS

One of our biggest achievements in 2020/21 was the funding of an Endobronchial Ultrasound (EBUS) for Respiratory Services. This equipment will allow Northern Health to provide comprehensive care to patients diagnosed with lung cancer. The use of EBUS, which provides real-time images of the lymph nodes via the trachea or windpipe and is able to take a biopsy, is considered best practice for the diagnosis and staging of lung cancer.

Until now, Northern Health has not been able to provide this service. The ability to provide a diagnosis earlier will improve patient outcomes and save lives. It will also eliminate the need for patients to be referred to another health service for diagnosis, relieving the stress and anxiety of waiting.

A total of \$484,000 was allocated to the purchase of the Endobronchial Ultrasound.

MAJOR RAFFLE

The Northern Health Foundation Major Raffle was drawn in December 2020. The winner of the Toyota Corolla, generously donated by major sponsor, Maxxia, was a hospital staff member. The raffle, which was the most successful to date for the Foundation, raised an outstanding amount of \$76,000.

SUPPORTING RESEARCH THROUGH PHD SCHOLARSHIPS

Northern Health Foundation raises funds to support groundbreaking research at Northern Health, including funding PhD scholarships for new and emerging researchers for a three-year period. These scholarships develop and strengthen research undertaken at Northern Health and benefit patients in the northern community.

PhD research candidates, Natali Cvetanovska and Julie Wang, were awarded PhD scholarships. Natali's research focuses on helping patients at Northern Health improve their understanding of health information and their health literacy. Julie's PhD study is prospective serial evaluation of new bio-markers of thrombosis in patients with newly diagnosed venous thromboembolism.



PhD recipients
Natali Cvetanovska
and Julie Wang

SMALL RESEARCH GRANTS

The objective of Small Research Grants is to support work that benefits Northern Health's community and projects that will lead to applications for external grants or funding.

The grants develop and strengthen the research culture at Northern Health, supporting capacity building and staff development, pilot projects or projects where traditional funding sources are difficult to attract, and increase research productivity.

In 2020/21, five small research grant projects were funded in the areas of acute diabetes care, cardiac pacemaker techniques, embedding eHealth into routine practice, foot care, and health literacy during a pandemic.



Our Events

Event income has been the stream most impacted by COVID-19. As a result, fundraising income was below the levels of previous years. Despite this, some smaller events were held, and others, such as Trudi's High Tea, were held virtually, making a significant contribution to the overall result for the year. Various events were held within the wider community, with funds being gifted to the Foundation.

NORTHERN HEALTH FOUNDATION THANK YOU EVENT



*Pina Di Donato and Tricia Lee
- Northern Health Foundation
Board Members*



Josie Verga, Robert Micucci, Christine McGowan, Rino Minniti, Henni Wade, and Josie Minniti

On 29th April, Northern Health Foundation was delighted to host their first face-to-face event for 2021 to thank and acknowledge the generous philanthropic support from the community.

Held at Seafarers Residences Display Suite in Docklands, the event recognised the work of Northern Health Foundation's dedicated patrons, corporate partners, philanthropic supporters, and volunteers over the past 12 months.

Board Chair, John Molnar thanked supporters for their contribution to Northern Health, for teaching, training and research, education, and the purchase of much needed medical equipment.

The contribution to Northern Health also included an allocation for an Endobronchial Ultrasound Service (EBUS), our major campaign for 2020, which will significantly reduce patient wait times for lung cancer stage diagnosis and treatment.

The evening also included a presentation from Linda Romano, Divisional Director of Surgical Services. Linda spoke about Northern Health Foundation's fundraising campaign for 2021 to support the purchase of new state of the art technology in the field of ophthalmology. This will ensure the latest and most effective technology is available to patients in our community who require cataract surgery.

PEER TO PEER FUNDRAISING

In July 2020, members of Northern Health staff participated in the Dry July Campaign. Participants abstained from alcohol for the entire month and supporters donated to this effort.

A total of \$12,000 was raised directly by staff and a \$17,500 grant was received from the Dry July Foundation. Proceeds from this event were used to support Cancer Services at Northern Health.



OUR PATRONS

The Northern Health Foundation is extremely grateful for the support of patrons Josie Minniti OAM, Bev Carman, and Trudi Hay. They continue to support Oncology Services at Northern Health through their individual fundraising efforts. Unfortunately, scheduled annual events could not be held in 2020/21 due to COVID-19, but events were held virtually where possible.

TRUDI HAY'S VIRTUAL HIGH TEA

Northern Health Foundation Patron, Trudi Hay, hosted her annual High Tea in October 2020. For the first time, the event was held virtually. The event raised over \$11,000 for Northern Health Cancer services, funding 'Chemo in the Home' patient care packs and an ECG Machine for the Day Oncology Unit. The event was a great success and enjoyed by all who attended.



PATRON JOSIE MINNITI OAM WINS LOCAL HERO AWARD

In 2020, Northern Health Foundation patron, Josie Minniti, OAM was named Westfield Local Hero. This award discovers and celebrates individuals who make a positive impact in their local community. Local Heroes are nominated and voted for by their communities, with winners awarded a \$10,000 grant for their chosen charity.

As a result of Josie Minniti winning the 2020 Local Hero's award, an additional \$10,000 was allocated to the EBUS campaign. In 2021, Josie Minniti celebrated 25 years of fundraising for Northern Health which has seen over \$700,000 put towards supporting patients with cancer and kidney disease.



RINO MINNITI'S WALK FOR CANCER

During 2020/21, unique ways of fundraising were sought. Rino Minniti, husband of Josie Minniti, conducted a walk from Northern Hospital, Epping to the original PANCH site in Preston. Rino completed the walk in 1 hour and 45 minutes. He was supported by family and friends all the way. The walk raised \$4000 for Cancer Services.



MAJOR APPEAL FOR NEW, LIFE-CHANGING OPHTHALMOLOGY EQUIPMENT

In April 2021, the Foundation launched its next major appeal. Every year our Ophthalmology surgical teams perform over 1,400 operations. Our community's need for Ophthalmology Services continues to grow at a rapid pace. Around 11.3% of Australians over the age of 40 suffer from cataracts, a number that will rise as our community ages and our population increases. The purchase of the latest Phacoemulsification Machine and Ophthalmology Microscope will give our patients access to the very best in cataract surgical procedures anywhere in Australia, reducing the need for them to be referred to other health services for care.

PHILANTHROPIC FUNDING

Support from our philanthropic partners during 2020/21 has enabled us to fund some vital equipment for Northern Health. We are grateful for the support of Collier Charitable Fund, Perpetual Grants, Batten Foundation, and Wheelton Philanthropy. There will be a renewed focus on grant submission to trusts and foundations in the next financial year.

OUR VOLUNTEERS

During the pandemic, our volunteer program evolved from a focus on volunteers providing support to the health service to one where the health service provided ongoing support to our volunteers, to help keep them well at home during lockdowns.

The Volunteer Services Team won Volunteer Victoria's COVID-19 Support and Connection Award 2020 for their innovative engagement with volunteers throughout the pandemic.

Volunteers have continued to support Northern Health, from the safety of their homes, by making phone calls to our lonely and isolated community members through our Community Visitors Scheme and the HOW-R-U Program.

Volunteers are helping with administration tasks from home, making items to sell in the Foundation Office, and contributing items for raffles.

Funds raised by the Northern Health Knitting Guild and raffles in the last 12 months have enabled the purchase of a sleeper chair for the Maternity Ward, framing for artwork to brighten up hospital walk-ways, and a Sound Ear noise measuring device for the Neonatal Unit.

Our Busy Fingers Gift Shop at Bundoora Centre closed its doors due to COVID-19, but hopes to re-open later this year when it is safe to do so.

We would like to acknowledge the ongoing support from our community craft groups and individuals who donate knitted goods to Northern Health. Thank you to the Whittlesea City Salvo's, Whittlesea Library Craft Group, Lions Club, Bendigo Knitters, and the Sunbury Library Knitters.

Students from Melbourne Polytechnic have been registered as Northern Health volunteers so they can experience volunteering at a local health service. The students have been a great help at our COVID-19 Vaccination Clinic at Plenty Ranges Arts and Convention Centre and have enjoyed the experience of helping alongside other volunteers. The students get to practice their English, and get hands-on experience in an Australian health service setting, which can be significantly different from their birth country health care system.

Students from Northside Christian College and St Damian's Primary School, who were regular visitors to our patients at Ian Brand Residential Care prior to COVID-19, have continued to connect with the residents through the delivery of cards and letters.

National Volunteer Week was celebrated in May to recognise our volunteers that reached milestone anniversary dates. Angela Dolcetta commemorated 25 years of volunteering at Northern Health. Angela has spent one day a week since 1996 volunteering at Bundoora Centre and Ian Brand Residential Care. Angela is well known for bringing in traditional Italian coffee and homemade biscuits, shared over a game of cards or a chat.

Volunteer Angela Dolcetta



THANK YOU

The Northern Health Foundation relies on the generous support of businesses, community members, academic partners, supporters and donors. The Foundation would like to acknowledge and thank them for their support.

MAJOR DONORS

Arcare Family Foundation
Peter Brooks

PATRONS

Bev Carman
Josie Minniti OAM
Trudi Hay

COMMUNITY EVENTS COMMITTEE

Bev Carman
Josie Minniti OAM
Kerrie McWilliam
Peter McWilliam
Trudi Hay (Chair)

SCHOLARSHIP PARTNERS

Healthcare Imaging Services

ACADEMIC PARTNERS

LaTrobe University
RMIT
University of Melbourne

CORPORATE PARTNERS

Aware Super
BankVic
Casa D'Abruzzo Club
Eziway Salary Packaging
Henry's Café - Epping
ISS Facility Services
Wilson Security

CORPORATE SUPPORTERS

Automotive Lease Packaging Pty Ltd
13CABS
Core Projects
Costco - Epping
Drums Hotel
Epping Plaza Hotel
F45 Training - Epping
Harcourts Rata & Co Real Estate - Thomastown & Epping
Magistrates Court of Victoria
Mantra Epping
Melbourne Market Authority
Pacific Epping
Quest Apartments - Epping
Slades Beverages
Soxy Beast
That's Amore Cheese
Wendy Brooks & Partners
Westfield Local Heroes - Scentre Group
Riverlee
Maxxia

PHILANTHROPIC PARTNERS

Collier Charitable Fund
Dry July Foundation
Humpty Dumpty Foundation
Muriel & Les Batten Foundation
Nelson Alexander Charitable Foundation
Perpetual Trustees
Riverlee Foundation
Turosi Giving
Victoria Police Blue Ribbon Foundation - Northern Metro Branch
Wheelton Investments Pty Ltd
J & M Wright Foundation

COMMUNITY GROUPS

Busy Fingers
Epping Football & Netball Club
Grill'd - Plenty Valley
Lalor Bowling Club
Lalor Running Club
Lions Club of Heidelberg - Warrigal
Lions Club of Northcote
Lions Club of Reservoir
Northern Health Knitting Guild
Northern Health Volunteers
Northside Christian College
NZ Australian Punjabi Cultural Association
Rino Minniti Walk for Cancer
Rotary Club of Broadmeadows
The Salvation Army Whittlesea City Corps
Thomastown East Primary School
Uncle Bob's Club - UBC

BEQUEST

Estate of Jovanka Marijanovic
Estate of Marion Edith Nielsen

Northern Health Research, Training and Equipment Foundation Limited

ACN 103 911 673 (A company Limited by Guarantee)

FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2021

The Northern Health Research, Training and Equipment Trust (the Foundation Trust) is a trust domiciled in Victoria, Australia. The Foundation Trust supports Northern Health's ability to deliver health outcomes for people in the Northern suburbs of Melbourne by providing funds for facilities, medical equipment, education programs and research initiatives. The Northern Health Research, Training and Equipment Foundation Limited (the Company) is a public company, incorporated and operating in Australia. Its primary function is to act as the corporate trustee of the Foundation Trust. The financial accounts for both the Foundation Trust and Company are presented in this Annual Report.

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Directors' Report

The Directors of The Northern Health Research, Training and Equipment Foundation Limited ("the Company") submit herewith the annual financial report of the Company for the financial year ended 30 June 2021.

The Directors of the Company at any time during the financial year were as follows:

Mr John Molnar (Chair)

Mr Molnar has practised law for thirty years, and during that time became heavily involved in the field of law relating to health service providers and hospitals. He has served on the Boards of a number of public and private hospitals, including Northern Health and the Nurses Board of Victoria. Mr Molnar was instrumental in establishing the Northern Health Foundation, recognising the need for additional funding so that Northern Health can meet its commitment to the rapidly growing northern community, and establish itself as a major teaching and research centre. Mr Molnar remains a passionate advocate of the Northern Health network and the dedicated medical professionals who work within it.

Ms Pina Di Donato (Deputy Chair)

Ms Di Donato is a philanthropist, business person, marketing professional and author. Ms Di Donato has a degree in Economics and Commerce from the University of Melbourne and is a graduate of the Australian Institute of Company Directors. Ms Di Donato was born, raised and works in the northern suburbs and has a strong connection with the northern community. She joined the Northern Health Foundation in 2011 as a way of maintaining this connection. Ms Di Donato resigned from the Foundation as Deputy Chair on 30 June 2021 to take-up an operational position as Foundation Director.

Professor Peter Brooks

Professor Brooks AM MD FRACP is Research Leader Northern Health and has Professorial appointments in the Centre for Health Policy, School of Population and Global Health and the School of Medicine University of Melbourne. Professor Brooks established the Australian Health Workforce Institute at the University of Melbourne in 2008. He was Executive Dean of Health Sciences at the University of Queensland from 1998 to 2009 and has held professorial positions at the UNSW, University of Sydney, Flinders University and the University of Tasmania prior to that.

Professor Brooks has published widely in musculoskeletal diseases, on health education and more recently on health care and health workforce reform. Professor Brooks is a frequent commentator on health policy and the importance of developing an evidence base in this area. In 2010 he was awarded Membership of the Order of Australia for services to rheumatology as a clinician, researcher and academic.

Mr Peter Copp

Mr Copp is an experienced General Manager with over eight years experience specialising in not-for-profit management, operations, revenue generation, relationship management, people management, business development, grant submission and management, strategy development, fee for service, corporate collaboration and business improvement. Mr Copp has held senior roles in the Mercy Health Foundation, The Fred Hollows Foundation and Scope Australia.

Ms Trudi Hay

Ms Hay is a Director of Lately Pty Ltd, shareholder of Greencor Sales Pty Ltd, Executive Assistant to the Director of Core Projects as well as Northern Health Foundation's Community Events Committee Chair. Ms Hay has a strong background in marketing and events and was voted Hume City Resident of the Month 2014 and was mentioned in Parliament on International Women's Day for her incredible philanthropic work in 2016. Ms Hay has been a long-time supporter of the Northern Hospital, specifically fundraising for Day Oncology for over ten years.

Mr Koby Jones

Mr Jones is an entrepreneurial, motivated and proactive business and financial services professional with specialist global financial markets and private wealth management experience. Mr Jones is the Managing Director of the SILC Group, a specialised financial solutions firm focussing on the needs of wholesale private, commercial and institutional clients.

Ms Tricia Lee

Ms Lee is a Director of Riverlee, a family-owned diversified property and investment group with commercial, residential and retail projects across Australia. Ms Lee is also Executive Director of the Riverlee Foundation which was established in 2015. Her involvement in not-for-profits began in 2000 and includes the Epworth Medical Foundation and the Asian Australian Foundation. Ms Lee holds a Bachelor of Commerce (Accounting and Finance) from Monash University and a Graduate Diploma in Applied Finance and Investment.

NORTHERN HEALTH RESEARCH, TRAINING AND EQUIPMENT FOUNDATION LIMITED
(A Company Limited by Guarantee)
2021 ANNUAL FINANCIAL REPORT

Mr Peter McWilliam

Mr McWilliam brings extensive skills in business and management from 37 years of experience working at RBM and Paramount Plastic Extrusions, one of Australia's largest privately-owned plastic manufacturing companies. Mr McWilliam served as a General Manager and Company Director within the organisation and its subsidiary Paramount Plastics (Aust.) for 30 years. As a resident of the northern suburbs, McWilliam is familiar with its rapid growth and development and the evolving needs of the local community. Since retiring in 2010, Mr McWilliam has focused on sharing his business acumen and skills to benefit health services in the northern Melbourne area.

Mr Christopher Turner

Mr Turner has a wealth of experience running large fully integrated poultry operations from milling/farming, processing to sales and marketing. Mr Turner was the long-term Chief Executive Officer of Turosi Pty Ltd which has operations located in Victoria, New South Wales and Queensland, a position he retired from mid-2020. Mr Turner is also a past president of the Australian Chicken Meat Federation and the Victorian Chicken Meat Council and is a current Board member of The Prime Safe Victoria.

Objectives and strategies

To act as a trustee of a public fund, the Northern Health Research, Training and Equipment Trust ("the Foundation"), to ensure the public fund meets its short and long term objectives as follows:

- a) Short Term:
 - Achieve growth and sustainability in fundraising revenue; and
 - Improve donor care, and trying new approaches to provide more effective and efficient ways of fundraising.
- b) Long Term:
 - Enhance Northern Health's ability to achieve outstanding health care for people in Melbourne's North.

Principal activities

The Company is a not-for-profit organisation whose principal activity is to act as trustee of the Foundation. The Company is dormant and does not trade.

Meetings of Directors

There were four meetings of Directors held during the year ended 30 June 2021. Attendance by Directors was as follows:

Director	No. Eligible to Attend*	No. Attended
Mr John Molnar (Chair)	4	3
Ms Pina Di Donato (Deputy Chair)**	4	4
Mr Peter Brooks	4	3
Mr Peter Copp	4	4
Ms Trudi Hay	4	4
Mr Koby Jones	3	3
Ms Tricia Lee	4	4
Mr Peter McWilliam	4	4
Mr Christopher Turner	4	3

* This is the number of meetings held during the time the Director was in office in the period.

** * Ms Di Donato resigned as Board Member and Deputy Chair on 30 June 2021 to take up an operational position as Foundation Director.

Key Performance Measures

The Company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the Company and whether the Company's short-term and long-term objectives are being achieved. As it is dormant, such measures are irrelevant.

Review of operations

The Company did not trade during the year. Therefore, the profit/ (loss) from ordinary activities was nil (2020: nil).

Membership

The Company has nine individual members. All members are in the same class. Each member of the Company is liable to contribute an amount not exceeding \$5 (\$45 in total) if the Company were to be wound-up.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration under Section 307C of the *Corporations Act 2001 (Cth)* in relation to the audit for the financial year is included on page 6 of the financial report.



John Molnar
Director

19 August 2021
Epping



Peter McWilliam
Director

19 August 2021
Epping

Auditor-General's Independence Declaration

To the Directors, Northern Health Research, Training and Equipment Foundation Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Northern Health Research, Training and Equipment Foundation Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE
23 September 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

Directors' Declaration

The Directors declare that the financial statements and notes:

- Comply with Australian Accounting Standards, the *Corporations Regulations 2001 (Cth)* and other mandatory professional reporting requirements; and
- Give a true and fair view of the financial position of the Northern Health Research, Training and Equipment Foundation Limited at 30 June 2021 and its performance for the year, as represented by the results of its operations and its cash flows for the financial year ended on that date.

In the opinion of the Directors

- The financial statements for the year ended 30 June 2021 and the notes are in accordance with the *Corporations Act 2001 (Cth)*; and
- There are reasonable grounds to believe that the Northern Health Research, Training and Equipment Foundation Limited will be able to pay its debts as and when they become due and payable.

The Directors' declaration is made in accordance with a resolution of the Board of the Company.



John Molnar
Director

19 August 2021
Epping



Peter McWilliam
Director

19 August 2021
Epping

Independent Auditor's Report

To the Directors of Northern Health Research, Training and Equipment Foundation Limited

Opinion	<p>I have audited the financial report of Northern Health Research, Training and Equipment Foundation Limited (the company) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • directors' declaration. <p>In my opinion the financial report is in accordance with the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the company as at 30 June 2021 and its financial performance and cash flows for the year then ended • complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p>

Auditor's responsibilities for the audit of the financial report	Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.
(continued)	<p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors • conclude on the appropriateness of the Directors's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. <p>I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p> <p>I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.</p>



Dominika Ryan

as delegate for the Auditor-General of Victoria

MELBOURNE

23 September 2021

Comprehensive Operating Statement
For the financial year ended 30 June 2021

The Company did not trade in the current financial year or the prior financial year. Therefore, the profit/loss from ordinary activities was nil (2020: Nil).

This statement should be read in conjunction with the accompanying notes on pages 14 to 16.

Balance Sheet

As at 30 June 2021

The Company is limited by guarantee. Therefore, there is no contributed share capital as at 30 June 2021.

The Company did not trade in the current financial year or the prior year.

This statement should be read in conjunction with the accompanying notes on pages 14 to 16.

Statement of Changes in Equity

For the financial year ended 30 June 2021

The Company did not trade in the current financial year or the prior financial year. Therefore, there is no contributed share capital as at 30 June 2021.

This statement should be read in conjunction with the accompanying notes on pages 14 to 16.

Cash Flow Statement

For the financial year ended 30 June 2021

The Company did not trade in the current financial year or the prior financial year. Therefore, the cash flow from activities was nil (2020: Nil).

This statement should be read in conjunction with the accompanying notes on pages 14 to 16.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Notes to Financial Statements

Note 1 Summary of significant accounting policies

Statement of compliance

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

Company details

The Company is a public company, incorporated and operating in Australia. Its primary function is to act as the corporate trustee of the Foundation.

The registered office of the Company is:

Northern Hospital
185 Cooper Street
Epping, Victoria 3076

Basis of accounting preparation and measurement

These annual financial statements represent the audited general purpose financial statements for the Company for the year ended 30 June 2021. The financial statements provide users with information about the Company's stewardship of resources entrusted to it, in its capacity as corporate trustee.

These financial statements have been prepared in accordance with the *Corporations Act 2001 (Cth)*, applicable Australian Accounting Standards (AAS), which includes the Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB), Interpretations and other mandatory professional requirements on an accrual basis.

Accounting policies are selected and applied in a manner that ensures 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 have been applied in preparing the financial statements for the year ended 30 June 2021, and the comparative information presented in these financial statements for the year ended 30 June 2020.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses 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 the revaluation of certain non-current assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

Estimates and assumptions about carrying values of assets and liabilities that are not readily apparent are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of which form the basis of making judgements. Actual results may differ from these estimates.

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

The financial statements are prepared on a going concern basis.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Company.

COVID-19

The COVID-19 pandemic has and continues to create unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Foundation at the reporting date. As

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

responses by government continue to evolve, management recognises it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Company, its operations, its future results and financial position. A state of emergency in Victoria continues to remain in place.

Member's Guarantee

The Company has nine (2020: nine) individual members. Each member is liable to contribute an amount not exceeding \$5 (2020: \$5) or \$45 in total if the Company were to be wound-up.

Note 2 Trust, liabilities and right of indemnity

The Company acts solely as trustee of the Foundation and liabilities have been incurred on behalf of the Foundation in the Company's capacity as corporate trustee.

Liabilities incurred on behalf of the Foundation are not recognised in the financial report of the Trustee when it is not probable that the Company will have to meet any of those trust liabilities from its own resources. When it is probable that the Company will have to meet some trust liabilities, a liability for the Deficiency in Trust Right of Indemnity is brought to account. Details of the Foundation's liabilities, the offsetting right of indemnity, and any deficiency in the right of indemnity are disclosed by way of note to the financial statements.

The net assets of the Foundation (which are not recorded in the financial statements of the Company) were:

	2021	2020
	\$	\$
Current assets		
Cash and cash equivalents	1,373,056	1,086,122
Other financial assets	500,000	500,000
Receivables	88,271	73,574
Total current assets	1,961,327	1,659,696
Non-current assets		
Property, plant and equipment	463,980	450,350
Total non-current assets	463,980	450,350
Total assets	2,425,307	2,110,046
Current liabilities		
Payables	6,699	57,500
Total current liabilities	6,699	57,500
Total liabilities	6,699	57,500
NET ASSETS	2,418,608	2,052,546

The assets of the Foundation as at 30 June 2021 and 2020 were sufficient to discharge all liabilities of the Foundation as at 30 June 2021 and 2020.

Note 3 Risks, contingencies and valuation uncertainties

3.1 Contingent assets or liabilities

There are no contingent assets or liabilities for the Company as at 30 June 2021 (2020: nil).

NORTHERN HEALTH RESEARCH, TRAINING AND EQUIPMENT FOUNDATION LIMITED
(A Company Limited by Guarantee)
2021 ANNUAL FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 4 Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

4.1 Responsible persons

The Trustee of the Foundation is the Company. The Board Members during the financial year were:

	Period
Governing Board	
Mr John Molnar (Chair)	01/07/2020 – 30/06/2021
Ms Pina Di Donato (Deputy Chair)*	01/07/2020 – 30/06/2021
Mr Peter Brooks	01/07/2020 – 30/06/2021
Mr Peter Copp	01/07/2020 – 30/06/2021
Ms Trudi Hay	01/07/2020 – 30/06/2021
Mr Koby Jones	19/11/2020 – 30/06/2021
Ms Tricia Lee	01/07/2020 – 30/06/2021
Mr Peter McWilliam	01/07/2020 – 30/06/2021
Mr Christopher Turner	01/07/2020 – 30/06/2021

** Ms Di Donato resigned as Board Member and Deputy Chair on 30 June 2021 to take-up an operational position as Foundation Director.*

Accountable Officer

Mr Andrew Williamson	01/07/2020 – 30/06/2021
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The Trustee Board Members did not receive any remuneration in connection with their roles. The Accountable Officer is paid by Northern Health and 20% of their salary is allocated to the Foundation as an in-kind contribution within the range \$50,000-\$59,000.

4.2 Related parties

Northern Health is the parent entity of the Company. Mr Peter McWilliam is a Director of Northern Health.

Professor Peter Brooks is an employee of Northern Health.

The Foundation is deemed to have a related party relationship with Northern Health. The following transactions were conducted as part of the Foundation's normal operations and are on normal commercial terms.

	2021 \$	2021 \$
Distribution of funds by the Trust	646,420	533,120
Net Receivable as at 30 June	81,566	16,075

4.3 Remuneration of auditors

Audit fees are paid by the Foundation.

4.4 Events occurring after balance date

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may affect the operations of the Company and/or the Foundation, the results of the operations or the state of affairs of the Company and/or the Foundation in the future financial years.

Northern Health Research, Training and Equipment Trust

FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2021

The Northern Health Research, Training and Equipment Trust (the Foundation Trust) is a trust domiciled in Victoria, Australia. The Foundation Trust supports Northern Health's ability to deliver health outcomes for people in the Northern suburbs of Melbourne by providing funds for facilities, medical equipment, education programs and research initiatives. The Northern Health Research, Training and Equipment Foundation Limited (the Company) is a public company, incorporated and operating in Australia. Its primary function is to act as the corporate trustee of the Foundation Trust. The financial accounts for both the Foundation Trust and Company are presented in this Annual Report.

Annual Financial Report Financial Year Ended 30 June 2021

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Trustee's Declaration

The Trustee declares that the financial statements and notes set out in this report:

- Have been prepared in accordance with the Australian Accounting Standards, the *Australian Charities and Not-for-profit Commission Act 2012* and other mandatory professional reporting requirements;
- Give a true and fair view of the financial position of the Northern Health Research, Training and Equipment Trust at 30 June 2021 and its performance for the year, as represented by the results of its operations and cash flows for the financial year ended on that date; and
- In the opinion of the Trustee there are reasonable grounds to indicate that the Northern Health Research, Training and Equipment Trust will be able to pay its debts as and when they become due and payable.

The Trustee's declaration is made in accordance with a resolution of the Board of Northern Health Research, Training and Equipment Foundation Limited.



John Molnar
Director of Trustee

19 August 2021
Epping



Peter McWilliam
Director of Trustee

19 August 2021
Epping

Independent Auditor's Report

To the Trustee of Northern Health Research, Training and Equipment Trust

Opinion

I have audited the financial report of Northern Health Research, Training and Equipment Trust (the trust) which comprises the:

- balance sheet as at 30 June 2021
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- trustee's declaration.

In my opinion the financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the financial position of the trust as at 30 June 2021 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the trust in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Trustee's responsibilities for the financial report

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

In preparing the financial report, the Trustee is responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee
- conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Trustee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Auditor-General's Independence Declaration

To the Trustee, Northern Health Research, Training and Equipment Trust

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Northern Health Research, Training and Equipment Trust for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE
23 September 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement
Financial Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Income			
Fundraising income	2.1	1,122,676	1,067,500
Other income	2.1	514,601	615,657
Interest income	2.1	12,696	25,072
Total income		1,649,973	1,708,229
Expenses			
Operating expenses	3.1	(567,776)	(757,077)
Non-operating expenses	3.1	(24,595)	(60,038)
Distributions	3.1	(705,170)	(622,553)
Depreciation	4.3	(7,650)	(7,650)
Total expenses		(1,305,191)	(1,447,318)
Net result from transactions		344,782	260,911
Other economic flows	3.2	-	(1,000)
NET RESULT FOR THE YEAR		344,782	259,911
Other comprehensive income	4.2.2	21,280	
COMPREHENSIVE RESULT FOR THE YEAR		366,062	259,911

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

NORTHERN HEALTH RESEARCH, TRAINING AND EQUIPMENT TRUST
2021 ANNUAL FINANCIAL REPORT

Balance Sheet
30 June 2021

		2021	2020
	Note	\$	\$
Current assets			
Cash and cash equivalents	6.1	1,373,056	1,086,122
Other financial assets	4.1	500,000	500,000
Receivables	5.1	88,271	73,574
Total current assets		1,961,327	1,659,696
Non-current assets			
Property, plant and equipment	4.2.1	463,980	450,350
Total non-current assets		463,980	450,350
Total assets		2,425,307	2,110,046
Current liabilities			
Payables	5.2	6,699	57,500
Total current liabilities		6,699	57,500
Total liabilities		6,699	57,500
NET ASSETS		2,418,608	2,052,546
Equity			
Settled sum		20	20
Accumulated surplus	8.1	2,277,058	1,932,276
Property, plant and equipment revaluation surplus	4.2.5	141,530	120,250
TOTAL EQUITY		2,418,608	2,052,546

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

Statement of Changes in Equity
Financial Year Ended 30 June 2021

		Settled sum	Property, plant and equipment revaluation surplus	Accumulated surplus	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2019		20	120,250	1,672,365	1,792,635
Net result for the year		-	-	259,911	259,911
Other comprehensive income	4.2.2	-	-	-	-
Balance at 30 June 2020		20	120,250	1,932,276	2,052,546
Net result for the year		-	-	344,782	344,782
Other comprehensive income	4.2.2	-	21,280	-	21,280
Balance at 30 June 2021		20	141,530	2,277,058	2,418,608

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

NORTHERN HEALTH RESEARCH, TRAINING AND EQUIPMENT TRUST
2021 ANNUAL FINANCIAL REPORT

Cash Flow Statement
Financial Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Receipts			
Donations, bequests and grants		540,813	876,402
Other income		581,863	191,097
Interest received		12,696	25,072
		1,135,372	1,092,571
Payments			
Payments to suppliers and contributions		(848,438)	(764,635)
Net cash inflow / (outflow) from operating activities	8.2	286,934	327,936
Investing activities			
Purchase of property, plant and equipment		-	-
Receipt of refundable deposit		-	39,000
Net cash inflow / (outflow) from investing activities		-	39,000
Net increase / (decrease) in cash held		286,934	366,936
Cash and cash equivalents at the beginning of the year		1,086,122	719,186
Cash and cash equivalents at the end of the year	6.1	1,373,056	1,086,122

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

NORTHERN HEALTH RESEARCH, TRAINING AND EQUIPMENT TRUST
2021 ANNUAL FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Basis of Preparation

The Northern Health Research, Training and Equipment Trust (the Foundation) is a trust domiciled in Victoria, Australia. The Foundation supports Northern Health's ability to deliver health outcomes for people in the Northern suburbs of Melbourne by providing funds for facilities, medical equipment, education programs and research initiatives.

Note 1 Summary of significant accounting policies

These financial statements being a set of general purpose financial statements, represent the audited general purpose financial statements for the Foundation for the year ended 30 June 2021. The purpose of the report is to provide users with information about the Foundation's stewardship of resources entrusted to it.

a) Statement of compliance

The financial statements have been prepared on an accrual basis in accordance with applicable Australian Accounting Standards (AASs) issued by the Australian Accounting Standards Board (AASB); the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012 and Regulations 2013*; Victorian Department of Treasury and Finance (DTF) Financial Reporting Directions (FRDs); and relevant Standing Directions (SDs) issued by the Assistant Treasurer. They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

The Foundation is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" entities under the AASBs.

The financial statements were authorised for issue by the Trustees on 19 August 2021.

b) Reporting entity

The registered office of the Foundation:
Northern Hospital Epping
185 Cooper Street
Epping, Victoria 3076

c) Basis of Accounting Preparation and Measurement

Accounting policies are selected and applied in a manner which ensures 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 have been applied in preparing the financial statements for the year ended 30 June 2021, and the comparative information presented in these financial statements for the year ended 30 June 2021.

The financial statements are prepared on a going concern basis.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Foundation.

All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

Where necessary the prior year figures have been reclassified to facilitate comparisons.

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.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgements derived from historical experience and various

NORTHERN HEALTH RESEARCH, TRAINING AND EQUIPMENT TRUST
2021 ANNUAL FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

other factors that are believed to be reasonable under the circumstances. Balances affected by estimates and judgements are included through the accounts.

Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AABSs that have significant effects on the financial statements and estimates relate to the fair value of land, buildings and plant and equipment (refer 4.2).

d) 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 Australian Taxation Office (ATO). In this case the GST payable 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 ATO 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 ATO, are presented as operating cash flow.

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

e) COVID-19 considerations

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, the Foundation was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which the Foundation operates. The measurement of the Foundation's assets and liabilities was not materially impacted by COVID-19 or its impact on the economy.

Note 2 Funding of activities

The Foundation's overall objective is to fundraise to support programs, equipment and services that support Northern Health. To enable the Foundation to fulfil its objective it receives income primarily based on donations.

2.1 Income

	2021	2020
	\$	\$
Donations and bequests	540,813	876,402
Other fundraising income	581,863	191,098
Total fundraising income	1,122,676	1,067,500
Interest	12,696	25,072
Salaries and wages in-kind contribution	514,601	615,657
Total other income	527,297	640,729
TOTAL INCOME	1,649,973	1,708,229

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Revenue and income recognition

Revenue is recognised in accordance with *AASB 1058: Income of Not-for-Profit Entities*. Income is recognised when it is received or when the right to receive payments is established.

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

Donations, bequests and other fundraising income

Donations, bequests and other fundraising income are recognised when received.

Interest

Interest income is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Salaries and wages in-kind contribution

Northern Health provides staffing resources to the Foundation free of charge.

Note 3 Cost of delivering activities

This section provides an account of the expenses incurred by the Foundation in delivering its activities.

3.1 Expenses

	2021	2020
	\$	\$
Salaries and wages recharge	514,601	615,657
Marketing and event costs	53,175	141,420
Total operating expenses	567,776	757,077
Advertising and recruitment	750	3,150
Housing costs	428	1,685
Administrative expenses	23,417	55,203
Total non-operating expenses	24,595	60,038
Capital distributions to Northern Health	610,159	457,538
Other distributions to Northern Health	36,261	75,582
Distributions to external parties	58,750	89,433
Total distributions	705,170	622,553
TOTAL EXPENSES	1,297,541	1,439,668

Expense recognition

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

Salaries and wages recharge

Northern Health provides staffing resources free of charge to the Foundation.

Distributions to external parties

Distributions to external parties are to support research scholarships at Northern Health but are paid directly to universities, namely the University of Melbourne, La Trobe University and RMIT.

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3.2 Other economic flows

	2021	2020
	\$	\$
Net gain/(loss) on financial instruments at fair value		
Allowance for impairment losses of contractual receivables	-	1,000
TOTAL	-	1,000

Note 4 Key assets used to support activities

The Foundation controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the Foundation to be utilised for delivery of those outputs. Assets used to support the delivery of services during the year were not materially impacted by COVID-19 or its impact on the economy.

4.1 Investments and financial assets

	2020	2019
	\$	\$
Term deposits	500,000	500,000
TOTAL	500,000	500,000

Investment recognition

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.

The Foundation classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset. The Foundation assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

4.2 Property, plant and equipment

Recognition

Land and buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment losses where applicable.

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, the Foundation performs a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated

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change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, the Foundation would obtain an interim independent valuation prior to the next scheduled independent valuation.

Revaluation increments are recognised in 'Other Comprehensive Income' and 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.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

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 de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

A full revaluation of the Foundation's land and buildings was performed by the Valuer-General of Victoria (VGV) in June 2019 in accordance with the requirements of FRD 103H *Non-Financial Physical Assets*. 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 effective date of the valuation for both land and buildings was 30 June 2019.

In compliance with FRD 103I, in the year ended 30 June 2021, management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the VGV indices for the financial year ended 30 June 2021.

The VGV indices, which are based on data to April 2021, indicated there was a 14.0% cumulative increase in the land parcel held by the Foundation, and an increase of 7.5% in buildings since 30 June 2019. Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2021, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

There was a managerial revaluation of land by 14.0% as the movement in the indices of 14.0% is greater than revaluation threshold of 10.0% but less than the 40.0% threshold where a full independent valuation would be required.

There was no managerial revaluation required for building as the movement in indices of 7.5% was less than the revaluation threshold of 10.0%, and would require a decrease in the land indices of 17.5% to trigger a downward valuation. Both land and buildings are considered to be sensitive to market conditions.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For the purpose of fair value disclosures, the Foundation has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, the Foundation determines whether transfers have occurred between levels in the hierarchy by reassessing 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 Victoria (VGV) is the Foundation's independent valuation agency.

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Valuation hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- 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; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Consideration of highest and best use for non-financial physical assets

Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

In accordance with paragraph AASB 13.29, the Foundation has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Non-Specialised Land and Non-Specialised Buildings

Non-specialised land and 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 the VGV 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 2019.

4.2.1 Gross carrying amount and accumulated depreciation

	2021	2020
	\$	\$
Land at fair value	173,280	152,000
Land at cost	-	-
Total buildings	173,280	152,000
Buildings at fair value	306,000	306,000
Accumulated depreciation	(15,300)	(7,650)
Total buildings	290,700	298,350
TOTAL	463,980	450,350

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4.2.2 Reconciliation of carrying amounts for each class of assets

	Land \$	Buildings \$	Assets under construction \$	Total \$
Balance at 1 July 2019	152,000	306,000	-	458,000
Additions	-	-	-	-
Depreciation	-	(7,650)	-	(7,650)
Balance at 1 July 2020	152,000	298,350	-	450,350
Additions	-	-	-	-
Revaluation increment/(decrement)	21,280	-	-	21,280
Depreciation	-	(7,650)	-	(7,650)
Balance at 30 June 2021	173,280	290,700	-	463,980

Land and buildings carried at valuation

The VGV re-valued all of the Foundation's land and buildings to determine their fair value. 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 2019.

4.2.3 Property, plant and equipment – fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2021	Fair value measurement at end of reporting period using:		
		Level 1 ¹ \$	Level 2 ¹ \$	Level 3 ¹ \$
Land				
Non-specialised land	173,280	-	173,280	-
Total land	173,280	-	173,280	-
Buildings				
Non-specialised buildings	290,700	-	290,700	-
Total buildings	290,700	-	290,700	-
TOTAL	463,980	-	463,980	-

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1 ¹ \$	Level 2 ¹ \$	Level 3 ¹ \$
Land				
Non-specialised land	152,000	-	152,000	-
Total land	152,000	-	152,000	-
Buildings				
Non-specialised buildings	298,350	-	298,350	-
Total buildings	298,350	-	298,350	-
TOTAL	450,350	-	450,350	-

¹ Classified in accordance with the fair value hierarchy. There have been no transfers between levels during the period.

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4.2.4 Property, plant and equipment – fair value determination

Asset Class	Valuation Approach	Significant inputs (level 3 only)
Non-specialised land	Market approach	N/A
Non-specialised buildings	Market approach	N/A

4.2.5 Property, plant and equipment revaluation surplus

	Note	2021 \$	2020 \$
Property, plant and equipment revaluation surplus			
Balance at the beginning of the reporting period		120,250	120,250
Revaluation increment			
Land	4.2.2	21,280	-
Balance at the end of the reporting period		141,530	120,250
Represented by:			
Land		36,608	15,328
Buildings		104,922	104,922
Total		141,530	120,250

4.3 Depreciation

	2021 \$	2020 \$
Depreciation		
Buildings	7,650	7,650
TOTAL	7,650	7,650

Depreciation

All buildings that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

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Note 5 Other assets and liabilities

This sections outlines the other assets and liabilities that arise from the Foundation's operations.

5.1 Receivables

	2021	2020
	\$	\$
Receivables	88,264	73,571
Total contractual receivables	88,264	73,571
Statutory		
GST receivable	7	3
TOTAL RECEIVABLES	88,271	73,574

Receivables consist of:

- **Contractual receivables**, which consist of debtors in relation to goods and services and accrued investment income. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Foundation holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, which predominantly includes amounts owing from the Victorian Government and GST input tax credits recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Foundation applies *AASB 9: Financial Instruments* for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade debtors are carried at nominal amounts and are due for settlement within 30 days from the date of recognition.

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*.

The Foundation is not exposed to any significant credit risk to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Refer to note 7.1.3 for the ageing analysis of receivables.

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5.2 Payables

	2021	2020
	\$	\$
Contractual		
Accrued expenses	6,699	57,500
Total contractual payables	6,699	57,500
Statutory	-	-
TOTAL PAYABLES	6,699	57,500

Payables consist of:

- **Contractual payables**, which consist predominantly of accounts payable representing liabilities for goods and services provided prior to the end of the financial year that are unpaid, and arise when the Foundation 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 net 30 days.
- **Statutory payables** consist of GST.

Contractual payables are classified as financial instruments and 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.

Refer to note 7.1.2 for the ageing analysis of payables.

Note 6 How we finance our operations

This section provides information on the sources of finance utilised by the Foundation during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Foundation.

This section includes disclosures of balances that are financial instruments (such as cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

6.1 Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	150	150
Cash in bank	1,372,906	1,085,972
TOTAL	1,373,056	1,086,122

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date 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.

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Note 7 Risks, contingencies and valuation uncertainties

The Foundation is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the health service is related mainly to fair value determination.

7.1 Financial instruments

7.1.1 Financial instruments: categorisation

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 the Foundation'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*.

The Foundation applies *AASB 9 Financial Instruments* and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. Categories of financial assets under AASB 9:

2021

Contractual financial assets

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Cash and cash equivalents	1,373,056	-	1,373,056
Receivables	88,264	-	88,264
Other financial assets	500,000	-	500,000
Total financial assets	1,961,320	-	1,961,320

Financial liabilities

Payables	-	6,699	6,699
Total financial liabilities	-	6,699	6,699

2020

Contractual financial assets

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Cash and cash equivalents	1,086,122	-	1,086,122
Receivables	73,571	-	73,571
Other financial assets	500,000	-	500,000
Total financial assets	1,659,693	-	1,659,693

Financial liabilities

Payables	-	57,500	57,500
Total financial liabilities	-	57,500	57,500

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- The assets are held by the Foundation to collect the contractual cash flows, and
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

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The Foundation recognises the following assets in this category:

- Cash and deposits;
- Receivables (excluding statutory receivables); and
- Term deposits.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

The Foundation recognises the following assets in this category:

- Payables (excluding statutory payables and contract liabilities);
- Borrowings; and
- Other liabilities (including monies held in trust).

7.1.2 Maturity analysis of financial liabilities as at 30 June

The following table discloses the contractual maturity analysis for the Foundation's financial liabilities.

	30 June 2021			30 June 2020		
	Less Than 1 Month	3 Months - 1 Year	Total	Less Than 1 Month	3 Months - 1 Year	Total
	\$	\$	\$	\$	\$	\$
Contractual financial liabilities						
Contractual payables	6,699	-	6,699	57,500	-	57,500
Total contractual financial liabilities	6,699	-	6,699	57,500	-	57,500

7.1.3 Contractual receivables at amortised costs

30 June 2021	Current	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	Total
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	88,264	-	-	-	-	88,264
Loss allowance	-	-	-	-	-	-
1 July 2020						
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	73,571	-	-	-	-	73,571
Loss allowance	-	-	-	-	-	-

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Contractual receivables at amortised cost

The Foundation applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Foundation has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Foundation's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, the Foundation determines the closing loss allowance at the end of the financial year as disclosed above.

Statutory receivables at amortised cost

The Foundation's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

Financial risk management

The Foundation's financial risks comprise liquidity risk, credit risk and interest rate risk. Liquidity risk arises from being unable to meet financial obligations as they fall due. Liquidity risk is negligible for the Foundation due to the high level of its cash holding and low level of liabilities. Credit risk and interest rate risks are also considered negligible.

7.2 Contingent assets and liabilities

As at 30 June 2021 the Foundation does not have any contingent assets or liabilities (2020: nil).

Note 8 Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

8.1 Accumulated surplus

	2021	2020
	\$	\$
Accumulated surplus		
Opening Balance	1,932,276	1,672,365
Net result for the year	344,782	259,911
TOTAL ACCUMULATED SURPLUS	2,277,058	1,932,276

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8.2 Reconciliation of net result for the year to net cash flow from operating activities

	2021	2020
	\$	\$
Net result for the year	344,782	259,911
Depreciation	7,650	7,650
Change in operating assets and liabilities		
(Increase) / decrease in receivables	(14,697)	12,411
Increase / (decrease) in payables	(50,801)	47,964
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	286,934	327,936

8.3 Responsible persons

The Trustee of the Foundation is the Northern Health Research, Training and Equipment Ltd. The Board Members of the Trustee during the financial year were:

	Period
Governing Board	
Mr John Molnar (Chair)	01/07/2020 – 30/06/2021
Ms Pina Di Donato (Deputy Chair)*	01/07/2020 – 30/06/2021
Mr Peter Brooks	01/07/2020 – 30/06/2021
Mr Peter Copp	01/07/2020 – 30/06/2021
Ms Trudi Hay	01/07/2020 – 30/06/2021
Mr Koby Jones	19/11/2020 – 30/06/2021
Ms Tricia Lee	01/07/2020 – 30/06/2021
Mr Peter McWilliam	01/07/2020 – 30/06/2021
Mr Christopher Turner	01/07/2020 – 30/06/2021

* Ms Di Donato resigned as Board Member and Deputy Chair on 30 June 2021 to take-up an operational position as Foundation Director.

Accountable Officer

Mr Andrew Williamson	01/07/2020 – 30/06/2021
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The Board Members of the Trustee did not receive any remuneration in connection with their roles. The Accountable Officer is paid by Northern Health and 20% of their salary is allocated to the Foundation as an in-kind contribution within the range \$50,000-\$59,000.

8.4 Related parties

The Foundation is a controlled entity of Northern Health. The Trustee of the Foundation is the Northern Health Research, Training and Equipment Foundation Limited. Related parties of the Foundation include all Key Management Personnel (KMP) and their close family members comprising the Governing board and the Accountable Officer.

Board member Mr Peter McWilliam is a Director of Northern Health. Board member Professor Peter Brooks and Accountable Officer Mr Andrew Williamson are employees of Northern Health.

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Transactions with Key Management Personnel and other related parties

Northern Health is a related party and provides administrative support to the Foundation free of charge.

The Foundation is deemed to have a related party relationship with Northern Health. The following transactions were conducted as part of the Foundation's normal operations and are on normal commercial terms.

	2021	2021
	\$	\$
Distribution of funds by the Trust	646,420	533,120
Net Receivable as at 30 June	81,566	16,075

The other transactions between the two entities relate to reimbursements made by the Foundation to Northern Health for goods and services and the transfer of funds by way of distributions made to the Northern Health. Northern Health is the ultimate parent entity of the Foundation. All dealings are in the normal course of business and are on normal commercial terms and conditions.

Outside of normal citizen type transactions, there were no other related party transactions that involved KMPs, their close family members and their personal business interests (2020: Nil).

8.5 Remuneration of auditors

	2021	2020
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	6,700	6,800
TOTAL	6,700	6,800

8.6 Events occurring after balance date

There are no matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Foundation, the results of the operations or the state of affairs of the Foundation in the future financial years.

8.7 AASBs issued not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Foundation and their potential impact when adopted in future periods is outlined below.

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Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: <i>Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2</i>	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

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

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