



KIRRAE HEALTH SERVICE Inc.

ANNUAL REPORT 2013-14



About Us

Kirrae Health Service is built on the Framlingham Aboriginal Community which is situated on Gunditjmara Country on the western plains of Victoria. In 1861 Framlingham was established as an Aboriginal reserve until 1911 by the Board for Protection of Aborigines. Then in 1911 all reserves around Victoria were being closed, which meant the Framlingham Aboriginal Community was to move to Lake Tyers reserve in Gippsland. Despite much harassment from the Government many people chose to stay in Framlingham. This strong fighting spirit has helped pave the way for the community and helped it get to where it is today.

The Kirrae Health Service exists in order to service the physical, mental and emotional health needs of the Framlingham Aboriginal community and surrounds in a manner that is effective, culturally sensitive and acceptable to the community.

To achieve this, Kirrae Health Service provides culturally-specific services and programs to meet the needs of the community members residing in the Framlingham Aboriginal Settlement.

The functions of Kirrae Health Service include:

- o Promoting a healthy and proud community through provision of clinical services, education, advocacy and cultural acknowledgement
- o Health and wellbeing education and programs
- o Building and promoting community
- o Building partnerships
- o Celebrating culture and identity
- o Enhancing self-determination and a sense of belonging
- o Culturally specific support.

Our customers include:

- o The Aboriginal and/or Torres Strait Islander community
- o Elders and their families
- o Children and youth
- o Carers and partners of Aboriginal and Torres Strait Islanders
- o Members of the broader community who wish to use the services of Kirrae Health Service abide by and accept the policies of the Service
- o The Federal and State Government funding bodies
- o Local government agencies
- o Mainstream services
- o Members of Kirrae Health Service
- o Board Members of Kirrae Health Service
- o Staff
- o Business, community groups and industry partnerships.

What can be expected of Kirrae Health Service?

- o Quality
- o Responsiveness
- o Respect
- o Accessibility.



Left: Richmond Football Club Visits Framlingham

Centre: Playgroup Olympic Rings

Right: Kirrae Prostate Cancer Awareness Art Show 2014

Objectives

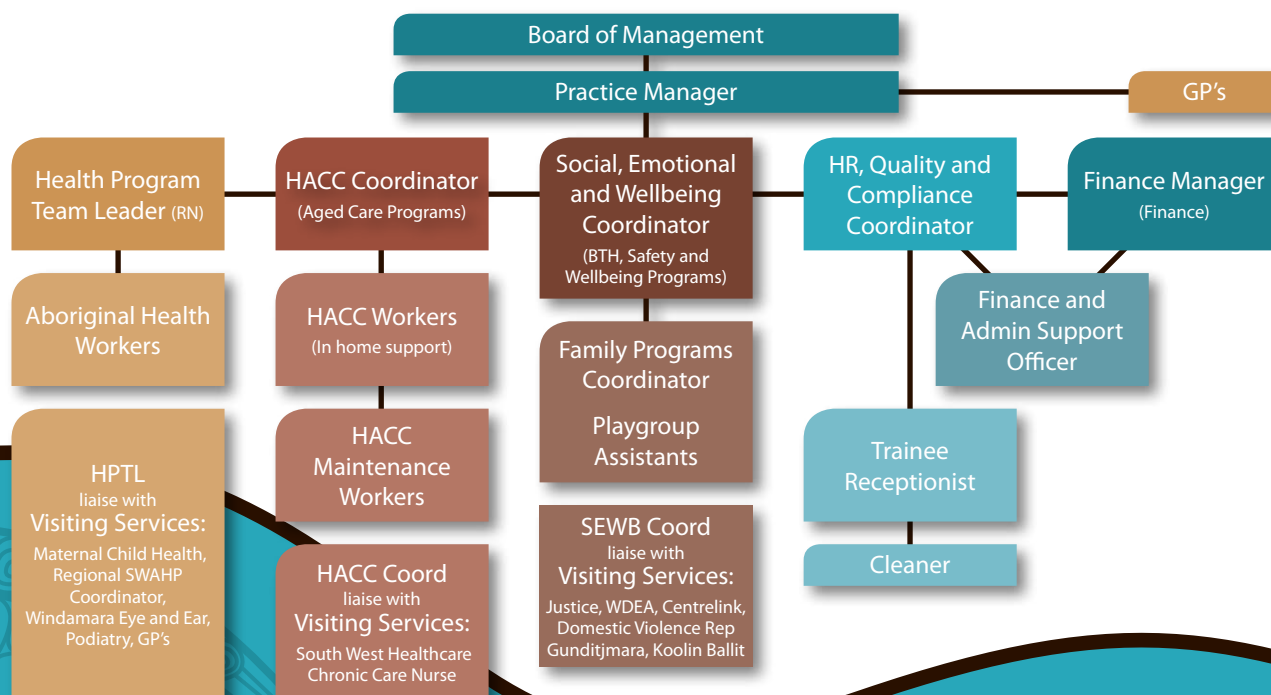
We aim to:

- o Maintain a viable, independent, accessible and culturally appropriate health and community service for the Framlingham community and surrounding service area
- o Ensure that the KHS workforce is skilled, capable and representative of the local community
- o KHS achieves improved physical and mental health outcomes for the community of Framlingham and surrounding service area
- o Engage with mainstream health providers to achieve improved cultural relevance in service delivery to Aboriginal people
- o Older people of the community are supported to remain in their homes longer
- o Improve social supports, educational opportunities, employment prospects and health awareness for the young people of Framlingham and surrounding districts
- o Families are supported to stay together, make healthy lifestyle choices and to improve mental health and wellbeing
- o KHS utilises Governance, Operational and Financial Best Practices.

Our Board

Brian Davis <i>Chairperson</i> Founding Board member	Trudy Clark <i>Secretary/Public Officer</i> Founding Board member
Billy McGuinness <i>Board member</i> Appointed 2014	Geoff Clark <i>Board member</i> Appointed 2014

Structure Chart



Right : Naidoc Dancers 2014
Centre right : Naidoc Day 2014
Far Right : Framlingham Celebrates 150 Years

From the Practice Manager

2014 for Kirrae has certainly been a busy one and also very rewarding. The community have taken to the new doctor, Clare Hand, and she has been booked just as much as Phil Hall. Both doctors have been trained and receive ongoing support in using our Communicare database system, which has improved our recording and reporting capacity and ability to serve our clients.

Quality Improvement Council Accreditation – well firstly I would like to thank my staff for their support and assistance given to Paula O'Brien our HR, Quality and Compliance Coordinator, who has done a marvellous job of keeping us all on track. Not only did we pass, Kirrae actually exceeded two areas – Ensuring Cultural Safety and Appropriateness and Community and Professional Capacity Building. This was the first time we also undertook a second accreditation, working towards the Community Common Care Standards that guide our HACC program.

Meg Wareham has been employed for the last three months as our Health Program Team Leader. She has been working closely with our 3 Aboriginal Health Workers, developing some structure with the work plans and practical experience, to help us provide the services we are aiming for.

We have been working hard this year on getting service agreements with all other business and organisations we use. Kirrae connects with an enormous list of specialist services and providers.

Kirrae undertook a much needed upgrade of our IT equipment and now have two computers for community members to access when needed. They are located in the boardroom, so feel free to come and have a look.

We have been lucky enough to upgrade our doctor's consulting room so it is quite impressive and workable. We have also been organising new extensive storage for our playgroup kiddies, so they will have a lot of space to store their new equipment.

Across the year we have purchased a great sign for out the front plus a terrific noticeboard which have added to our



Nonnie Harradine • Practice Manager

facebook, website and newsletters. We are working hard on making sure we are informing the community on what is happening at Kirrae and have had some good feedback.

It was fantastic to see the Richmond Footy Club and the community all gather together earlier in the year. It was a positive day and there are great photos to mark the occasion. The event made the front cover of one of VACCHO's quarterly newsletters.

Kirrae participated in the Settlements 150th Celebration Day, where we opened the Centre and had our fishing with your mob DVD playing. Staff also volunteered serving cakes and cuppas and in manning a little tent across the road with information about Kirrae. Plenty of advertising that day! People filled out our visitor book and were pretty impressed with the community and how Kirrae operated.

The Kirrae team has worked hard achieving great goals throughout the year so I would like to take this opportunity to thank the dedicated staff who have worked tirelessly to make sure our community's health issues are being addressed. Also a big thank you to the community, your use and support of the service is what keeps Kirrae operating, helps to employ people within the community and keep us connected.

Nonnie Harradine
Practice Manager



Health Program

The Health Program has undergone some big changes this year. This began with the commencement of Dr Clare Hand visiting the service every third Thursday of the month, in addition to Dr Hall. I have come along to work at the health service as the new Health Program Team Leader, Meg Wareham, who along with the Aboriginal Health Workers, have been busy promoting the service to encourage community members to utilise our wonderful facility.

We now have Medicare up and running and are bulk billing all our clients at Dr's visits.

I am a Registered Nurse Immuniser, Women's Sexual Health & Pap Test Provider, Asthma & Respiratory Educator and am qualified to provide wound closure and suturing.

The Health Team provides a wide range of services to the community including Health Assessments & Health Screening, Chronic Disease Management Plans and transport to appointments.

We have provided Gym memberships and exercise classes for those in the community wanting to improve their health & wellbeing. Our fruit program has commenced, providing fruit for around 60 children in the community, to encourage healthy eating habits. We also go walking each Tuesday and Thursday afternoon, anyone can join in, 2pm each day, leaving from the Health Service.

The community lunches are up and running again. Billy has been providing healthy and nutritional meals for the community each fortnight, and we hope to increase this



Meg Wareham • Health Program Team Leader

to a weekly event. The feedback from the community has been positive and we are really happy with attendance numbers.

The consulting room has had a terrific face lift and some much needed storage and service areas put in.

Over the next year we will be focusing on Aboriginal Health Checks and Chronic Disease Management Plans being completed here at Kirrae Health Service. This will enable the community to better access of services and improved coordination of allied and other health services.

Meg Wareham

Health Program Team Leader



Left and Centre: Richmond Football Club visits Framlingham

Right: Walking Group

Social, Emotional and Well Being Program

From stating that the SEWB was back on track this time last year I believe that Kirrae can now safely say that it is established.

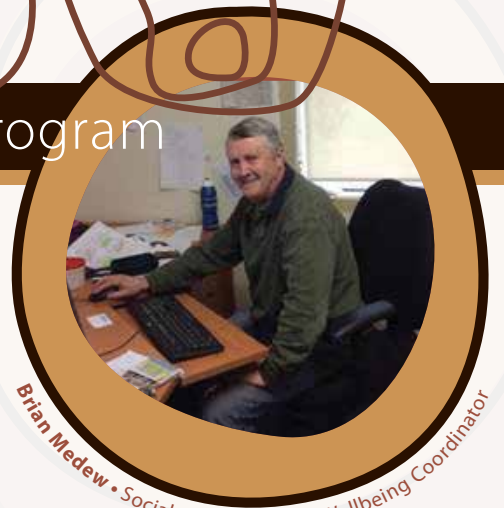
Client contact has almost tripled this financial year. Clients are coming from our community as well as referrals from outside with a variety of needs. Intervention will range from 1 -on-1 counselling, family counselling, and advocacy in the justice and education system.

One of the biggest advantages of Kirrae's approach with our SEWB program is that we cannot treat/support any person without taking into account the complexity of people's lives and the impact that this will have. Kirrae realises that the silo approach does not work, so our program is a point of difference that will continually develop and adapt. Clinical and Cultural Supervision provided by The Bouverie Centre has been regular this year and has been a great support to the program. Our relationship with Bouverie has the potential to grow with discussion around pilot programs with Kirrae in the South West in both early year's programs and training provision.

One of the big highlights for our SEWB program this year was to be invited as a guest speaker at the SEWB National Conference in Brisbane in June. It was a fantastic event and a great way to engage with other workers from across Australia and to learn from their experiences. Presenting at the conference was a great way to advocate on behalf of Kirrae Health Service and inform the delegates of our model of intervention, to which the conference delegates were very interested in.

The Program has also presented at Victorian Aboriginal Family Violence Legal Service, Brophy Family and Youth Services and Warrambool Rotary. This will be ongoing as it is a vehicle to continue to promote Kirrae Health Service.

The SEWB Program has supported and supervised a student on placement from South West TAFE (Diploma of Community Services). Joselyn has fitted in well and has had a variety of tasks on her 6 week placement. As we say at Kirrae if you want to work here you need to be adaptable and Joss has been able to do just that. To have requests to support student placement means that Kirrae Health Service is well renowned as a service provider in the South West.



Brian Medew • Social, Emotional and Wellbeing Coordinator

A great night was had on the 16th of July with the Kirrae Health Service Art Exhibition. 30 art works were displayed that showed off the amazing talents of the community. The purpose of the night was to promote the awareness of men's health and Prostate Cancer. Kirrae raised a total of \$469.00 from the art entries and fire wood raffle. This money has now been donated to the Prostate Cancer Foundation of Australia. It was a great response and a wonderful evening of people getting together to enjoy some positive stuff.

Until next year

Brian Medew

Social, Emotional and Wellbeing Coordinator



Bottom right: Kirrae Prostate Cancer Awareness Art Show 2014

Family Programs

Playgroup

Kirrae Playgroup runs every Tuesday 10am – 12.30pm. A healthy snack and lunch is provided. Children participate in a range of cultural activities including language and craft and attend outings throughout the year.

Activities this year have included medal winning Mini Olympics, a sea theme which saw us create great jelly fish, star fish, hand printed crabs and a visit to the beach to end the theme. The group made personalised wall hangers, textured Easter eggs, marshmallow printed rabbits, glow jars, beaded key rings, craft stick scare crows, had a go at block painting and stamping, flag making, boomerang drawing, clap stick making, participated in a trip cultural trip to Tower Hill, experimented with number learning, making Identity Boxes, cutting and pasting and the always fun playing with play dough and bubbles.

During the last term of Playgroup we will be learning our local Indigenous language. Joel Wright will be helping us out with it, we plan on learning the song 1,2 Buckle my Shoe. We will also be learning some animal names. Parents have already been given copies to take home to help in the learning process. Group Reading is an every session activity we do with the kids to help encourage reading.

This year we made an Information Booklet for Playgroup which can be found in our pamphlet display near reception. This has all our guidelines, expectations and general information regarding Playgroup.



Rebecca Neave • Family Programs Coordinator

Kirrae Playgroup is a member of Playgroup Victoria Koori and mainstream and is a member of the South West Playgroup Koori Network which meets every few months.

Visiting professionals

- o Virginia, our Maternal and Child Health nurse visits once a month
- o Cassie Brown, a specialist speech Therapist comes when needed
- o Wayne Harradine Koori Engagement Support Officer (Warrnambool team leader).

Playgroup has been lucky enough to be allocated funds to buy new equipment. This is going to make a difference as to how Playgroup can cater for all our children with different needs and age levels.

I would like to thank my two co-workers Kimberley and Tanaya Harradine. What wonderful, hardworking dedicated people you are, it means a lot to myself and the kiddies.



Holiday Program

Contracts continue to be signed by both children and parents at the start of each year. The Holiday Program activities are based at the Kirrae Health Service or locally for the first week with a special outing based on feedback from participants for the second week.

This program is currently undergoing a review due to lack of community participation throughout the organisation.

This is a very valuable program and it would be a shame to see it fold.

Naidoc Day

Naidoc day was an absolute beauty!!!

The day started off with Billy McGuinness reading the history of Naidoc. After house keeping was over with the activities kicked off. Activities included; Wooden snake painting, cardboard boomerang colouring, giant slide and Merry Go round, face painting by the Colour Angel, Louis the Balloon Boy doing his wonder with the balloons and the most popular of the day was Jamie & Kim's mobile Zoo. We loved the Dingo, the owl, wombat, lizards, snakes and assorted creepy crawlies! The day ended with a B.B.Q. lunch cooked by Herbie Harradine and Shane Harrison. A thank you to everyone involved and attended. It really was a great community event with 88 people attending.

Fighting for your Family

Fighting for your family has been running for 4 years to date and continues to develop and grow strong as a group of woman fighting for their families. Difficulties around communication continue to be seen as key in family misunderstandings and arguments. The regular sessions are interactive and structured to allow boundless conversations and activities to help us focus on managing change.

The program continues to grow strong relationships with Centacare in Warrnambool, particularly Lorri Chandler (my angel in disguise).

This program is open to all community members, mums, aunts, nans and nieces.

The program runs from the **Kirrae Health Service**, Wednesday fortnightly from 11am – 1pm, followed by the *Community Luncheon*.

We are looking to expand the program and start another Fighting for your Family group up next year, keep an eye on the newsletter and community board.

Rebecca Neave

Family Programs Coordinator



HACC Program

The Home and Community Care (HACC) Program provides funding for services which support older people, people with disabilities and their carers. The HACC target group encompasses 'older and frail people with moderate, severe or profound disabilities, younger people with moderate, severe or profound disabilities, and their unpaid carers.'

These services provide basic support and maintenance to people living at home and whose capacity for independent living is at risk, or who are at risk of premature or inappropriate admission to long-term residential care.

Eligibility for services is not based solely on age but on the level of difficulty a person experiences in carrying out tasks of daily living.

These services can assist in restoring people's independence at home and in the community. They complement but do not replace what people can do for themselves.

The HACC Program targets its services to those who have the greatest need. Kirrae Health Service assesses people's needs and provides information about available choices.

2014 has been a challenging year for our HACC Program with the retirement of our HACC Coordinator a few months prior to our first time HACC Accreditation process.

The accreditation against the Community Common Care Standards was a new experience for us and with a team effort by Elaine, Ann and our trusty Paula we were able to pull together the required info and I am pleased to say that we met all of the required standards except two, with the recommendations to complete those already underway.

We have recently appointed a new HACC Coordinator who will be starting on October 27. She is currently employed as an on the ground HACC worker and we look forward to her starting and helping us to keep HACC on track.



Nonnie Harradine • Practice Manager

I would like to see some changes with our Planned Activities Group (PAG) and have the PAG activities held back onsite at Kirrae with Billy McGuinness catering the lunches. I'd love to see a connection back with Elders and our young people and start the process of recording our stories in some way. It could be filmed, it could be voice recordings or perhaps the kids could listen to some stories and draw a picture to reflect what they heard. Would love to see a book or a resource created that shows our community Elders and young people connecting and learning from each other.

Over the next year we will be getting HACC to focus on working closely with the Health Team and our SEWB Coordinator to ensure any clients coming through that may be eligible for HACC services are identified. This will help to ensure all community members that are eligible, are able to gain access to services that can help them to stay in their homes and the community and live independently.

Nonnie Harradine

Practice Manager



Left : Biggest Morning Tea 2014

Centre and Above Right : CTG Day 2014

FINANCIAL REPORT

For the year ended 30 June 2014

Table of Contents

Board of management report	12
Financial report	
Statement of profit and loss	13
Statement of financial position	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to financial statements	17–25
Board of management statement	26
Independent auditors report	27–28



Above: Kirrae Health Service Inc. new directional, campus and message board signage

**KIRRAE HEALTH SERVICE INC.
A0031914E
BOARD OF MANAGEMENT REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

The Board of Management present their report on the Financial Report of Kirrae Health Service Inc. for the year ended 30 June 2014.

BOARD OF MANAGEMENT

The following persons held office as Board Members of Kirrae Health Service Inc. throughout the year and at the date of this report:

Brian Davis (Chairperson)
Trudy Clark (Secretary/Public Officer)
Billy McGuinness
Geoff Clark

OPERATING RESULT

	2014	2013
Net Profit for the Year	\$ <u>(71,437)</u>	\$ <u>(9,812)</u>

PRINCIPAL ACTIVITIES

The principal activities of the corporation during the year related to servicing the health needs of the Framlingham Aboriginal Community.

SIGNIFICANT CHANGE IN OPERATIONS

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

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Signed on behalf of the Board of Management.

Brian Davis
Name: Brian Davis
BOARD MEMBER

Billy McGuinness
Name: Billy McGuinness
BOARD MEMBER

Dated this 16th day of OCTOBER 2014

The above Statement should be read in conjunction with the Notes to the Accounts. Page 1 of 17

**KIRRAE HEALTH SERVICE INC.
A0031914E
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2014**

	<i>Note</i>	2014	2013
		\$	\$
Revenue from Operating Activities	(2)	948,000	867,914
Other Revenue	(2)	19,420	24,510
Employee Expenses	(3a)	(642,199)	(624,992)
Program Running Expenses	(3b)	(154,557)	(112,543)
Occupancy Expenses	(3e)	(27,102)	(5,984)
Administration Expenses	(3c)	(172,582)	(143,514)
		<hr/>	<hr/>
Net Result from Continuing Operations before depreciation		(29,020)	5,391
Depreciation	(3f)	(42,417)	(15,203)
		<hr/>	<hr/>
Net Result from Continuing Operations after depreciation		(71,437)	(9,812)
		<hr/>	<hr/>
Net Profit / (loss) for the Year		<u>(71,437)</u>	<u>(9,812)</u>

The above Statement should be read in conjunction with the Notes to the Accounts. Page 2 of 17

**KIRRAE HEALTH SERVICE INC.
A0031914E
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	<i>Note</i>	2014 \$	2013 \$
CURRENT ASSETS			
Cash & Cash Equivalents	(4)	595,788	761,703
Receivables	(5)	15,150	23,748
TOTAL CURRENT ASSETS		610,938	785,451
NON-CURRENT ASSETS			
Property, Plant and Equipment	(6)	213,358	71,017
TOTAL NON-CURRENT ASSETS		213,358	71,017
TOTAL ASSETS		824,296	856,468
CURRENT LIABILITIES			
Trade & Other Payables	(7)	109,175	66,127
Employee Entitlements	(8)	74,385	77,785
TOTAL CURRENT LIABILITIES		183,560	143,912
NON CURRENT LIABILITIES			
Employee Entitlements	(8)	5,735	6,118
TOTAL NON-CURRENT LIABILITIES		5,735	6,118
TOTAL LIABILITIES		189,295	150,030
NET ASSETS		635,001	706,438
EQUITY			
Accumulated Surplus	(9)	635,001	706,438
TOTAL EQUITY		635,001	706,438

The above Statement should be read in conjunction with the Notes to the Accounts Page 3 of 17

**KIRRAE HEALTH SERVICE INC.
A0031914E
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2014**

	<i>Note</i>	<i>Accumulated Surplus</i>	<i>Total</i>
			\$
Balance at 30 June 2012		716,250	716,250
Net Profit for year		(9,812)	(9,812)
Balance 30 June 2013	9	<u>706,438</u>	<u>706,438</u>
Net Profit for year	9	(71,437)	(71,437)
Balance at 30 June 2014		<u>635,001</u>	<u>635,001</u>

The above Statement should be read in conjunction with the Notes to the Accounts Page 4 of 17

**KIRRAE HEALTH SERVICE INC.
A0031914E
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	<i>Note</i>	2014 \$	2013 \$
<i>CASH FLOW FROM OPERATING ACTIVITIES</i>			
Receipts from Operating Activities		1,072,236	946,325
Interest Received		476	9,416
Payments to Suppliers and Employees		(1,053,869)	(916,660)
<i>NET CASH FLOW FROM OPERATING ACTIVITIES</i>	(10)	<u>18,843</u>	<u>39,081</u>
<i>CASH FLOW FROM INVESTING ACTIVITIES</i>			
Payment for property, plant and equipment		(184,758)	(47,934)
<i>NET CASH FLOW FROM INVESTING ACTIVITIES</i>		<u>(184,758)</u>	<u>(47,934)</u>
<i>NET DECREASE IN CASH HELD</i>		(165,915)	(8,853)
<i>CASH AT BEGINNING OF THE FINANCIAL YEAR</i>		761,703	770,556
<i>CASH AT END OF THE FINANCIAL YEAR</i>	(4)	<u><u>595,788</u></u>	<u><u>761,703</u></u>

The above Statement should be read in conjunction with the Notes to the Accounts Page 5 of 17

**KIRRAE HEALTH SERVICE INC.
A0031914E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The financial statements cover Kirrae Health Service Inc. as an individual entity, incorporated and domiciled in Australia. Kirrae Health Service Inc. is incorporated in Victoria under the *Associations Incorporations Reform Act 2012*.

Note 1: Statement of Significant Accounting Policies

The financial statements are special purpose financial statements in order to satisfy the reporting requirements of the *Associations Incorporations Reform Act 2012*. The board has determined that the association is not a reporting entity. The association is a not-for-profit entity for financial reporting purposes.

Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs and do not take into account changed money values or, except where specifically stated, current valuations of non-current assets.

a. Income Tax

The corporation is exempt from Income Tax pursuant to S.23(g)(iii) of the Income Tax Assessment Act.

b. Incorporation

Kirrae Health Service Inc. is incorporated under the *Associations Incorporations Reform Act 2012*.

c. Property, Plant and equipment

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

Plant & Equipment

Plant and equipment is measured on a cost basis less depreciation.

The carrying amount of property, plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

d. Depreciation

Assets with a cost in excess of \$300 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives using the straight-line method.

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

Motor Vehicles	up to 3 years
Computer and software	up to 3 years
Plant and equipment	up to 20 years

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

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

**KIRRAE HEALTH SERVICE INC.
A0031914E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

e. **Employee Benefits**

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Contributions are made by the association to an employee superannuation fund and are charged as expenses as incurred.

f. **Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

g. **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and investments with maturities less than three months, net of outstanding bank overdrafts.

h. **Receivables**

Debtors are carried at amount receivable. The collection of debts is assessed on an ongoing basis and specific provision is made for any doubtful accounts. Debts, which are known to be uncollectable, are written off.

i. **Revenue**

Grant Income

Grants are recognised as revenue, in accordance with AASB 1004, when the Association gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-Reciprocal grants are recognised as revenue when the grant is received or receivable.

Interest

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

Other Income

Revenue is recognised in accordance with AASB 118 Revenue. Income is recognised as revenue to the extent it is earned. Unearned Income at reporting date is reported as Income received in advance.

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

KIRRAE HEALTH SERVICE INC.
A0031914E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the Balance Sheet are shown inclusive of GST. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the Balance Sheet. The GST component of a receipt or payment is recognised on a gross basis in the Statement of Cash Flows in accordance with AASB 107 Cash Flow Statements.

k. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a

fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

KIRRAE HEALTH SERVICE INC.
A0031914E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Financial Instruments (cont'd)

are not quoted in an active market and are subsequently measured at amortised cost.

(iii) **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

l. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount normally being paid within 30 days from recognition of the liability.

m. Comparatives

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

n. Rounding of amounts

The company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report have been rounded off to the nearest \$1.

o. Economic Dependence

A significant portion of Kirrae Health Service Inc. revenue is derived from Department of Health and Department of Human Services. Kirrae Health Service Inc. is dependent on continued revenue from both services for its continued ability to carry on normal activities in its current structure. The board have no reason to believe this funding will not be ongoing.

**KIRRAE HEALTH SERVICE INC.
A0031914E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
2. REVENUE		
Department of Health & Ageing	474,410	389,238
Department of Human Services	241,031	246,207
Gunditjamara Co-operative	176,058	176,058
Other Grants	13,116	17,029
Aged Care Packages	43,385	39,382
	<u>948,000</u>	<u>867,914</u>
Other Revenue	18,944	15,094
Interest	476	9,416
	<u>19,420</u>	<u>24,510</u>
TOTAL REVENUE	<u>967,420</u>	<u>892,424</u>
3. EXPENSES		
3a. EMPLOYEE EXPENSES		
Wages	587,047	550,917
Superannuation	52,130	46,119
Provision Employee Entitlements	(3,783)	19,860
Workcover	6,805	8,096
TOTAL EMPLOYEE EXPENSES	<u>642,199</u>	<u>624,992</u>
3b. PROGRAM RUNNING EXPENSES		
Activity	28,437	31,119
Aged Care Packages Expenditure	29,478	31,227
Counselling	3,334	3,914
Elders Costs	6,170	-
Family Support	3,281	-
Funeral Costs	309	-
HACC Services	6,866	-
Meetings/Seminars/Travel/Accommodation	17,623	14,372
Pharmaceutical & Health	28,683	23,854
Playgroup	17,848	-
Training and Course Costs	12,528	8,057
TOTAL PROGRAM RUNNING EXPENSES	<u>154,557</u>	<u>112,543</u>

**KIRRAE HEALTH SERVICE INC.
A0031914E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
3c. ADMINISTRATION EXPENSES		
Advertising	5,487	2,127
Accounting	38,173	32,755
Audit	22,825	-
Bank Fees	1,491	1,083
Centre Maintenance	16,233	4,765
Computer Expenses	11,514	8,534
Finance Costs	-	25
Legal Costs	2,303	1,088
Miscellaneous	(5,833)	6,704
Office Supplies	13,062	10,162
Staff Training & Uniforms	1,673	-
Subs & Memberships	17,372	26,417
Telephone/Internet/Communication	12,642	9,478
Vehicle Costs	35,640	40,376
TOTAL ADMINISTRATION EXPENSES	<u><u>172,582</u></u>	<u><u>143,514</u></u>
3d. AUDITORS REMUNERATION		
Remuneration of the auditor of the association for:		
- Auditing the financial report	<u>13,200</u>	<u>9,060</u>
3e. OCCUPANCY EXPENSES		
Building Maintenance	1,000	-
Insurance	-	499
Leasing Charges	197	-
Rent	18,182	-
Utilities-Electricity & Gas	<u>7,723</u>	<u>5,485</u>
TOTAL ACCOMODATION EXPENSES	<u><u>27,102</u></u>	<u><u>5,984</u></u>
3f. DEPRECIATION		
Plant & Equipment	<u>42,417</u>	<u>15,203</u>
TOTAL DEPRECIATION	<u><u>42,417</u></u>	<u><u>15,203</u></u>

**KIRRAE HEALTH SERVICE INC.
A0031914E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
4. CASH & CASH EQUIVALENTS		
Petty Cash	68	137
Commonwealth Bank HACC Account	115,359	182,645
Commonwealth Bank Health Worker Account	123,465	266,229
Commonwealth Bank Program Account	89,158	46,674
Commonwealth Bank Salary Packaging Account	60	100
Commonwealth Bank Project Account	1,712	221
Commonwealth Bank Passbook Account	133,111	132,842
Commonwealth Maintenance Account	132,855	132,855
TOTAL CASH & CASH EQUIVALENTS	<u>595,788</u>	<u>761,703</u>
5. RECEIVABLES		
Accounts Receivable	15,080	7,791
Other Receivables	70	15,957
TOTAL TRADE & OTHER RECEIVABLES	<u>15,150</u>	<u>23,748</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment:	296,670	111,912
At cost	<u>(83,312)</u>	<u>(40,895)</u>
Accumulated depreciation	<u>213,358</u>	<u>71,017</u>
Total property, plant and equipment	<u>213,358</u>	<u>71,017</u>

KIRRAE HEALTH SERVICE INC.
A0031914E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2014
\$

Movements in carrying amounts

Movements in carrying amounts for plant and equipment between the beginning and the end of the current financial year:

2013	Plant & Equipment
Balance at the beginning of the year	38,286
Additions at cost	47,934
Depreciation expense	<u>(15,203)</u>
Carrying amount at end of year	<u>71,017</u>
2014	
Balance at the beginning of the year	71,017
Additions at cost	184,758
Depreciation expense	<u>(42,417)</u>
Carrying amount at end of year	<u>213,358</u>

7. PAYABLES	2014	2013
	\$	\$
Current		
Accounts Payable	70,657	45,874
GST Payable	4,965	8,846
Payroll Liabilities	14,110	11,407
Other Payables	602	-
Accruals	18,841	-
Total Current Payables	<u>109,175</u>	<u>66,127</u>

8. EMPLOYEE BENEFITS

Current		
Annual Leave	34,565	47,185
Long Service Leave	39,820	30,600
	<u>74,385</u>	<u>77,785</u>
Non Current		
Long Service Leave	5,735	6,118
Total Employee Benefits	<u>80,120</u>	<u>83,903</u>

9. ACCUMULATED SURPLUS

Retained Surplus at start of financial year	706,438	716,250
Net Result for the Year	(71,437)	(9,812)
Retained Surplus at end of financial year	<u>635,001</u>	<u>706,438</u>

**KIRRAE HEALTH SERVICE INC.
A0031914E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	\$	\$
10. RECONCILIATION OF NET CASHFLOWS FROM OPERATING ACTIVITIES TO NET RESULT		
	2014	2013
	\$	\$
Net Result for the year	(71,437)	(9,812)
Depreciation	42,417	15,203
	(29,020)	5,391
(Increase)/decrease in Receivables	8,598	(16,586)
Increase/(decrease) in Trade and other payables	43,048	30,416
Increase/(decrease) in Employee entitlements	(3,783)	19,860
NET CASH FLOWS FROM OPERATING ACTIVITIES	18,843	39,081

11. CONTINGENT LIABILITIES

During the financial year the association received correspondence from the Department of Health in relation to the potential recovery of \$186,345 of unspent grant funds for 2013/13. At this stage the association is in communication with the Department of Health in an attempt to have the funds retained within Kirrae Health Service Inc. As at 30 June 2014 no provision for the return of these monies has been reflected as a liability as the liability is contingent on continued correspondence and formal notice of recovery from the department.

12. COMMITMENT TO EXPENDITURE

As at balance date, Kirrae Health Service Inc. had no contracted capital commitments.

There was no commitments for any contracted Lease expenditure.

13. EVENTS OCCURRING AFTER BALANCE DATE

Since 30 June 2014, there have been no events that would materially effect the Financial Statements at balance date.

**KIRRAE HEALTH SERVICE INC.
A0031914E
BOARD OF MANAGEMENT STATEMENT**

In the opinion of the board of management, the financial report as set out on the preceding pages:

1. Presents a true and fair view of the financial position of Kirrae Health Service Inc. as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies outlined in Note 1 to the financial report.

2. At the date of this statement there are reasonable grounds to believe that Kirrae Health Service Inc. will be able to pay its debts as and when they fall due.

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

Brian Davis Chairman
Name: **BRIAN DAVIS**
BOARD MEMBER

Billy McGuinness
Name: **Billy McGuinness**
BOARD MEMBER

Dated this *15th* day of *October* 2014.



Independent Auditor's Report to the Members of Kirrae Health Service Inc.

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Kirrae Health Service Inc., which comprises the statement of financial position as at 30 June 2014, the statement of profit and loss, statement of changes in equity and the statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by members of the board of management.

The board members responsibility for the financial report

The board members of Kirrae Health Service Inc. are responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporations Reform Act 2012*, and is appropriate to meet the needs of the members. The board members responsibilities also includes such internal control as the officer determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

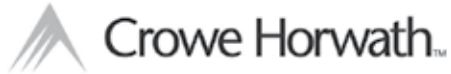
Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Crowe Horwath West Vic is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omission of financial services licensees.



Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's opinion

In our opinion, the financial report of Kirrae Health Service Inc., presents fairly, in all material respects the financial position of the Association as at 30 June 2014 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the *Associations Incorporations Reform Act 2012*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the *Associations Incorporations Reform Act 2012*. As a result, the financial report may not be suitable for another purpose.

CROWE HORWATH WEST VIC

A handwritten signature in black ink, appearing to read "Ryan Leemon".

RYAN LEEMON
Partner

Geelong, Victoria
Dated this 20th day of October 2014

Left: Playgroup **Centre:** Work Pictures **Right:** Playgroup 2014 **Bottom Right:** Biggest Morning Tea 2014
Front Cover: Richmond Football Club visits Framlingham



Annual Report 2013-14 © Kirrae Health Service Inc. 2013



Kirrae Avenue, Purnim, Vic 3278
C/o- Wangoom Post Office, Wangoom, Vic 3279
Phone: 03 5567 1270 **Fax:** 03 5567 1376 **Email:** info@kirrae.org.au

