

NORTHERN HEALTH FOUNDATION Annual Report



2019
2020



Our Vision

Supporting Northern Health is at the heart of everything we do.

Our Mission

Northern Health Foundation funds vital research, medical equipment and care for patients and families within the Northern community.

Our Values



safe

We provide safe, trusted care for our patients.
We are inclusive and culturally safe, celebrating the diversity of our staff and community.



kind

We treat everyone with kindness, respect and empathy.
We provide patient-centred and compassionate care.



together

We work together with our staff, patients, consumers and health system partners.

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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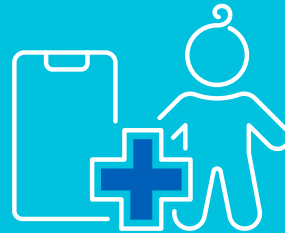
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Financial Report year ended 30 June 2020

Northern Health's care at a glance



EMERGENCY
PRESENTATIONS
105,283



PAEDIATRIC
EMERGENCY
PRESENTATIONS
21,024



AMBULANCE
ARRIVALS
34,054



HOSPITAL
ADMISSIONS
100,742



BABIES
BORN
3,444



ELECTIVE
SURGICAL
OPERATIONS
16,255



OUTPATIENT
APPOINTMENTS
233,188



PATHOLOGY TESTS
PERFORMED
999,380

CHAIR'S MESSAGE

Supporting Northern Health is at the heart of everything we do, and with the continued support of our generous donors, Northern Health Foundation has made significant progress towards funding vital research, medical equipment and care for patients and families within the northern community.

2020 has been a year like no other and we, like all other health services, have faced significant challenges and adversity. We have had to change how we operate, and adapt the way we fundraise and communicate with our stakeholders and community. We have moved face to face events online and focused our efforts on new and innovative models of fundraising.

Despite the significant challenges we have faced, I am pleased that we have distributed \$622,000 over the past 12 months to help support the work of Northern Health.

A crucial element of our success is the strong support of our community, and on behalf of the Northern Health Foundation Board, I extend my sincere thanks and gratitude to all of our supporters, donors, volunteers and Northern Health staff. Thank you for sharing our passion and commitment to improving the health of those who live in Melbourne's north.

I would also like to acknowledge Northern Health Foundation Patron, Alexander Robertson OAM and Northern Health Foundation Board Director, David Turnbull, who both passed away in early 2020. We thank them for their support and service, and extend our condolences to their loved ones.

Although there is still much work to be done, the Northern Health Foundation will continue to connect and engage with our community to build relationships and raise vital funds to ensure that Northern Health can provide the health care that our community needs now, and into the future.



A handwritten signature in black ink, reading 'John Molnar'.

John Molnar OAM

Chairman
Northern Health Foundation Board Chair

BOARD MEMBERS

John Molnar OAM, Board Chair

John Molnar OAM has practiced 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.

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 was instrumental in the establishment of the Northern Health Foundation and remains a passionate advocate of the Northern Health network and the dedicated medical 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 based 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 in 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 Maclean, Board Member

Tricia Maclean 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 profits 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 enhanced and cooked poultry products, marketed under such brands as Lalonica, Golden Farms, 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 has 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 10 years.



David Turnbull, Board Member (until October 2019)

Throughout his career, Mr Turnbull has amassed over 30 years of local government experience. Most of this time has been spent in managing growth areas where his true passion for strategic planning has been put to best use. His high standards and strong political acumen have earned him the respect of all levels of government, councillors, and the development industry.

David Turnbull sadly passed away in March 2020. Our thoughts and condolences are with his family, and we thank him for his service.



ABOUT THE NORTHERN HEALTH FOUNDATION

Northern Health Foundation was established in 2005 to increase the philanthropic, corporate and community support for Northern Health, the key provider of acute, sub-acute and ambulatory specialist services in Melbourne's northern region.

The northern community is located in one of Victoria's most significant growth corridors and our local population is estimated to grow by an additional 228,000 people by 2031.

The Northern Health catchment encompasses the rapidly expanding local government areas of Banyule, Darebin, Hume, Nillumbik, Whittlesea and Moreland. Our community is exceptionally diverse, with 185 countries of origin speaking more than 118 different languages.

Northern Health Foundation is committed to raising vital funds to support the purchase of life-saving equipment, capital works, research and training.

Our vision at Northern Health is to create a healthier northern community, and our key challenge now and in the years ahead, will be to continue to provide accessible, quality care to meet the varied and growing needs of our dynamic and diverse community.



OUR ACHIEVEMENTS

Restarting hearts in a huge fundraising achievement

Through the combined efforts of donors, business partners, local businesses and the community at large, over \$300,000 has been raised to purchase defibrillators for Northern Health.

The fundraising campaign focused on raising money to support upgrades to 60 defibrillators across our services. Whilst early CPR is crucial in the event of a cardiac arrest, defibrillators are ultimately what is needed to restart your heart. It is important these are readily accessible and easy to use for our staff.

The state of the art upgrade means that we have the latest models and best equipment consistently across our services, whilst also ensuring staff are trained on the same machines throughout our organisation.



Major fundraising appeal – EBUS

A major focus for Northern Health Foundation in 2020 is fundraising for the introduction of an Endobronchial Ultrasound (EBUS) service to enable us to diagnose patients, particularly those with suspected lung cancer, from the point of referral and initiate an optimal care plan immediately.

A Northern Health EBUS service will alleviate the need for patients in the northern community, and some regional areas of Victoria, to be referred to alternate health services for diagnosis. The use of EBUS provides real time images of the lymph nodes via the trachea or wind pipe and is able to take a biopsy is considered best practice care for

the diagnosis and staging of lung cancer, and is currently not available at Northern Health.

The introduction of this service is critical to reducing patient wait times for lung cancer stage diagnosis and commencement of appropriate treatment pathway. The current wait time for Northern Health patients requiring EBUS Diagnosis is four to six weeks, as our patients are currently referred to other health services for these tests.

In the 2019-20 financial year, \$279,164 was raised towards this campaign, with the aim of fundraising \$487,000 to purchase this vital equipment.

Foundation Chair John Molnar OAM receives Order of Australia Medal

Northern Health Foundation Chair John Molnar was awarded an Order of Australia Medal in the 2020 Australian Honours announced on Australia Day. John received the award in recognition of his support and services to charitable organisations, including Northern Health Foundation.

The award is a significant recognition of John's contribution to Northern Health and the vital work of the Northern Health Foundation. As many of John's family came from around the northern suburbs, it has always been important for him to continue to be involved by supporting Northern Health in continually improving the health services for the local community.

“This honour actually reflects less on my efforts and more on the hard work of others involved with the charitable organisations I have tried to support – my thanks in particular to those patrons, supporters and staff who have worked so hard for the Northern Health Foundation,” John Molnar said.

Grand opening of emergency accommodation for patient families

On 24 July 2019, Northern Health Foundation hosted the grand opening of the emergency accommodation for families of patients who need to travel long distances to visit their loved ones receiving care at Northern Hospital Epping. The three bedroom house in Wollert is fully equipped with amenities and items for families to feel comfortable during their stay, with no direct cost to the families of patients.

Over 1,000 patients travel in excess of 80 kilometres each year to seek treatment at Northern Hospital Epping.

This accommodation aims to lessen the burden on the families of patients in our care by providing a home near the hospital.

2019 Northern Health Foundation Major Raffle

The Northern Health Foundation Major Raffle, drawn in December 2019, had ticket holders gathered in anticipation in Northern Hospital foyer to find out who would be the winner of a brand new Hyundai Kona.

The Kona was on display in the foyer for the last few months of the year, creating a lot of buzz and excitement – and Christmas came early for one lucky person! The winner of the car was Ivanna Panopoulos, graduate nurse at Northern Hospital's Intensive Care Unit.

A special thank you to the dedicated volunteers who spent many hours selling tickets across our sites.



Supporting research through PHD scholarships

Northern Health Foundation raises funds to support ground breaking 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 within the northern community.

Natali Cvetanovska and Julie Wang are two recipients of PhD scholarships that will support the Foundation's vision of helping improve the health outcomes of our northern community.

Natali's research will focus on helping patients at Northern Health to improve their understanding of health information and improve their health literacy, while Julie's focuses on prospective serial evaluation of new bio-markers of Thrombosis in patients with newly diagnosed venous thromboembolism.

Small research grants

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

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

In 2019-20, six projects were selected by the Northern Health Research Grant and Scholarship Committee for funding based in the areas of surgery, orthopaedics, intensive care, physiotherapy and respiratory medicine.

In the 2019-20 financial year, Northern Health Foundation awarded six small research grants to Northern Health staff.

Our Events

Northern Health Foundation Thank You Event

On Wednesday, 19 February 2020, Northern Health Foundation hosted the annual Thank You Evening, to celebrate and thank our wonderful donors for their ongoing support.

Through the amazing support from the community, our recent Defibrillator Campaign raised over \$300,000 to purchase state-of-the art defibrillators for all Northern Health sites, along with implementing many other improvements and upgrades across the health service.

The event was an opportunity for Northern Health Foundation to celebrate the previous year's achievements, and formally thank our generous supporters, patrons, corporate partners, dedicated volunteers, Northern Health staff and everyone who has contributed towards our fundraising efforts through donations, grants and support at our events.

Northern Health Foundation Board Chair, John Molnar, also paid tribute to the late Alexander Robertson who, together with his family, have been supporting Northern Health for over 20 years, since Northern Hospital first opened. We extend our sympathies to his family.

Northern Health Foundation Annual Dinner

On Saturday, 26 October 2019, Northern Health Foundation hosted their 80's themed Annual Dinner, raising funds for defibrillators across Northern Health.

Held at Casa D'Abruzzo Club in Epping, the event raised an impressive \$95,000 to support the purchase defibrillators across our four campuses. Hosted by iconic Australian pop group, The Chantoozies, guests enjoyed drinks, a three course meal and plenty of prizes with a raffle, balloon pop and live and silent auctions.

The event was a huge success, with guests dressing in theme and taking to the dancefloor in a night of fundraising and merriment.

We thank Casa D'Abruzzo for their ongoing support and for sponsoring this event.

Josie Minniti's Fundraising Dinner Dance

In 2019, Josie Minniti OAM, held her annual Fundraising Dinner Dance, once again raising money for Northern Health cancer services. The sold out event was a major success raising over \$20,000 on the night. Funds raised purchased two treatment chairs and a defibrillator for day oncology and helped support the purchase of a further scalp cooling machine for Craigieburn Centre.

In March 2020, Northern Health hosted the Minister for Health and Ambulance Services, for a 'topping out' ceremony of stage 2 of the Northern Hospital Epping expansion. To mark stage 2 works, local fundraising champion, Josie Minniti OAM, was honoured with the naming of the crane at the site.

Josie has been fundraising for over 20 years and has raised an amazing \$700,000 for cancer services in Melbourne's north, and was also presented with a certificate to acknowledge her tireless fundraising efforts.





Bev Carman's Oaks Day Luncheon

Bev Carman, Patron and long-standing Northern Health Foundation supporter, hosted her tenth annual Oaks Day Luncheon in November 2019.

Guests celebrated Oaks Day in true form with Kilmore Trackside awash with colour for a day of music, dancing, food and fashion. This event is an important one for Bev as it means she can continue to support Cancer Services, a cause that is close to her heart. Over \$7,000 was raised at the luncheon, which has supported the purchase of a scalp cooling machine for Northern Health.

Trudi Hay's High Tea

Trudi Hay, Patron and Foundation Board Member, has been a dedicated supporter of our cancer services for over ten years, and held her annual High Tea event at Mandalay Golf Course in October 2019.

The highly anticipated and regarded event welcomed over 70 guests and raised over \$10,000. A highlight of the event was hearing the words of patient advocate and guest speaker, Shane Pope, as he shared his wife's breast cancer journey and how the scalp cooling machine supported her during her treatment.



OUR VOLUNTEERS

Prior to COVID-19, Northern Health's team of 365 dedicated and enthusiastic volunteers were an active part of the Northern Health Foundation team, providing assistance with fundraising initiatives and fundraising for items themselves through various groups and initiatives.

Along with fundraising roles, they also play a significant role throughout Northern Health, greeting visitors as they enter the hospital, helping with way-finding, visiting patients at their bedsides, cuddling babies, reading stories to children in the Children's Ward and offering tea and coffee to patients and visitors.

Volunteer fundraising through Knitting Guild sales and volunteer raffles and stalls have enabled the purchase of items such as a Bariatric Transport Chair for the Renal Unit, a custom built staircase for the Physiotherapy Unit, four Dyson fans for the Respiratory and Renal Units and some Roho Cushions.



The Busy Fingers Auxiliary fundraising, totalling \$17,000, was used to purchase four defibrillators, portable weighing scales for ceiling hoists, two Sara Stedys, a medication refrigerator, chair scales, chair re-upholstering, phone holders for our fleet vehicles and six foam cushions.

Bundoora Centre engaged local schools to help in brightening the day of our patients. Loyola, Parade, Santa Maria and Greensborough College, Northside Christian College and St Damien's Primary School were all involved in some way to enhance the patients experiences.

Children have sung songs, participated in social support activities including craft and gardening and have made gifts for the patients. Northern Hospital Epping had students from William Ruthven Secondary College who

helped out each Friday for several months. This helped them to develop confidence and learn new skills and we benefited from their youthful enthusiasm and insights. Our relationship with the Whittlesea City Salvation Army Craft Group has continued to flourish.



Volunteers have provided a range of in-kind support since 2017 for several of our departments and have now extended their support to the Foundation. They make rugs for Ian Brand Nursing Home and for our Palliative Care Unit patients, drainage bags and hats for our oncology unit, Christmas gifts and word puzzles for residents, prem-baby packs for our neonatal unit and have contributed a significant amount of masks for our mask project. The Red Cross have also continued to support our service by knitting over 500 trauma teddies for our hospital volunteers to distribute to offer comfort to our young patients.

In mid-March 2020, the volunteers were unable to assist on site due to the COVID-19 pandemic. This was particularly challenging for our volunteers and the Volunteer Services team directed all their energy to help keep our volunteers well at home.

The volunteers are eagerly awaiting their eventual return to Northern Health and we can't wait to welcome them back when it is safe to do so.

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

Ak Behal
Alexander Robertson AM
Am Behal
Australian Hotels Association (Victoria)
K Tran
Paul Wheelton AM
Y Gupta

PATRONS

Bev Carman
Josie Minniti OAM
Trudi Hay

COMMUNITY EVENTS COMMITTEE

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

SCHOLARSHIP PARTNERS

Alexander Robertson
Healthcare Imaging Services
Riverlee

ACADEMIC PARTNERS

La Trobe University
RMIT
University of Melbourne

CORPORATE PARTNERS

ALH Group
Automotive Lease Packaging Pty Ltd
BankVic
Casa D'Abruzzo Club
Drums Hotel
Eziway
First State Super/Aware Super
GFP Studios
Health Professionals Bank
Henry's Cafe
ISS Facilities Services
Maxxia
Turosi Food Solutions Group

CORPORATE SUPPORTERS

Cockram
1 Lucky Lotto Pty Ltd
13CABS
AJL Fundraising Group
Belinay Curtains & Blinds
Chirnside Park Fresh Food Pty Ltd
Core Projects
Costco – Corporate Supporters
Defries Industries
eConnect Plus
Epping Plaza Hotel
FDC Constructions
Honbach Pty Ltd
ISS Facility Services
Jet Couriers
Kane Construction Pty Ltd
Kensington Lodge 77
Kowen Group Pty Ltd
Mandalay Golf Course
Mantra Epping
McDonalds Australia Ltd
McMullin Nominees Pty Ltd
Melbourne Market Authority
North Western Breast Cancer Support Group
Pacific Epping
Quest Apartments – Epping
Regional Health Care Group
Roxburgh Park Hotel
Scunci Hair Accessories
That's Amore Cheese
The Melbourne Greyhound Racing
Tonlean Pty Ltd
Wilson Security
Wright Contracting Pty Ltd

PHILANTHROPIC PARTNERS

Collier Charitable Fund
Dry July Foundation
Freemasons Foundation Victoria Ltd
Lord Mayor's Charitable Fund
Muriel & Les Batten Foundation
Riverlee Foundation
The Angior Family Foundation
Tobin Brothers Foundation
Turosi Giving

COMMUNITY GROUPS

Australian Macedonian Romano Inc Group
BAPS
Betty Basics
Bundoora Park Ladies Golf Club
Busy Fingers
Epping Football & Netball Club
Glenroy RSL
Grill'd South Morang
Harcourts Real Estate
Thomastown-Epping
iFly Melbourne
Knitting Guild - Epping
Lalor Bowling Club
Lalor North Secondary College
Lions Club of Glenroy
Lions Club of Heidelberg-Warringal
Lions Club of Northcote
Lions Club of Reservoir
Lions District 201 v1-4
Lions Foundation
Nelson Alexander Foundation
Northern Health Knitting Guild
Northern Health Volunteers
Northside Christian College
NZ-Aus Punjabi Cultural Association
San Padre Pio Association
Soxy Beast
St Catherine's Catholic Primary School
The Furniture Trader
The Meadows
The Northern Breast Cancer Support Group
The Salvation Army Whittlesea City Corps
Uppababy

Northern Health Research, Training and
Equipment Foundation Limited

ACN 103 911 673 (A company Limited by Guarantee)

FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2020

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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 2020.

The directors of the Company at any time during the financial year are:

Mr John Molnar (Chair)

Mr John Molnar has practiced 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. 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. John was instrumental in the establishment of the Northern Health Foundation and 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 Pina Di Donato is the Marketing Manager at Turosi Pty Ltd, a national food manufacturer with the head office based 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.

Professor Peter Brooks

Peter Brooks AM MD FRACP is Research Leader Northern Health Melbourne and has Professorial appointments in the Centre for Health Policy, School of Population and Global Health and the School of Medicine University of Melbourne. 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 has 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. 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 and inspirational 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 Trudi Hay is a Director of Lately Pty Ltd, shareholder of Greencor Sales Pty Ltd, EA to the Director of Core Projects as well as Northern Health Foundation's Community Events Committee Chair. Trudi 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. Trudi has been a long-time supporter of the Northern Hospital, specifically fundraising for Day Oncology for over ten years.

Ms Tricia Maclean

Ms Tricia Maclean is a Director of Riverlee, a family owned diversified property and investment group with commercial, residential and retail projects across Australia. Tricia 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 Tricia Maclean holds a Bachelor of Commerce (Accounting and Finance) from Monash University and a Graduate Diploma in Applied Finance and Investment.

Mr Peter McWilliam

Mr Peter McWilliam brings with him 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. Peter served as a General Manager and Company Director within the organisation and its subsidiary Paramount Plastics (Aust.) for 30 years, 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 in 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. Since retiring in 2010, Peter has focused on sharing his business acumen and skills to benefit health services in the northern Melbourne area.

Mr David Turnbull

Mr David Turnbull was the CEO of Mitchell Shire Council, one of the fastest growing councils in Australia. Throughout his career, Mr Turnbull amassed over 30 years of local government experience. Most of this time was spent in managing growth areas where his true passion for strategic planning has been put to best use. His high standards and strong political acumen earned him the respect of all levels of government, councillors, and the development industry. In recognition of his significant contribution to leadership in relation to the Victorian bushfires, Mr Turnbull received a Special Commendation in the Executive Section SACS Leadership in Government, 2009 Awards. Mr Turnbull passed away in March 2020.

Mr Christopher Turner

Mr Chris Turner recently retired as the Chief Executive Officer for Turosi Pty Ltd. With operations located in Victoria, New South Wales and Queensland, Turosi is a paddock to plate poultry operation producing a large range of raw and value enhanced poultry products, as well as an extensive range of par-cooked and fully cooked food solutions for retail, foodservice and the QSR sector, marketed under brands such as La Ionica, Golden Farms, Bannockburn Free Range and Colonial farm. Mr Turner has a wealth of experience running large fully integrated poultry operations from milling/farming, processing to sales and marketing. He 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:
 - Achieving growth and sustainability in fundraising revenue; and
 - Improving donor care, and trying new approaches to provide more effective and efficient ways of fundraising.
- b) Long Term:
 - Enhancing 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 Northern Health Research, Training and Equipment Trust. The Company is dormant and does not trade.

Meetings of Directors

There were four meetings of Directors held during the year ended 30 June 2020. 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	4
Mr Peter Copp	2	2
Ms Trudi Hay	4	4
Ms Tricia Maclean	4	4
Mr Peter McWilliam	4	4
Mr David Turnbull**	3	-
Mr Christopher Turner	4	3

* This is the number of meetings held during the time the director held office during the period.

** Mr Turnbull was granted a Leave of Absence at the August 2019 Board meeting. Mr Turnbull passed away in March 2020.

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 (2019: nil).

Membership

The Company has eight individual members. All members are in the same class. Each member of the Company is liable to contribute an amount not exceeding \$5 (\$40 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

20 August 2020
Epping



Pina Di Donato
Director

20 August 2020
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 2020, 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
25 August 2020

Travis Derricott
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 2020 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 2020 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

20 August 2020
Epping



Pina Di Donato
Director

20 August 2020
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 2020 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 2020 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>
Other Information	<p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>

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 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.

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.

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.



MELBOURNE
25 August 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement
for the financial year ended 30 June 2020

The Company did not trade in the current financial year or the prior financial year. Therefore the profit/loss from ordinary activities was nil (2019: Nil).

This statement should be read in conjunction with the accompanying notes on pages 14 to 17.

Balance Sheet
as at 30 June 2020

The Company is limited by guarantee. Therefore there is no contributed share capital as at 30 June 2020.

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 17.

Statement of Changes in Equity
for the financial year ended 30 June 2020

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 2020.

This statement should be read in conjunction with the accompanying notes on pages 14 to 17.

Cash Flow Statement
for the financial year ended 30 June 2020

The Company did not trade in the current financial year or the prior financial year. Therefore, the cash flow from activities was nil (2019: Nil).

This statement should be read in conjunction with the accompanying notes on pages 14 to 17.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

Notes to Financial Statements

Note 1 Summary of significant accounting policies

Statement of compliance

These financial statements are general-purpose financial statements 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.

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.

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.

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 Northern Health Research, Training and Equipment Foundation Trust ("the Foundation").

The registered office of the Company is:

Northern Hospital
185 Cooper Street
Epping, Victoria 3076

Basis of accounting preparation and measurement

These financial statements are a general-purpose financial report that has been prepared in accordance with the *Corporations Act 2001*.

These annual financial statements represent the audited general purpose financial statements for the Company for the year ended 30 June 2020. The financial statements provide users with information about the Company's stewardship of resources entrusted to it, in its capacity as corporate trustee.

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 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

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 on a going concern basis.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

Member's Guarantee

The Company has eight (2019: eight) individual members. Each member is liable to contribute an amount not exceeding \$5 (2019: \$5) or \$40 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.

Net Assets of the Foundation not recorded in the financial statements of the Company were:

	2020	2019
	\$	\$
Current assets		
Cash and cash equivalents	1,086,121	719,186
Other financial assets	500,000	500,000
Receivables	73,575	122,798
Total current assets	1,659,696	1,341,984
Non-current assets		
Property, plant and equipment	450,350	458,000
Total non-current assets	450,350	458,000
Total assets	2,110,046	1,799,984
Current liabilities		
Payables	57,500	7,349
Total current liabilities	57,500	7,349
Total liabilities	57,500	7,349
NET ASSETS	2,052,546	1,792,635

The assets of the Foundation as at 30 June 2020 of \$2.053 million (2019: \$1.793 million) were sufficient to discharge all liabilities of the Foundation as at 30 June 2020 and 2019.

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 2020 (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

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)	01/07/2019 – 30/06/2020
Ms Pina Di Donato (Deputy Chair)	01/07/2019 – 30/06/2020
Mr Peter Brooks	01/07/2019 – 30/06/2020
Mr Peter Copp	20/02/2020 – 30/06/2020
Ms Trudi Hay	01/07/2019 – 30/06/2020
Ms Tricia Maclean	01/07/2019 – 30/06/2020
Mr Peter McWilliam	01/07/2019 – 30/06/2020
Mr David Turnbull	01/07/2019 – 30/03/2020
Mr Christopher Turner	01/07/2019 – 30/06/2020

Accountable Officer

Mr Andrew Williamson	01/07/2019 – 30/06/2020
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The governing board receive no remuneration in connection with their roles. The accountable officer is paid by Northern Health and 20% 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.

	2020	2019
	\$	\$
Distribution of funds by the Trust	622,553	390,806
Net receivable as at 30 June	13,695	76,623

4.3 Remuneration of auditors

Audit fees are paid by the Foundation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

4.4 Events occurring after balance date

The COVID-19 pandemic has created 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 responses by government continue to evolve, management recognises that 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. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place.

No other matters or circumstances 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 2020

Annual Financial Report for the Financial Year Ended 30 June 2020

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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 2020 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

20 August 2020
Epping



Pina Di Donato
Director of Trustee

20 August 2020
Epping

Independent Auditor's Report

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

Opinion	<p>I have audited the financial report of Northern Health Research, Training and Equipment Trust (the trust) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • 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. <p>In my opinion the financial report is in accordance with Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the trust as at 30 June 2020 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</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 trust in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</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 Australia. 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>
Trustee's responsibilities for the financial report	<p>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 <i>Australian Charities and Not-for-profits Commission Act 2012</i>, 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.</p> <p>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.</p>
Other Information	<p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>

**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.



MELBOURNE
25 August 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

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 2020, 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
25 August 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

**Comprehensive Operating Statement
for the Financial Year Ended 30 June 2020**

	Note	2020 \$	2019 \$
Income			
Fundraising income	2.1	1,067,500	1,062,442
Other income	2.1	615,657	584,350
Interest income	2.1	25,072	20,642
Total income		1,708,229	1,667,434
Expenses			
Operating expenses	3.1	(757,077)	(751,109)
Non-operating expenses	3.1	(60,038)	(90,996)
Distributions	3.1	(622,553)	(390,806)
Depreciation	4.3	(7,650)	(3,832)
Total expenses		(1,447,318)	(1,236,743)
Net result from transactions		259,911	430,691
Other economic flows	3.2	(1,000)	(11,236)
NET RESULT FOR THE YEAR		259,911	419,455
Other comprehensive income	4.2.2	-	120,250
COMPREHENSIVE RESULT FOR THE YEAR		259,911	539,705

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

NORTHERN HEALTH RESEARCH, TRAINING AND EQUIPMENT TRUST
2020 ANNUAL FINANCIAL REPORT

Balance Sheet
as at 30 June 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	6.1	1,086,121	719,186
Other financial assets	4.1	500,000	500,000
Receivables	5.1	73,575	122,798
Total current assets		1,659,696	1,341,984
Non-current assets			
Property, plant and equipment	4.2.1	450,350	458,000
Total non-current assets		450,350	458,000
Total assets		2,110,046	1,799,984
Current liabilities			
Payables	5.2	57,500	7,349
Total current liabilities		57,500	7,349
Total liabilities		57,500	7,349
NET ASSETS		2,052,546	1,792,635
Equity			
Settled sum		20	20
Accumulated surplus	8.1	1,932,276	1,672,365
Property, plant and equipment revaluation surplus	4.2.5	120,250	120,250
TOTAL EQUITY		2,052,546	1,792,635

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

Statement of Changes in Equity
for the Financial Year Ended 30 June 2020

		Property, plant and equipment revaluation		
	Settled sum	surplus	Accumulated surplus	Total
Note	\$	\$	\$	\$
Balance at 1 July 2018	20	-	1,252,910	1,252,930
Net result for the year	-	-	419,455	419,455
Other comprehensive income	4.2.5	120,250	-	120,250
Balance at 30 June 2019	20	120,250	1,672,365	1,792,635
Net result for the year	-	-	259,911	259,911
Other comprehensive income	-	-	-	-
Balance at 30 June 2020	20	120,250	1,932,276	2,052,546

This statement should be read in conjunction with the accompanying notes

NORTHERN HEALTH RESEARCH, TRAINING AND EQUIPMENT TRUST
2020 ANNUAL FINANCIAL REPORT

Cash Flow Statement
for the Financial Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Receipts			
Donations, bequests and grants		876,402	905,127
Other income		191,097	400,402
Interest received		25,072	20,642
		1,092,571	1,326,171
Payments			
Payments to suppliers and distributions		(764,635)	(995,218)
Net cash inflow / (outflow) from operating activities	8.2	327,936	330,953
Investing activities			
Purchase of property, plant and equipment		-	(20,492)
Receipt of refundable deposit		39,000	
Net cash inflow / (outflow) from investing activities		39,000	(20,492)
Net increase / (decrease) in cash held		366,936	310,461
Cash and cash equivalents at the beginning of the year		719,186	408,725
Cash and cash equivalents at the end of the year	6.1	1,086,121	719,186

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

NORTHERN HEALTH RESEARCH, TRAINING AND EQUIPMENT TRUST
2020 ANNUAL FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

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 2020. 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); which includes other interpretations and mandatory professional requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and *Regulations 2013* (ACNC). 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 Directors of the Trustee Company on 20 August 2020.

b) Reporting entity

The registered office of the trustee company and the trust is:

Northern Hospital
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 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

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 other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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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 AASBs 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) New or amended accounting standards adopted

A number of new accounting standards came into effect on 1 July 2019, in particular *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities*. There were no impacts on financial performance or position associated with the adoption of the new accounting standards.

f) COVID-19 considerations

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19. A state of disaster was subsequently declared on 2 August 2020. To contain the spread of the virus and to prioritise the health and safety of communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including the Foundation. The challenging economic environment has resulted in reduced opportunities for the Foundation to generate income from bequests, donations, government and philanthropic grants and sponsorships. For further details regarding the impact which COVID-19 has had on the Foundation's adopted accounting treatment, refer to Note 4.2 Property, plant and equipment.

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

	2020	2019
	\$	\$
Donations and bequests	876,402	905,127
Other fundraising income	191,098	157,315
Total fundraising income	1,067,500	1,062,442
Interest	25,072	20,642
Salaries and wages in-kind contribution	615,657	584,350
Total other income	640,729	584,350
TOTAL INCOME	1,708,229	1,667,434

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Revenue 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

	2020	2019
	\$	\$
Salaries and wages recharge	615,657	584,350
Marketing and event costs	141,420	166,759
Total operating expenses	757,077	751,109
Advertising and recruitment	3,150	1,973
Housing costs	1,685	17,472
Administrative expenses	55,203	71,551
Total non-operating expenses	60,038	90,996
Capital distributions to Northern Health	457,538	303,328
Other distributions to Northern Health	75,582	37,478
Distributions to external parties	89,433	50,000
Total distributions	622,553	390,806
TOTAL EXPENSES	1,439,668	1,232,911

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

	2020	2019
	\$	\$
Net gain/(loss) on financial instruments at fair value		
Allowance for impairment losses of contractual receivables	1,000	11,236
TOTAL	1,000	11,236

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.

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

Initial recognition

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

Revaluation of non-current physical assets

Non-current physical assets are subsequently measured at fair value and are revalued in accordance with FRD 103H *Non-Current Physical Assets*. This revaluation process normally occurs every five years, based upon the asset's Classification of the Functions of Government category, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are 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.

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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 Financial Reporting Direction (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 103H, in the year ended 30 June 2020, 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 2020.

The VGV indices, which are based on data to March 2020, indicated there was no movement in the land parcel held by the Foundation, and an increase of 2.5% in buildings. 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 2020, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

As the accumulative movement was less than 10% for land and buildings no managerial revaluation was required.

The land and building balances are considered to be sensitive to market conditions. To trigger a managerial revaluation, a decrease in the land index of 10% and a decrease in the building index of up to 12.5% would be required.

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.

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

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.

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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.

As noted earlier, the Foundation has undertaken a managerial evaluation of land and buildings in accordance with *Financial Reporting Direction 103H: Non-Financial Physical Assets*. The managerial revaluation did not result in any changes to the carrying value of the land and buildings.

4.2.1 Gross carrying amount and accumulated depreciation

	2020	2019
	\$	\$
Land at fair value	152,000	152,000
Total buildings	152,000	152,000
Buildings at fair value	306,000	306,000
Accumulated depreciation	(7,650)	-
Total buildings	298,350	306,000
TOTAL	450,350	458,000

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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 2018	136,672	-	184,418	321,090
Additions	-	16,660	-	16,660
Transfer between classes		184,418	(184,418)	-
Revaluation increment/(decrement)	15,328	104,922	-	120,250
Balance at 1 July 2019	152,000	306,000	-	458,000
Depreciation		(7,650)		(7,650)
Balance at 30 June 2020	152,000	298,350	-	450,350

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 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	-

	Carrying amount as at 30 June 2019	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	306,000	-	306,000	-
Total buildings	458,000	-	458,000	-

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	2020 \$	2019 \$
Property, plant and equipment revaluation surplus			
Balance at the beginning of the reporting period		120,250	-
Revaluation increment			
Land	4.2.2	-	15,328
Buildings	4.2.2	-	104,922
Balance at the end of the reporting period		120,250	120,250
Represented by:			
Land		15,328	15,328
Buildings		104,922	104,922
Total		120,250	120,250

4.3 Depreciation

	2020 \$	2019 \$
Depreciation		
Buildings	7,650	3,832
TOTAL	7,650	3,832

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 Assets and liabilities

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

5.1 Receivables

	2020	2019
	\$	\$
Contractual		
Receivables	73,572	83,798
Refundable deposit	-	39,000
Total contractual receivables	73,572	122,798
Statutory		
GST receivable	3	-
Total statutory receivables	3	-
TOTAL RECEIVABLES	73,575	122,798

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; and
- 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.

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5.2 Payables

	2020	2019
	\$	\$
Contractual		
Payables	51,000	-
Accrued expenses	6,500	7,175
Total contractual payables	57,500	7,175
Statutory		
GST payable	-	174
Total statutory payables	-	174
TOTAL PAYABLES	57,500	7,349

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

	2020	2019
	\$	\$
Cash on hand	150	150
Cash in bank	1,085,971	719,036
TOTAL	1,086,121	719,186

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:

2020

Contractual financial assets

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Cash and cash equivalents	1,086,121	-	1,086,121
Receivables	73,752	-	71,195
Other financial assets	500,000	-	500,000
Total financial assets	1,659,693	-	1,657,316

Financial liabilities

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

2019

Contractual financial assets

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Cash and cash equivalents	719,186	-	719,186
Receivables	122,798	-	122,798
Other financial assets	500,000	-	500,000
Total financial assets	1,341,984	-	1,341,984

Financial liabilities

Payables	-	7,175	7,175
Total financial liabilities	-	7,175	7,175

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.

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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.

The Foundation recognises the following assets in this category:

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

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 2020			30 June 2019		
	Less Than 1 Month	3 Months - 1 Year	Total	Less Than 1 Month	3 Months - 1 Year	Total
	\$	\$	\$	\$	\$	\$
Contractual financial liabilities						
Contractual payables	57,500	-	57,500	7,175	-	7,175
Total contractual financial liabilities	57,500	-	57,500	7,175	-	7,175

7.1.3 Contractual receivables at amortised costs

30 June 2020	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	73,752	-	-	-	-	73,752
Loss allowance	-	-	-	-	-	-
1 July 2019						
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	83,798	-	-	39,000	-	122,798
Loss allowance	-	-	-	-	-	-

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 opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as disclosed above. There was no impact of the change in AASB 9 for the Foundation.

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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.

7.2 Contingent assets and liabilities

As at 30 June 2020 the Foundation does not have any contingent assets or liabilities.

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

	2020	2019
	\$	\$
Accumulated surplus		
Opening Balance	1,672,365	1,252,910
Net result for the year	259,911	419,455
TOTAL ACCUMULATED SURPLUS	1,932,276	1,672,365

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

	2020	2019
	\$	\$
Net result for the year	259,911	419,455
Depreciation	7,650	3,832
Change in operating assets and liabilities		
(Increase) / decrease in receivables	12,411	(74,860)
Increase / (decrease) in payables	47,964	(17,474)
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	327,936	330,953

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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)	01/07/2019 – 30/06/2020
Ms Pina Di Donato (Deputy Chair)	01/07/2019 – 30/06/2020
Mr Peter Brooks	01/07/2019 – 30/06/2020
Mr Peter Copp	20/02/2020 – 30/06/2020
Ms Trudi Hay	01/07/2019 – 30/06/2020
Ms Tricia Maclean	01/07/2019 – 30/06/2020
Mr Peter McWilliam	01/07/2019 – 30/06/2020
Mr David Turnbull	01/07/2019 – 30/03/2020*
Mr Christopher Turner	01/07/2019 – 30/06/2020
Accountable Officer	
Mr Andrew Williamson	01/07/2019 – 30/06/2020

* Mr Turnbull was granted a Leave of Absence at the August 2019 Board meeting. Mr Turnbull passed away in March 2020.

The governing board did not receive any remuneration in connection with their roles. The Accountable Officer is paid by Northern Health and 20% is allocated to the Foundation as an in-kind contribution within the range \$50,000-\$59,000 (2019: range \$50,000-\$59,000). There are no Executives for the Foundation.

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.

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 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 (2019: Nil).

8.5 Remuneration of auditors

	2020	2019
	\$	\$
Victorian Auditor-General's Office audit fees	6,800	6,500
TOTAL	6,800	6,500

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8.6 Events occurring after balance date

The COVID-19 pandemic has created 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 responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Foundation, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place.

No other 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

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises the Foundation of their applicability and early adoption where applicable.

As at 30 June 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. The Foundation has not and does not intend to adopt these standards early.

Standard	Summary	Effective Date	Expected Impact
<i>AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material</i>	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	No impact
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.	1 January 2023	No impact

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2019/20 reporting period (as listed below):

- AASB 17 Insurance Contracts.
- AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).
- AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business.
- AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework.
- AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform.

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- AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements
- AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.
- AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.

In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

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