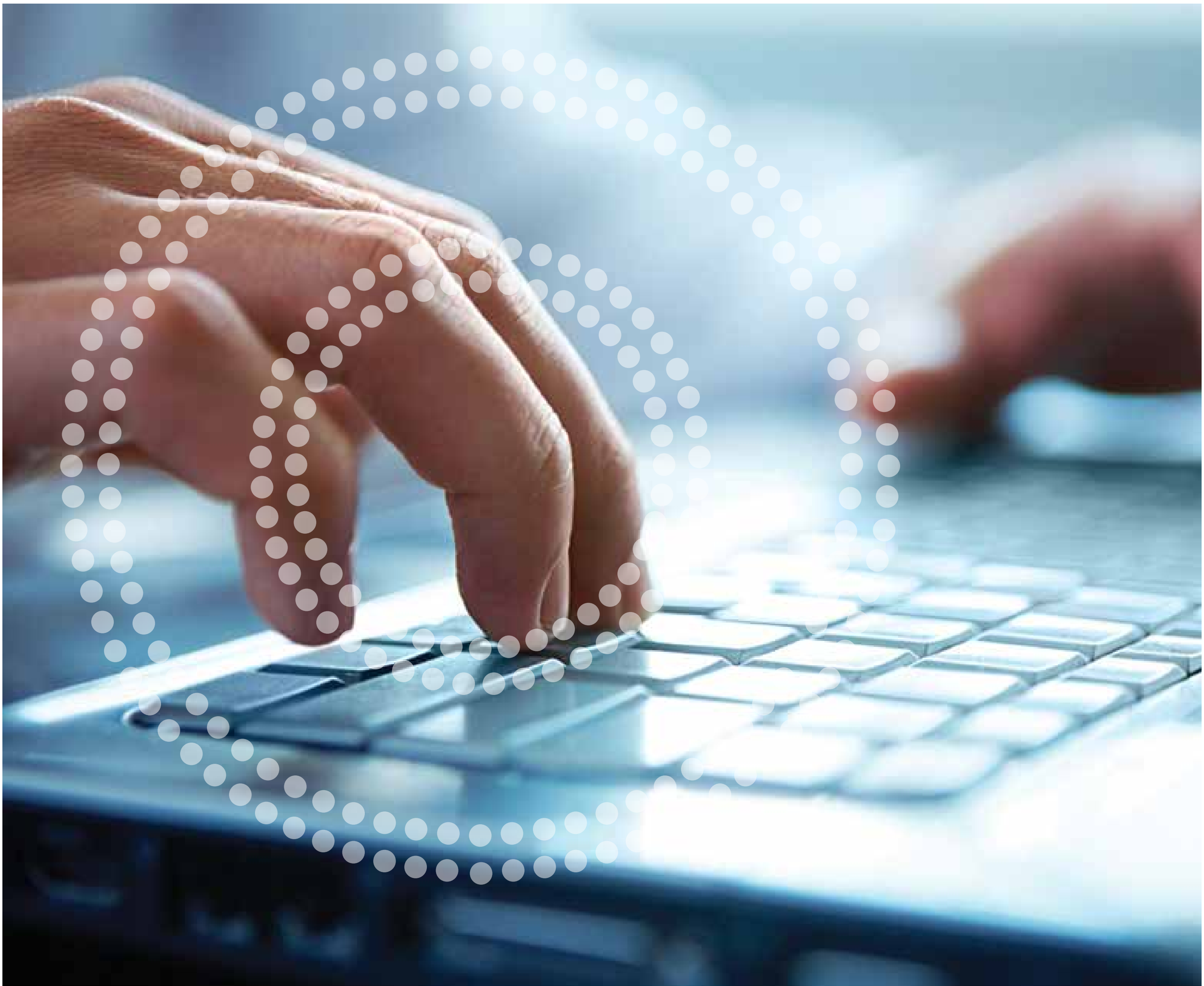

FINANCIAL REPORT CONTENTS 2019-2020

DIRECTORS' REPORT

AHCSA Board of Directors submit the financial report of the Aboriginal Health Council of South Australia Limited for the period 1 July 2019 to 30 June 2020.

Board of Directors

Full voting membership of the Aboriginal Health Council of South Australia Limited (the 'Company') is made up of ten independently constituted Aboriginal community controlled health services and two Aboriginal community controlled substance misuse services.

From 1 July 2019 to 27 November 2019:

Polly Sumner-Dodd (Chairperson)
Independent Chair

Gwenda Owen
Pangula Mannamurna Aboriginal Corporation

Vacant
Aboriginal Sobriety Group

Vicki Holmes (Deputy Chairperson)
Nunkuwarrin Yunti of South Australia Inc

Jamie Nyaningu
Nganampa Health Council

Wilhelmine Lieberwirth (Treasurer)
Nunyara Aboriginal Health Service Inc

Roderick Day
Tullawon Health Service

Leeroy Bilney
Ceduna Koonibba Aboriginal Health Service Aboriginal Corporation

Maxine Jackson (to 24/10/2019)
Pika Wiya Health Service Aboriginal Corporation

Ernest Warrior (to 31/07/2019)
Umoona Tjutagku Health Service Aboriginal Corporation

Vicki Hartman
Moorundi Aboriginal Community Controlled Health Service

Hilary Williams
Oak Valley (Maralinga) Aboriginal Corporation

David Dudley (Secretary)
Port Lincoln Aboriginal Health Service

From 28 November 2019 to 30 June 2020:

Polly Sumner-Dodd (Chairperson)
Independent Chair

Vicki Holmes (Deputy Chairperson)
Nunkuwarrin Yunti of South Australia Inc

Wilhelmine Lieberwirth (Treasurer)
Nunyara Aboriginal Health Service Inc

David Dudley (Secretary)
Port Lincoln Aboriginal Health Service

Jamie Nyaningu
Nganampa Health Council

Rosney Snell (from 05/02/2020)
Aboriginal Sobriety Group

Roderick Day
Tullawon Health Service

Leeroy Bilney (to 30/01/2020)
Kristy Richards (from 19/06/2020)
Yadu Health Aboriginal Corporation

Reginald Reid (from 28/05/2020)
Pika Wiya Health Service Aboriginal Corporation

Gary Crombie
Umoona Tjutagku Health Service Aboriginal Corporation

Vicki Hartman
Moorundi Aboriginal Community Controlled Health Service

Gwenda Owen
Pangula Mannamurna Aboriginal Corporation

Hilary Williams
Oak Valley (Maralinga) Aboriginal Corporation

Principal Activities

The Aboriginal Health Council of SA Limited (the ‘Company’) is the peak body representing Aboriginal community controlled health and substance misuse services in South Australia.

Since the review process and reincorporation as an independent community controlled organisation in September 2001, full-time equivalent Secretariat positions have risen to 38.

The role of the Secretariat is to provide support to the Company’s Board of Directors, its standing and sub-committees and to manage the day-to-day operations of the Company.

The key activities of the Company’s Secretariat during this period included:

- Appointment of new staff to the Company’s Secretariat
- Reviewing operational policies and procedures
- Supporting the Members to review the AHCSA Constitution
- Supporting the Members of the Executive and Full Board of Directors
- Collaboration with other agencies on research and other projects
- Advocating on behalf of individuals and groups in relation to Aboriginal health matters
- Responding on behalf of the Board on reviews and reports at State and National levels
- Developing strategies to support the ongoing quality and future of Aboriginal Health Worker training and workforce development issues
- Regularly updating the Company’s website
- Visiting Aboriginal communities and Member organisations
- Participating on the Executive and Management Committee of the South Australian Aboriginal Health Partnership
- Prepare for reaccreditation through Quality Innovation Performance (QIP) and accreditation through the Australian Health Practitioner Regulation Agency
- Providing administration support and facilitation to the Aboriginal Primary Health Care Workers Forum
- Provide administration and facilitation support to the Aboriginal Health Research Ethics Committee
- Responding to requests for information from students and other members of the public
- Presenting information about the organisation to various State and National forums

Financial Summary

The following Financial Statements and Notes presented in this report have been prepared on an accrual basis with the accompanying notes providing related party information.

Signficant Changes

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had minimal financial impact on the Corporation up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and any economic stimulus that may be provided.There were no other significant changes that occurred during the year.

Operating Result

In the 2019-2020 financial year, AHCSA posts a statutory surplus of $815,688 (2019: $224,028). There were no abnormal items.

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

Polly Sumner-Dodd
Director

Vicki Anne Holmes
Director

Signed at Adelaide, SA this 12th day of October 2020.

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue			
Grant revenue	2	8,704,573	8,969,272
Other revenues	2	322,839	374,071
TOTAL REVENUE		**9,027,412**	**9,343,343**
Expenses			
Employee benefits expenses		4,653,885	4,599,680
Goods and Services expenses	3	3,235,747	4,275,019
Depreciation expenses	3	254,794	163,417
Amortisation on intangibles	9	67,298	81,199
TOTAL EXPENSES		**8,211,724**	**9,119,315**
Total profit for the year		**815,688**	**224,028**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gains/(losses) on revaluation of land and buildings	15	-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		815,688	224,028
Total profit attributable to members of the entity		815,688	224,028
Total comprehensive income attributable to members of the entity		**815,688**	**224,028**

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 $	2019 $
CURRENT ASSETS			
Cash and Cash Equivalents	4	2,383,777	881,892
Trade and Other Receivables	5	413,595	1,014,174
Other Current Assets	6	62,395	71,079
TOTAL CURRENT ASSETS		**2,859,767**	**1,967,145**
NON-CURRENT ASSETS			
Plant and equipment	7	7,365,983	7,475,554
Right-of-Use Asset	8	137,192	-
Intangibles	9	69,455	117,175
TOTAL NON-CURRENT ASSETS		**7,572,630**	**7,592,729**
TOTAL ASSETS		**10,432,397**	**9,559,874**
CURRENT LIABILITIES			
Trade and Other Payables	10	1,622,843	1,698,823
Employee Benefits	11	571,084	336,624
Borrowings	12	4,022,974	138,934
Lease Liabilities	13	81,473	-
TOTAL CURRENT LIABILITIES		**6,298,374**	**2,174,381**
NON-CURRENT LIABILITIES			
Employee Benefits	11	88,570	236,493
Long Term Loan	12	-	3,958,619
Lease Liabilities	13	43,045	-
TOTAL NON-CURRENT LIABILITIES		**131,615**	**4,195,112**
TOTAL LIABILITIES		**6,429,989**	**6,369,493**
NET ASSETS		**4,002,408**	**3,190,381**
EQUITY			
Asset Revaluation Surplus	15	1,623,312	1,623,312
Retained Earnings		2,379,096	1,567,069
TOTAL EQUITY		**4,002,408**	**3,190,381**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Retained Earnings $	Asset Revaluation Surplus $	Total $
Balance at 30 June 2018		**1,343,041**	**1,623,312**	**2,966,353**
Net profit for the year		224,028	-	224,028
Other comprehensive income/(loss: Revaluation Increment/(Decrement)		-	-	-
Balance at 30 June 2019		**1,567,069**	**1,623,312**	**3,190,381**
Adjustment on adoption of AASB 16 *Leases*	1(t)	(3,662)	-	(3,662)
Net profit for the year		815,688	-	815,688
Other comprehensive income/(loss: Revaluation Increment/(Decrement)	15	-	-	-
Balance at 30 June 2020		**2,379,096**	**1,623,312**	**4,002,408**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
CASH FLOW FROM OPERATING ACTIVITIES			
Grant & other receipts		9,838,145	9,595,489
Cash payments in the course of operations		(8,080,557)	(8,987,501)
Interest received		12	57
Net cash provided by operating activities		1,757,600	608,045
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment & intangibles		(62,017)	(188,419)
Receipts from disposal of plant and equipment		-	-
Net cash used in investing activities		(62,017)	(188,419)
CASH FLOWS FROM FINANCING ACTIVITIES			
CBA Assets Finance		(25,367)	(35,250)
Payments for lease liabilities		(119,119)	-
Long Term Loan		(49,212)	(99,287)
Net cash provided by/(used in) financing activities		(193,698)	(134,537)
NET INCREASE IN CASH HELD		1,501,885	285,089
Cash at the beginning of the financial year		881,892	596,803
CASH AT THE END OF THE FINANCIAL YEAR	4	2,383,777	881,892

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Aboriginal Health Council of South Australia Limited ("the Company") is a company limited by guarantee under the Corporations Act.

(a) Basis of Preparation

The Aboriginal Health Council of South Australia Limited ("the Company') applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profits Commission Act 2012 and the Company Corporations Act 2001. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the 12th day of October 2020 by the directors of the Company.

(b) Property, Plant and Equipment

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in the other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in the other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings and plant and equipment that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(b) Property, Plant and Equipment (Cont)

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

(c) Depreciation & Amortisation

The depreciable amount for all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated/amortised on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are made prospectively in current and future periods only.

The depreciation and amortisation rates used for each class of depreciable asset are:

Leasehold Improvements	10%
Medical Equipment	10%
Computing Equipment	14% - 33%
Other Plant and Equipment	10% - 20%
Software	40%
Artwork	0%
RTO	20% - 40%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(e) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's obligation for short-term employee benefits such as wages, salaries, annual leave and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for the other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service, and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occurs.

The Company’s obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(g) Revenue and Other Income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(g) Revenue and Other Income (Cont)

The Company receives non-reciprocal contributions of assets from the Government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

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

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

All revenue is stated net of the amount of goods and services tax (GST).

(h) Taxation

No provision for income tax has been raised as the Company is exempt from Income Tax under Div 50 of the Income Tax Assessment Act 1997.

(i) Trade and other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to note 1(o) for further discussion on the determination of impairment losses.

Included in trade receivables at the end of the reporting period is an amount receivable from sales made to a major customer in a prior year amounting to $680,000. While there is inherent uncertainty in relation to the payment of the entire amount, the debtor has offered to pay $154,969 of the $680,000 owing, therefore a provision for doubtful debt has been made for $525,061.

(j) Intangible assets

Intangible assets are initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Intangible assets have an estimated useful life between one and three years. It is assessed annually for impairment.

(k) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amount required to settle the obligation a the end of the reporting period.

(l) Trade and other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 60 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(m) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(n) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extend that impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(o) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(o) Financial Instruments (Cont)

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(o) Financial Instruments (Cont)

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

The Company recognised a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company used the following approaches to impairment, as applicable under AASB 9:

- the simplified approach

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(o) Financial Instruments (Cont)

Simplified Approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(p) Comparative Figures

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

(q) Critical Accounting Estimates and Judgements

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

(r) Economic Dependence

The Company is dependent on the Federal and State Government Departments for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Departments will not continue to support the Company.

(s) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

"Fair Value" is the price the company would receive to sell an asset or would have to pay transfer a liability in an orderly transaction between independent, knowledgeable and willing market participles at the measurement date.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(t) New and Amended Accounting Standards Adopted by the Company

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption

The Directors have assessed that the application of AASB 15 and AASB 1058 has had minimal effect on the accounting and reporting practices of the Corporation and a corresponding insignificant impact on the Corporation's operating results for the year ended 30 June 2020. There is no material difference in the results of the Corporation between applying AASB 15 and AASB 1058 and AASB 118. No adjustments were deemed necessary to the opening balance of equity at 1 July 2019. A classification change occurred which resulted in Grants Received in Advance now being classified as Contract Liability in line with wording used in AASB 15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(t) New and Amended Accounting Standards Adopted by the Company (Cont)

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

Financial Statement Area	**1 July 2019**
Right-of-Use Assets	127,622
Lease Liability (Current)	68,926
Lease Liability (Non-Current)	62,358
Net Impact on opening retained earnings	(3,662)

When adopting AASB 16 from 1 July 2019, the consolidated entity has applied the following practical expedients:

- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.

(u) New Accounting Standards and Interpretations Not Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Corporation for the annual reporting period ended 30 June 2020. The Corporation has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 - REVENUE	**2020 $**	**2019 $**
Revenue from contracts with customers		
Grant Revenue:		
State Government Grant Revenue	1,807,062	1,908,427
Commonwealth Grant Revenue	4,853,601	4,327,987
Commonwealth DEEWR Grant	352,465	204,041
Other Grants	1,691,445	2,528,817
Total Grant Revenue	8,704,573	8,969,272
Other Revenue:		
Interest	12	57
Other	322,827	374,014
Total Other Revenue	322,839	374,071
TOTAL REVENUE	9,027,412	9,343,343

NOTE 3 - EXPENSES	**2020 $**	**2019 $**
Employee benefits expense:		
Contributions to defined contribution superannuation funds	390,632	393,137
	390,632	393,137
Goods and Services expenditure recorded in the Statement of Comprehensive Income comprises:		
Advertising	3,130	9,087
Bank Fees and Interest	193,207	215,113
Bad and Doubtful Debts	253,061	-
Computing	107,551	170,946
Consultancy	218,609	110,669
Contract Cleaning	59,425	68,212
Contractors, Agency Staff and Salary Recharges	566,589	1,377,626
Donations and Ex Gratia Payments	77,113	27,550
Electricity	71,082	69,526
External Auditors Remuneration	13,000	7,800
Fee for Service	100,000	93,182
Insurance	61,617	60,024
Interest expense - lease liability	10,839	-
Membership - professional	84,573	38,167
Minor Equipment	-	251
Motor Vehicle Expense	26,202	134,201
Newsletter, Publicity and Promotions	50,519	87,827
Office Administration and Corporate Expenses	308,475	393,983
Periodicals, Journals & Publications	20,577	46,993
Postage & Courier	6,170	9,347
Printing & Stationery	21,055	52,855
Rental Expense on Operating Lease	-	2,572
Repairs, Maintenance and Occupancy Costs	28,140	75,936
Security Service	5,093	4,440
Training & Development	231,768	350,858
Travel Expenses	654,815	793,845
Telephone	63,137	74,009
	3,235,747	4,275,019
Depreciation expense comprises:		
Depreciation - property, plant & equipment	152,010	163,417
Depreciation - right-of-use asset	102,784	-
	254,794	163,417

NOTE 4 - CASH AND CASH EQUIVALENTS	**Note**	**2020 $**	**2019 $**
Cash at bank		2,380,777	878,892
Cash on hand		3,000	3,000
	18	2,383,777	881,892

The Company has secured a $200,000 overdraft facility with the Commonwealth Bank to be used as a working capital. It is secured by First Registered Mortgage by Aboriginal Health Council of South Australia Ltd over non-residential real property located at 220 Franklin Street, Adelaide SA.

NOTE 5 - TRADE AND OTHER RECEIVABLES	**Note**	**2020 $**	**2019 $**
CURRENT			
Grant funding receivable		938,656	1,286,174
Other receivables		-	-
		938,656	1,286,174
Less: Provision for Impairment		(525,061)	(272,000)
	18	413,595	1,014,174

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5 - TRADE AND OTHER RECEIVABLES (CONT)

The Company's normal credit term is 30 days.

The Company's writes off a trade receivable when there is available information that the debtor is in severe financial difficulty and there is no realistic likelihood of recovery, e.g when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, which occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

a) Movement in the provision for impairment of receivables is as follows:

	$
Provision for impairment as at 30 June 2018	272,000
Charge for the year	-
Written off	-
Provision for impairment as at 30 June 2019	272,000
Charge for the year	253,061
Written off	-
Provision for impairment as at 30 June 2020	525,061

NOTE 6 - OTHER CURRENT ASSETS

	2020 $	2019 $
CURRENT		
Prepayments	62,395	66,879
Deposit - Artwork	-	4,200
	62,395	71,079

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	2020 $	2019 $
Computer equipment at cost	575,824	552,116
Less: Accumulated depreciation	(536,895)	(473,826)
	38,929	78,290
Medical Equipment at cost	292,423	292,423
Less: Accumulated depreciation	(243,373)	(235,037)
	49,050	57,386
Other Plant and equipment at cost	610,292	595,761
Less: Accumulated depreciation	(412,056)	(372,768)
	198,236	222,993
Artwork at cost	49,338	45,138
Land at independent valuation 2017	5,500,000	5,500,000
Building at independent valuation 2017	1,550,000	1,550,000
Building at Cost	102,677	102,677
Less: Accumulated depreciation	(122,247)	(80,930)
	1,530,429	1,571,746
	7,030,429	7,071,746
	7,365,983	7,475,554

An independent valuation of the above land and building was undertaken on 4 July 2017 by Michael Schwarz (B Bus Property Valuation AAPI, Certified Practicing Valuer).

The independent valuer assessed the value to be $7,050,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT (CONT)

Reconciliation
Reconciliations of the carrying amounts for each class of asset are set out below:

	Computing Equipment $	Medical Equipment $	Other Plant & Equipment $	Artwork $	Land and Building at independent valuation $	Total $
Balance at 30 June 2019	78,290	57,386	222,993	45,138	7,071,746	7,475,554
Additions	23,708	-	14,531	4,200	-	42,439
Revaluation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation expense	(63,069)	(8,336)	(39,288)	-	(41,317)	(152,010)
Carrying amount at 30 June 2020	38,929	49,050	198,236	49,338	7,030,429	7,365,983

The Company has a market rate loan for $3,995,312 with the Commonwealth Bank for the purchase of land and building located at 220 Franklin Street, Adelaide SA. The loan is secured by a first registered mortgage by the Aboriginal Health Council of South Australia Ltd over the property.

NOTE 8 - Right-of-Use Assets

	2020 $	2019 $
Right-of-use assets	327,145	-
Less: Accumulated depreciation	(220,471)	-
	137,192	-

NOTE 9 - Intangible Assets

	2020 $	2019 $
Computer software at cost	851,038	831,460
Less: Accumulated amortisation	(781,583)	(726,115)
	69,455	105,345
RTO-Training Resources	505,225	505,225
Less: Accumulated Amortisation	(505,225)	(493,395)
	-	11,830
	69,455	117,175

Reconciliation
Reconciliations of the carrying amounts for each class of asset are set out below:

	Computer Software $	RTO Training Resources	Total $
Balance at 30 June 2019	105,345	11,830	117,175
Additions	19,578	-	19,578
Revaluation	-	-	-
Disposals	-	-	-
Amortisation expense	(55,468)	(11,830)	(67,298)
Carrying amount at 30 June 2020	69,455	-	69,455

NOTE 10 - TRADE AND OTHER PAYABLES

	Note	2020 $	2019 $
Current			
Trade Creditors and Accruals		381,616	920,824
Contract Liabilities - Unspent Grants		1,241,227	778,000
		1,622,843	1,698,824

(a) Financial Liabilities at amortised cost classified as trade and other payables

	Note	2020 $	2019 $
Trade & Other Payables:			
- Total Current		1,622,843	1,698,824
- Total Non-Current		-	-
		1,622,843	1,698,824
Less: Other Payables (Net Amount of GST Payable)		(1,241,227)	(778,000)
Financial Liabilities as Trade & Other Payables	18	381,616	920,824

NOTE 11 - EMPLOYEE BENEFITS

	2020 $	2019 $
Current		
Annual Leave	282,423	233,715
Long service leave	231,313	69,105
Superannuation and Workers Compensation On-Costs	57,348	33,804
	571,084	336,624
Non-current		
Long Service Leave	79,676	212,744
Superannuation and Workers Compensation On-Costs	8,894	23,749
	88,570	236,493
Total Employee Benefits	659,654	573,117

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11 - EMPLOYEE BENEFITS (CONT)

Reconciliation of Provision Movement
Reconciliations of the provision for employee benefits are set out below:

		Employee Benefits
Opening balance at 1 July 2019	*Annual Leave and Long Service Leave*	573,117
Additional provisions raised during the year		473,083
Amounts used during the year		(386,546)
Closing balance at 30 June 2020	*Annual Leave and Long Service Leave*	659,654

NOTE 12 - Secured Loans	**Note**	**2020 $**	**2019 $**
Assets Finance			
Current			
CBA Assets Finance 1		-	-
CBA Assets Finance 2		27,661	34,716
Total		**27,661**	**34,716**
Non-Current			
CBA Assets Finance 2		-	18,312
Total		**-**	**18,312**
Total Secured Loans		**27,661**	**53,028**

The Company entered into a three year and a five year assets finance arrangement with the Commonwealth Bank of Australia to finance its equipment needs including, ICT, elevator and audio visuals.

	Note	2020 $	2019 $
Bank Loans			
Current Loan		3,995,313	104,218
Non-Current Loan		-	3,940,306
Total		**3,995,313**	**4,044,524**
Borrowings			
Current Loan		4,022,974	138,934
Non-Current Loan		-	3,958,619
Total Borrowings	18	**4,022,974**	**4,097,553**

The Market Rate Loan was obtained for the purpose of purchasing a commercial property located at 220 Franklin Street, Adelaide, SA. This is an interest only facility for a period of three (3) years. The facility matures on 1 October 2020. The loan repayment will be renegotiated at maturity.

NOTE 13 - Lease Liabilities	**2020 $**	**2019 $**
Assets Finance		
Current		
Lease Liability	81,473	-
Total	**81,473**	**-**
Non-Current		
Lease Liability	43,045	-
Total	**43,045**	**-**
Total Lease Liabilities	**124,518**	**-**

NOTE 14 - COMMITMENTS	**2020 $**	**2019 $**
(a) Operating Lease Commitments		
Motor Vehicle	-	89,587
Office Equipment	-	66,524
Total Operating Lease Commitments	-	156,111
Operating Lease Commitments are payable:		
- not later than 1 year	-	53,863
- later than 1 year but not later than 5 years	-	102,248
Total Operating Lease Commitments	-	156,111

Operating Lease commitments are shown at GST inclusive values. The adoption of AASB 16 as at 1 July 2019 meant that operating leases were transferred to the balance sheet as a lease liability and corresponding right-of-use asset.

(b) Capital Expenditure Commitments

There were no capital commitments as at 30 June 2020 (2019: Nil)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15 - RESERVES

Asset Revaluation Reserve
The asset revaluation surplus records changes in the fair value property, plant and equipment.

Analysis of items in other comprehensive income	2020 $	2019 $
Opening Revaluation Reserve	1,623,312	1,623,312
Movement in Revaluation Reserve	-	-
Closing Revaluation Reserve	1,623,312	1,623,312

The property was revalued to $7,050,000 as at 4 July 2017. The loss on revaluation reserve was debited to the asset revaluation reserve. Decreases in the fair value arising on the revaluation of land and buildings are debited to the asset revaluation reserve. Increases that offset previous decreases of the same asset are recognised against the asset revaluation reserve.

NOTE 16 - RELATED PARTY DISCLOSURES

Board of Management
The Board of Management for the year ended 30 June 2020 comprised:

Shane Mohor
Polly Sumner-Dodd (Chairperson)
Vicki Holmes
Wilhelmine Lieberwith
David Dudley
Jamie Nyaningu
Rosney Snell
Roderick Day
Kristy Richards
Reginald Reid
Gary Crombie
Vicki Hartman
Gwenda Owen
Hilary Williams

The Chairperson of the Company is paid an honorarium. The amount is determined by decision of the Board. No other member of the Board received remuneration from the Company in their capacity as member in relation to the year ended 30 June 2020. No other entity that the above members are associated with has received funds other than through dealings with the Company in the ordinary course of business and on normal commercial terms and conditions.

	2020 $	2019 $
Total remuneration received by Board Members	15,000	15,000
Number of Board Members receiving remuneration	1	1

Key Management Personnel Compensation

	2020	2019
Short Term Benefit	766,031	630,977
Post Employment Benefit	116,178	107,213
Total Compensation	882,209	738,190

NOTE 17 - CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2020 (2019: Nil)

NOTE 18 - FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts payable and receivable. The Company does not have any derivative financial instruments as at 30 June 2020.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements are as follows:

	Note	2020 $	2019 $
Financial Assets			
Financial Assets at amortised cost			
Cash and cash equivalents	4	2,383,777	881,892
Loans and receivables	5	413,595	1,014,174
		2,797,372	1,896,066
Financial Liabilities			
Financial Liabilities at amortised cost			
Trade and other payables	10	381,616	920,824
Borrowings	12	4,022,974	4,097,553
Lease liabilities	13	124,518	-
		4,529,108	5,018,377

Refer to Note 19 for detailed disclosures regarding the fair value measurement of company's financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 19 - FAIR VALUE MEASUREMENTS

Fair value estimation
The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position.

	Note	2020		2019	
Financial Assets		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at amortised cost					
Cash and cash equivalents	4	2,383,777	2,383,777	881,892	881,892
Loans and receivables	5	413,595	413,595	1,014,174	1,014,174
		2,797,372	2,797,372	1,896,066	1,896,066
Financial Liabilities					
Financial Liabilities at amortised cost					
Trade and other payables	10	381,615	381,615	920,824	920,824
Borrowings	12	4,022,974	4,022,974	4,097,553	4,097,553
Lease liabilities	13	108,853	108,853	-	-
		4,513,442	4,513,442	5,018,377	5,018,377

Non Financial Assets
The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	Note	2020		2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Non financial assets					
Land and Buildings	7	7,030,430	7,030,429	7,071,746	7,071,746
		7,030,430	7,030,429	7,071,746	7,071,746
Revaluation Decrement		-	-	-	-

(i) For freehold land and buildings, the fair values are based on directors' valuation taking into account an external independent valuation, performed on 4 July 2017, which used comparable market data for similar properties.

NOTE 20 - COMPANY DETAILS

The registered office and principal place of business for the Company is:

Aboriginal Health Council of SA Limited (Limited by Guarantee)
220 Franklin Street, Adelaide SA 5000

NOTE 21 - EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had minimal financial impact on the Corporation up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and any economic stimulus that may be provided.

There were no other events after the reporting period (2019: nil).

STATEMENT BY THE BOARD OF DIRECTORS

The Directors of the Company declare that, in the Directors' opinion:

1. The financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
   a. Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
   b. Give a true and fair view of the financial position of the Company as at 30 June 2020 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Polly Sumner-Dodd
Director

Vicki Anne Holmes
Director

Signed at Adelaide, SA this 12th day of October 2020.

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD MEMBERS OF THE ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LTD

Opinion

We have audited the financial report of the Aboriginal Health Council of South Australia Ltd, which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Aboriginal Health Council of South Australia Ltd, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012;* including:

(i) giving a true and fair view of the entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The members are responsible for the other information. The other information comprises the information in the Aboriginal Health Council of South Australia Ltd's annual report for the year ended 30 June 2020 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT
TO THE BOARD MEMBERS OF THE ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LTD (CONT)

Other information (cont)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Members' responsibility for the financial report

The members of the Aboriginal Health Council of South Australia Ltd are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

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

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Nexia Edwards Marshall

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD MEMBERS OF THE ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LTD (CONT)

Auditor's responsibility for the audit of the financial report (cont)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the directors' 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity 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.

We 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 we identify during our audit.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants

Noel Clifford

Noel Clifford
Partner

Adelaide
South Australia

12 October 2020

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Nexia Edwards Marshall

AUDITOR'S INDEPENDENCE DECLARATION
TO THE BOARD MEMBERS OF THE ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LTD

In accordance with the requirements of subdivision 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012,* I declare that, to the best of my knowledge and belief, during the audit of the Aboriginal Health Council of South Australia Ltd for the year ended 30 June 2020 there have been no contraventions of the independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* in relation to the audit.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants

Noel Clifford

Noel Clifford
Partner

Adelaide
South Australia

12 October 2020

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