

**ABORIGINAL HEALTH COUNCIL OF
SOUTH AUSTRALIA LTD**

AUDITED FINANCIAL REPORTS

FOR THE YEAR ENDED 30 JUNE 2021

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

DIRECTORS' REPORT

AHCSA Board of Directors submit the financial report of the Aboriginal Health Council of South Australia Limited for the period 1 July 2020 to 30 June 2021.

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 2020 to 30 November 2020:

Polly Sumner-Dodd (Chairperson)

Independent Chair

Vicki Holmes (Deputy Chairperson)

Nunkuwarnin Yunti of SA Inc.

Wilhelmine Lieberwirth (Treasurer)

Nunyarra Aboriginal Health Service Inc.

David Dudley (Secretary)

Port Lincoln Aboriginal Health Service

Jamie Nyaningu

Nganampa Health Council

Rosney Snell

Aboriginal Sobriety Group

Roderick Day

Tullawon Health Service

Kristy Richards

Yadu Health Aboriginal Corporation

Reginald Reid

Pika Wiya Health Service Aboriginal Corporation

Gary Crombie

Umoona Tjutagku Health Service Aboriginal Corporation

Vicki Hartman (to October 2020) Darryl Cameron (from November 2020)

Moorundi Aboriginal Community Controlled Health Service

Hilary Williams (to August 2020)

Oak Valley (Maralinga) Aboriginal Corporation

Gwen Owen (to August 2020) Sharen A'Hang (from October 2020)

Pangula Mannamurna Aboriginal Corporation

From 1 December 2020 to 30 June 2021:

Polly Sumner-Dodd (Chairperson)

Independent Chair

Vicki Holmes (Deputy Chairperson)

Nunkuwarnin Yunti of South Australia Inc

Wilhelmine Lieberwirth (Executive Board Director)

Nunyarra Aboriginal Health Service Inc.

David Dudley (Secretary)

Port Lincoln Aboriginal Health Service

Jamie Nyaningu

Nganampa Health Council

Basil Sumner (from March 2021)

Aboriginal Sobriety Group

Roderick Day

Tullawon Health Service

Kristy Richards

Yadu Health Aboriginal Corporation

Reginald Reid (to March 2021)

Pika Wiya Health Service Aboriginal Corporation

Gary Crombie

Umoona Tjutagku Health Service Aboriginal Corporation

Darryl Cameron (Treasurer from April 2021)

Moorundi Aboriginal Community Controlled Health Service

Hilary Williams (to August 2020)

Oak Valley (Maralinga) Aboriginal Corporation

Sharen A'Hang (to March 2021) Kenneth Medcraft (from March 2021)

Pangula Mannamurna Aboriginal Corporation

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

DIRECTORS' REPORT

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 47.

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
- Regularly updating the Company's website
- Reviewing operational policies and procedures
- Visiting Aboriginal Communities and Member Organisations
- Supporting the members of the Executive and Full Board of Directors
- Prepare for reaccreditation through the Quality Innovation Performance (QIP) and accreditation through the Australian Health Practitioner
- Collaboration with other agencies on research and other projects
- Presenting information about the organisation to various State and National forums
- Advocating on behalf of Members and Aboriginal Communities in relation to Aboriginal health matters
- Provide administration and facilitation support to the Aboriginal Health Research Ethics Committee
- Responding on behalf of the Board on reviews and reports at State and National levels
- Responding to requests for information from students and other members of the public
- Developing strategies to support the ongoing quality and future of Aboriginal Health Worker training and workforce development issues
- Working with Members and Stakeholders to respond to the COVID-19 Pandemic

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. AHCSA continues to outsource the payroll function to Hood Sweeney.

Significant Changes

During the financial year, AHCSA continued to work with and support Members and Stakeholders during the ongoing (COVID-19) pandemic. Whilst the impact of the pandemic is ongoing, the financial impact on the Organisation has been positive with there being an additional injection of funds to assist with the COVID-19 vaccination rollout and virus awareness. Building on its achievements for the 2021 financial year, AHCSA will continue to advocate and support the Community and its Members.

There were no other significant changes that occurred during the year.

Operating Result

In the 2020-2021 financial year, AHCSA posts a statutory surplus of \$2,316,406 (2020: \$815,688) . 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 25th day of November 2021.

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue			
Grant revenue	2	9,995,333	8,704,573
Other revenues	2	399,430	322,839
TOTAL REVENUE		10,394,763	9,027,412
Expenses			
Employee benefits expenses	3	5,144,791	4,653,884
Goods and services expenses	3	2,689,482	3,235,748
Depreciation expenses	3	219,670	254,794
Amortisation on intangible assets	9	24,414	67,298
TOTAL EXPENSES		8,078,357	8,211,724
Total profit for the year		2,316,406	815,688
Other comprehensive income		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		2,316,406	815,688
Total profit attributable to members of the entity		2,316,406	815,688
Total comprehensive income attributable to members of the entity		2,316,406	815,688

The above Statement of Profit or Loss and Other Comprehensive Income should be
read in conjunction with the accompanying notes

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,880,157	2,383,777
Trade and other receivables	5	397,795	413,595
Other current assets	6	37,630	62,395
TOTAL CURRENT ASSETS		2,315,582	2,859,767
NON-CURRENT ASSETS			
Plant and equipment	7	7,418,290	7,365,982
Right-of-use asset	8	92,922	137,192
Intangibles	9	53,108	69,455
TOTAL NON-CURRENT ASSETS		7,564,320	7,572,629
TOTAL ASSETS		9,879,902	10,432,396
CURRENT LIABILITIES			
Trade and other payables	10	2,208,703	1,622,840
Grants received in advance		564,534	-
Employee benefits	11	599,615	571,084
Borrowings	12	5,278	4,022,973
Lease liabilities	13	79,239	81,473
TOTAL CURRENT LIABILITIES		3,457,369	6,298,370
NON-CURRENT LIABILITIES			
Employee benefits	11	86,191	88,570
Lease liabilities	13	17,524	43,045
TOTAL NON-CURRENT LIABILITIES		103,715	131,615
TOTAL LIABILITIES		3,561,084	6,429,985
NET ASSETS		6,318,818	4,002,411
EQUITY			
Asset revaluation surplus	14	1,623,312	1,623,312
Retained surplus		4,695,506	2,379,099
TOTAL EQUITY		6,318,818	4,002,411

The above Statement of Financial Position should be
read in conjunction with the accompanying notes

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Retained Surplus \$	Asset Revaluation Surplus \$	Total \$
Balance at 1 July 2019		1,567,073	1,623,312	3,190,385
Adjustment on adoption of AASB 16 <i>Leases</i>		(3,662)	-	(3,662)
Net profit for the year		815,688	-	815,688
Other comprehensive income/(loss):		-	-	-
Balance at 30 June 2020		2,379,099	1,623,312	4,002,411
Net profit for the year		2,316,406	-	2,316,406
Other comprehensive income/(loss):		-	-	-
Balance at 30 June 2021		4,695,505	1,623,312	6,318,818

The above Statement of Changes in Equity should be
read in conjunction with the accompanying notes

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Grant and other receipts		11,450,336	9,838,145
Cash payments in the course of operations		(7,623,414)	(8,080,557)
Interest received		-	12
Net cash provided by operating activities		3,826,922	1,757,600
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment & intangibles		(209,600)	(62,017)
Receipts from disposal of plant and equipment		-	-
Net cash used in investing activities		(209,600)	(62,017)
CASH FLOWS FROM FINANCING ACTIVITIES			
CBA Assets Finance		(22,384)	(25,367)
Payments for lease liabilities		(103,246)	(119,119)
Long Term Loan		(3,995,312)	(49,212)
Net cash provided by/(used in) financing activities		(4,120,942)	(193,698)
NET INCREASE IN CASH HELD		(503,620)	1,501,885
Cash at the beginning of the financial year		2,383,777	881,892
CASH AT THE END OF THE FINANCIAL YEAR	4	1,880,157	2,383,777

The above Statement of Cash Flows should be
read in conjunction with the accompanying notes

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

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 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 25th day of November 2021 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.

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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	2.50%
Medical Equipment	10%
Computing Equipment	14% - 33%
Other Plant & Equipment	5% - 10%
Software	25%
Artwork	0%
RTO	33%

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

At inception of a contract, the company assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether:

- The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

The company has elected not to separate non-lease components from lease components and has accounted for all leases as a single component.

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Leases (Cont)

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the company recognises the payments associated with these leases as an expense on a

(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.

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.

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Long-Term Employee Benefits (Cont)

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.

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.

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(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 at 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.

(m) Contract Liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

(n) 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.

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(n) Goods and Services Tax (Cont)

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.

(o) 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 extent that impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(p) 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.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Classification and Subsequent Measurement (Cont)

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.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Derecognition (Cont)

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

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.

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(q) Comparative Figures

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

(r) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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 both externally and within the company.

Key Estimates

Useful Lives of Property, Plant & Equipment

As described in Note 1(b), the company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key Judgements

Performance Obligations Under AASB15 and AASB 1058

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/value, quantity and the period of transfer related to the goods or services promised

Lease Term and Option to Extend Under AASB16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the company will make. The company determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the company.

(s) 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.

(t) 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.

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(t) Fair Value of Assets and Liabilities (Cont)

"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 participants 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.

(u) New and Amended Accounting Policies Adopted by the Company

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The company's assessment of the impact of the new or amended Accounting Standards and Interpretations are that they are not expected to significantly affect the current or future periods.

(v) New and Amended Accounting Policies Not Yet Adopted by the Company

AASB 1060

The AASB has issued AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. AASB 1060 defines the disclosure requirements for Tier 2 general purpose financial statements, as defined by Australian Accounting Standards, and serves as a replacement for the existing Reduced Disclosure Regime. The company does not anticipate material changes to its financial statements upon adoption of AASB 1060.

(w) COVID-19

At the time of signing the financials there are government restrictions following the outbreak of COVID-19. No adjustments have been made to the financial statements as at 30 June 2021. The ongoing effect of the restrictions and the true financial implications (if any) are still unclear at this time, however the company will continue to evaluate its impact on the financial position and operating results of the company. The board is confident that the company will be able to continue as a going concern.

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 2 - REVENUE AND OTHER INCOME	2021	2020
	\$	\$
<i>Revenue from contracts with customers</i>		
Grant Revenue:		
State Government Grant revenue	2,407,956	1,807,062
Commonwealth Grant revenue	5,302,070	5,206,066
Other Grants	2,285,307	1,691,445
Total Grant Revenue	9,995,333	8,704,573
Other Non-Contract Income:		
Interest	-	12
Other	399,430	322,827
Total Other Revenue	399,430	322,839
Total Revenue and Other Income	10,394,763	9,027,412
NOTE 3 - EXPENSES	2021	2020
	\$	\$
Employee benefits expense comprises:		
Salaries & wages	4,509,518	3,729,437
Superannuation contributions	426,886	390,632
Movement in employee entitlement provisions	139,989	464,393
Other employment costs (inc. workers compensation, Fringe Benefits Tax and administration fees)	68,398	69,422
	5,144,791	4,653,884
Goods and Services expenditure comprises:		
Advertising	8,503	3,134
Bank fees and interest	84,296	193,207
Bad and doubtful debts	45,112	253,061
Computing	94,627	107,550
Consultancy	85,310	218,609
Contract cleaning	59,283	59,425
Contractors, agency staff and salary recharges	642,380	566,588
Donations and ex-gratia payments	362,937	77,113
External auditors remuneration	10,060	13,000
Fee for service	77,892	100,000
Insurance	63,627	61,617
Membership - Professional	49,210	84,573
Motor vehicle expense	24,443	26,203
Newsletter, publicity and promotions	68,356	50,519
Office administration and corporate expenses	341,030	319,314
Periodicals, journals and publications	16,642	20,577
Postage and courier	11,050	6,170
Printing and stationery	17,845	21,054
Prior period adjustments to right-of-use assets	18,443	-
Profit / (loss) on disposal of fixed assets	30,872	-
Property rates, taxes and utilities	62,789	71,082
Repairs, maintenance and occupancy costs	33,839	28,140
Security service	832	5,093
Training & development	135,315	231,768
Travel expenses	290,097	654,814
Telephone and internet	54,692	63,137
	2,689,482	3,235,748
Depreciation expense comprises:		
Depreciation - property, plant & equipment	118,352	152,010
Depreciation - right-of-use asset	101,318	102,784
	219,670	254,794
NOTE 4 - CASH AND CASH EQUIVALENTS	Note	2021
		\$
Cash at bank		1,877,157
Cash on hand		3,000
	17	1,880,157
		2,383,777
<p>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.</p>		
NOTE 5 - TRADE AND OTHER RECEIVABLES	2021	2020
	\$	\$
CURRENT		
Grant funding receivable	757,457	938,656
Other receivables	165,399	-
	922,856	938,656
Less: Provision for impairment	(525,061)	(525,061)
	397,795	413,595

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 5 - TRADE AND OTHER RECEIVABLES (CONT)

The Company's normal credit term is 30 days.

The Company 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 1 July 2019	272,000
Charge for the year	253,061
Provision for impairment as at 30 June 2020	<u>525,061</u>
Charge for the year	-
Provision for impairment as at 30 June 2021	<u><u>525,061</u></u>

NOTE 6 - OTHER CURRENT ASSETS

	2021	2020
	\$	\$
Current		
Prepayments	<u>37,630</u>	<u>62,395</u>

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	2021	2019
	\$	\$
Computer equipment at cost	600,835	575,824
Less: Accumulated depreciation	<u>(554,014)</u>	<u>(536,895)</u>
	<u>46,821</u>	<u>38,929</u>
Medical equipment at cost	306,419	292,423
Less: Accumulated depreciation	<u>(252,254)</u>	<u>(243,373)</u>
	<u>54,165</u>	<u>49,050</u>
Other plant and equipment at cost	637,996	610,292
Less: Accumulated depreciation	<u>(449,477)</u>	<u>(412,056)</u>
	<u>188,519</u>	<u>198,236</u>
Artwork at cost	<u>50,178</u>	<u>49,337</u>
Land at independent valuation 2017	<u>5,500,000</u>	<u>5,500,000</u>
Building at independent valuation 2017	1,550,000	1,550,000
Building at cost	193,457	102,677
Less: Accumulated depreciation	<u>(164,850)</u>	<u>(122,247)</u>
	<u>1,578,607</u>	<u>1,530,430</u>
	<u>7,078,607</u>	<u>7,030,430</u>
	<u><u>7,418,290</u></u>	<u><u>7,365,982</u></u>

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

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

At 30 June 2021 the directors reviewed the key assumptions made by the valuers at 4 July 2017. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2021.

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT (CONT)

Reconciliation

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

	Computer Equipment \$	Medical Equipment \$	Other Plant & Equipment \$	Artwork \$	Land and Building \$	Total \$
Balance at 1 July 2020	38,929	49,050	198,236	49,337	7,030,430	7,365,982
Additions	37,340	13,996	27,703	841	90,779	170,659
Disposals	-	-	-	-	-	-
Depreciation expense	(29,448)	(8,881)	(37,420)	-	(42,602)	(118,351)
Carrying amount at 30 June 2021	46,821	54,165	188,519	50,178	7,078,607	7,418,290

The Company has a market rate loan 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 which is 100% offset as at 30 June 2021

NOTE 8 - RIGHT-OF-USE ASSETS

	2021 \$	2020 \$
Right-of-use assets	304,700	327,145
Less: Accumulated depreciation	(211,778)	(189,953)
	<u>92,922</u>	<u>137,192</u>

Reconciliation

Reconciliations of the carrying amounts for right-of-use assets are set out below:

	Right-of-Use Assets \$	Total \$
Balance at 1 July 2020	137,192	137,192
Additions	23,939	23,939
Depreciation expense	(101,318)	(101,318)
Prior period adjustments	33,109	33,109
Carrying amount at 30 June 2021	92,922	92,922

NOTE 9 - INTANGIBLE ASSETS

	2021 \$	2020 \$
Computer software at cost	459,712	851,038
Less: Accumulated amortisation	(406,742)	(781,583)
	<u>52,970</u>	<u>69,455</u>
RTO training resources	505,406	505,225
Less: Accumulated amortisation	(505,268)	(505,225)
	138	-
	<u>53,108</u>	<u>69,455</u>

Reconciliation

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

	Computer Software \$	RTO Training Resources	Total \$
Balance at 1 July 2020	69,455	-	69,455
Additions	38,758	181	38,939
Disposals at book value	(30,872)	-	(30,872)
Amortisation expense	(24,371)	(43)	(24,414)
Carrying amount at 30 June 2021	52,970	138	53,108

NOTE 10 - TRADE AND OTHER PAYABLES

Current

	Note	2021 \$	2020 \$
Trade creditors and accruals		492,238	381,613
Contract liabilities		1,716,465	1,241,227
		<u>2,208,703</u>	<u>1,622,840</u>

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

	2021 \$	2020 \$
Trade & other payables:		
- Total current	2,208,703	1,622,840
- Total non-current	-	-
	<u>2,208,703</u>	<u>1,622,840</u>
Less: Other payables (net amount of GST payable)	(1,716,465)	(1,241,227)
Financial liabilities as trade & other payables	17	<u>381,613</u>

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 11 - EMPLOYEE BENEFITS		2021	2020
		\$	\$
Current			
Annual leave		324,685	282,423
Long service leave		214,717	231,313
Superannuation and workers compensation on-costs		60,213	57,348
		<u>599,615</u>	<u>571,084</u>
Non-Current			
Long service leave		77,536	79,676
Superannuation and workers compensation on-costs		8,655	8,894
		<u>86,191</u>	<u>88,570</u>
Total Employee Benefits		<u>685,806</u>	<u>659,654</u>
Reconciliation of provision movement			
Reconciliations of the provision for employee benefits are set out below:			
		2021	2020
		\$	\$
Opening balance at 1 July 2020	<i>Annual leave and long service leave</i>	659,654	573,117
Additional provisions raised during the year		350,851	473,083
Amounts used during the year		(324,699)	(386,546)
Closing balance at 30 June 2021	<i>Annual leave and long service leave</i>	<u>685,806</u>	<u>659,654</u>
NOTE 12 - BORROWINGS			
	Note	2021	2020
		\$	\$
Current			
CBA asset finance		5,278	27,661
Total Secured Loans		<u>5,278</u>	<u>27,661</u>
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.			
Bank Loans			
Current			
CBA Loan		-	3,995,312
Total		<u>-</u>	<u>3,995,312</u>
Borrowings			
Current		5,278	4,022,973
Non-current		-	-
Total Borrowings	17	<u>5,278</u>	<u>4,022,973</u>
The Market Rate Loan was obtained for the purpose of purchasing a commercial property located at 220 Franklin Street, Adelaide, SA. This was an interest only facility for a period of three (3) years with the facility having matured on 3 August 2020. The Loan was subsequently converted to a new BetterBusiness Loan facility which is set to mature on 3 October 2021 with an additional offset facility also being established. The BetterBusiness Loan facility is 100% offset as at 30 June 2021.			
NOTE 13 - LEASE LIABILITIES			
		2021	2020
		\$	\$
Assets Finance			
Current			
Lease liability		79,239	81,473
Total		<u>79,239</u>	<u>81,473</u>
Non-Current			
Lease liability		17,524	43,045
Total		<u>17,524</u>	<u>43,045</u>
Total Lease Liabilities		<u>96,763</u>	<u>124,518</u>
NOTE 14 - RESERVES			
<u>Asset Revaluation Surplus</u>			
The asset revaluation surplus records changes in the fair value of property, plant and equipment.			
Analysis of items in other comprehensive income			
		2021	2020
		\$	\$
Opening asset revaluation surplus		1,623,312	1,623,312
Movement in revaluation surplus		-	-
Closing revaluation surplus		<u>1,623,312</u>	<u>1,623,312</u>

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 14 - RESERVES (CONT)

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 15 - RELATED PARTY DISCLOSURES

Board of Management

The Board of Management for the year ended 30 June 2021 comprised:

Shane Mohor	Reginald Reid
Polly Sumner-Dodd (Chairperson)	Gary Crombie
Vicki Holmes	Vicki Hartman
Wilhelmine Lieberwith	Gwenda Owen
David Dudley	Hilary Williams
Jamie Nyangu	Basil Sumner
Rosney Snell	Darryl Cameron
Roderick Day	Sharen A'Hang
Kristy Richards	Kenneth Medcraft

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 2021. 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.

	2021	2020
	\$	\$
Total remuneration received by Board Members	<u>15,000</u>	<u>15,000</u>
Number of Board Members receiving remuneration	1	1

Key Management Personnel Compensation

Short-term benefit	765,587	766,031
Post-employment benefit	<u>138,519</u>	<u>116,178</u>
Total Key Management Personnel Compensation	<u>904,106</u>	<u>882,209</u>

NOTE 16 - CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2021 (2020: NIL)

NOTE 17 - 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 2021.

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	2021	2020
		\$	\$
Financial Assets			
Financial assets at amortised cost			
Cash and cash equivalents	4	1,880,157	2,383,777
Loans and receivables	5	<u>397,795</u>	<u>413,595</u>
		<u>2,277,952</u>	<u>2,797,372</u>
Financial Liabilities			
Financial Liabilities at amortised cost - Current			
Trade and other payables	10	492,238	381,613
Borrowings	12	5,278	4,022,973
Lease liabilities	13	<u>79,239</u>	<u>81,473</u>
		<u>576,755</u>	<u>4,486,059</u>
Financial Liabilities at amortised cost - Non-Current			
Lease liabilities	13	<u>17,524</u>	<u>43,045</u>
Total Financial Liabilities		<u>594,279</u>	<u>4,529,104</u>

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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

NOTE 18 - FAIR VALUE MEASUREMENTS

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTE 19 - EVENTS AFTER THE REPORTING PERIOD

There were no other events after the reporting period. However it is important to note the potential future impact of the ongoing Coronavirus (COVID-19) pandemic which has had minimal financial impact to date (2020: NIL)

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

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

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 2021 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 25th day of November 2021

ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

**AUDITORS INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001 AND SECTION 60-40 AUSTRALIAN CHARITIES AND
NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF
ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED**



**To the board of Aboriginal Health Council of
South Australia Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021,
there have been no contraventions of:

- the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'T A Basso'.

**T A Basso - Director
Basso Newman Audit Pty Ltd
Chartered Accountants
286 Flinders Street, Adelaide
Dated this 26th day of November 2021**

Basso Newman Audit Pty Ltd
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED

Opinion

We have audited the financial report of Aboriginal Health Council of South Australia Limited ("the entity") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by board of directors.

In our opinion, the accompanying financial report of the Aboriginal Health Council of South Australia Limited is in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards—Reduced Disclosure Requirements and 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 ACNC Act, auditor independence 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.

Responsibilities of Management and Those Charged with Governance for the Financial Report

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

In preparing the financial report, management is 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 management either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ABORIGINAL HEALTH COUNCIL OF SOUTH AUSTRALIA LIMITED**

Auditor's Responsibilities 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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management'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 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 those charged with governance 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.

We also provide the those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.



Trevor Basso - Director
Basso Newman Audit Pty Ltd
Chartered Accountants
286 Flinders Street, Adelaide
Dated this 26th day of November 2021