



**Aboriginal
Health Council**
of Western Australia

Aboriginal Health Council
of Western Australia

ABN 48 114 220 478

Annual Financial Report

For the Year Ended 30 June 2022

ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

CONTENTS

Page	
3	Directors' Report
5	Directors' Declaration
6	Statement of Profit or Loss and Other Comprehensive Income
7	Statement of Financial Position
8	Statement of Changes in Equity
9	Statement of Cash Flows
10	Notes to the Financial Statements
32	Independent Audit Report
34	Auditor's Independence Declaration

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The directors of the Aboriginal Health Council of WA ("AHCWA") ("Organisation") ("Corporation") present their report together with the financial statements for the financial year ended 30 June 2022.

Directors

Name	Position	Region	Appoint	Resign
Vicki O'Donnell	Chairperson	Kimberley	4.11.2017	Present
Christopher Bin Kali	Deputy Chairperson	Kimberley	27.11.2020	Present
Deborah Woods	Treasurer	Murchison / Gascoyne	27.11.2020	Present
Fabian Tucker	Secretary	Goldfields	4.11.2017	Present
Preston Thomas	Director	Central Desert	25.03.2015	Present
Eric Simpson	Director	Goldfields	4.11.2017	Present
Raymond Christophers	Director	Kimberley	27.11.2020	Present
Joslyn Eades-Tass	Director	Metro	9.06.2021	09.02.2022
Rachel Mallard	Director	Murchison / Gascoyne	9.06.2021	Present
June Councillor	Director	Pilbara	27.11.2020	Present
Ernie Hill	Director	South West	25.03.2019	Present
Wade Garwood	Director	Youth	27.11.2020	Present
Donna Nelson	Director	Metro	09.02.2022	29.03.2022

Principal Activities

During the year, the principal activity of the Organisation was to network, provide support, advocate, influence policy, monitor performance, build work capacity, improve and strengthen the social and emotional wellbeing of Aboriginal people and their communities.

There have been no significant changes in the nature of these activities during the year.

Operating Results

The Organisation recorded a Surplus of \$1,598,287 (2021: Surplus of \$2,059,703) as reported in the statement of profit or loss and other comprehensive income.

Significant Changes in the State of Affairs

No significant changes in State of Affairs.

Environmental Issues

The Organisation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is included on page 34 of this financial report.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

Information on directors

Number of director meetings held for the year ended 30 June 2022 was 9.

Name	Position	Region	Appoint	Resign	Director Meetings	
					No. of Meetings Eligible to Attend	No. of Meetings Attended
Vicki O'Donnell	Chairperson	Kimberley	4.11.2017	Present	9	9
Christopher Bin Kali	Deputy Chairperson	Kimberley	27.11.2020	Present	9	9
Deborah Woods	Treasurer	Murchison / Gascoyne	27.11.2020	Present	9	7
Fabian Tucker	Secretary	Goldfields	4.11.2017	Present	9	5
Preston Thomas	Director	Central Desert	25.03.2015	Present	9	6
Eric Simpson	Director	Goldfields	4.11.2017	Present	9	6
Raymond Christophers	Director	Kimberley	27.11.2020	Present	9	9
Joslyn Eades-Tass	Director	Metro	9.06.2021	09.02.2022	3	3
Rachel Mallard	Director	Murchison / Gascoyne	9.06.2021	Present	9	9
June Councillor	Director	Pilbara	27.11.2020	Present	9	8
Ernie Hill	Director	South West	25.03.2019	Present	9	8
Wade Garwood	Director	Youth	27.11.2020	Present	9	9
Donna Nelson	Director	Metro	09.02.2022	29.03.2022	2	1

Indemnifying Officers or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the Organisation.

Indemnifying Officers or Auditor

No person has applied for leave of Court to bring proceedings on behalf of the Organisation or intervene in any proceedings to which the Organisation is a party for the purpose of taking responsibility on behalf of the Organisation for all or any part of those proceedings.

The Organisation was not a party to any such proceedings during the year.

Distributions

No distributions have been paid to members during the year.

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

Director 

Director 

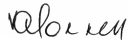
**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2022**

Dated 28th of October 2022

In the opinion of the Board of Directors of the Aboriginal Health Council of Western Australia:

- a. The financial statements and notes of the Aboriginal Health Council of Western Australia are in accordance with Australian Charities and Not-for-profits Commission Act 2012, including:
 - i) Giving a true and fair view of its financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
 - ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commissions Regulation 2012*; and
- b. There are reasonable grounds to believe that the Aboriginal Health Council of Western Australia will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors



Chairperson – Vicki O'Donnell

Dated 28th October 2022



Treasurer - Deborah Woods

Dated 28th October 2022

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2022 \$	2021 \$
INCOME			
Revenue from ordinary activities - Recurrent		11,704,751	7,288,939
Revenue from ordinary activities – Non Recurrent		3,742,300	2,292,386
Total Income	2	15,447,051	9,581,325
EXPENDITURE			
Employee benefits expense		6,325,895	4,854,491
Depreciation and amortisation expenses	3	686,840	487,583
Operating lease expense	3	140,729	113,106
Loss on sale of non-current assets	3	-	12,028
Finance costs		669	1,639
Grant Administration expenses		884,230	783,296
Meeting/seminar/workshops		178,558	261,896
Member Support Grants		5,056,202	586,197
Insurance costs		62,295	54,429
Motor vehicle expenses		4,691	3,185
Office supplies and consumables		84,618	64,360
Travel expenses		424,037	299,412
Total Expenditure		13,848,764	7,521,622
Surplus for the year attributable to members of the Aboriginal Health Council of WA		1,598,287	2,059,703
Total comprehensive income for the year attributable to members of the Aboriginal Health Council of WA		1,598,287	2,059,703

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash at bank	4	13,354,786	7,139,863
Trade & other receivables	5	272,426	494,093
Other current assets	6	233,470	208,879
		13,860,682	7,842,835
NON CURRENT ASSETS			
Property, plant & equipment	7	6,127,840	6,202,796
Intangible Assets	8	776,878	1,049,131
Right of use assets	9	4,135	28,943
		6,908,853	7,280,870
TOTAL ASSETS		20,769,535	15,123,705
CURRENT LIABILITIES			
Trade creditors & accruals	10	3,157,135	773,442
Lease Liabilities - Current	14	3,216	24,843
Provision for employee entitlements	12	800,562	799,212
Contract Liabilities	11	5,902,573	4,248,275
		9,863,486	5,845,773
NON CURRENT LIABILITIES			
Lease Liabilities - Non Current	14	-	3,216
Provision for employee LSL entitlements	12	155,194	122,149
		155,194	125,365
TOTAL LIABILITIES		10,018,680	5,971,137
NET ASSETS		10,750,855	9,152,568
EQUITY			
Start up capital		11,020	11,020
Accumulated surplus		10,739,835	9,141,548
TOTAL EQUITY	13	10,750,855	9,152,568

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Start-up capital	Accumulated surplus	Total
		\$	\$	\$
Balance at 1 July 2020		11,020	7,081,845	7,092,865
Surplus after income tax expense for the year		-	2,059,703	2,059,703
Total comprehensive income for the year	13	-	2,059,703	2,059,703
Balance at 30 June 2021		11,020	9,141,548	9,152,568
Surplus after income tax expense for the year	13	-	1,598,287	1,598,287
Total comprehensive income for the year		-	1,598,287	1,598,287
Balance at 30 June 2022	13	11,020	10,739,835	10,750,855

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
STATEMENT OF CASHFLOWS
AS AT 30 JUNE 2022**

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating grants and other operating activities		17,318,889	12,169,986
Payments to suppliers and employees		(10,767,760)	(7,042,247)
Interest received		-	7,010
Interest paid		(669)	(1,639)
Net cash provided by operating activities	19(b)	<u>6,550,460</u>	<u>5,133,110</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		4,381	1,245
Purchase of property, plant and equipment and intangibles		(315,076)	(642,559)
Net cash provided used in investing activities		<u>(310,695)</u>	<u>(641,314)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments		(24,843)	(23,873)
Net cash used in financing activities		<u>(24,843)</u>	<u>(23,873)</u>
Net increase in cash held		6,214,922	4,467,923
Cash at the beginning of the year		7,139,863	2,671,940
Cash at the end of the year	19(a)	<u><u>13,354,785</u></u>	<u><u>7,139,863</u></u>

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Aboriginal Health Council of Western Australia ("AHCWA") is a not-for-profit organisation which is an unlisted public company limited by guarantee. The principal activity of the Organisation is to network, provide support, advocate, influence policy, monitor performance, build work capacity, improve and strengthen the social and emotional wellbeing of Aboriginal people and their communities.

Basis of Preparation

The General Purpose Financial Statements have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards Board and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Group applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The financial statement, except for the cash flow information has been prepared on an accruals basis and is based on historical costs. All amounts disclosed are presented in Australian dollars, which is both the functional and presentation currency of the Organisation.

The accounting policies which the Organisation has applied in preparing the financial statements for the current reporting period is consistent with the prior year.

The financial statements for the year ended 30 June 2022 were approved and authorised by the Board of Directors on the 27th October 2022.

Summary of Significant Accounting Policies

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(b) Trade and other receivables

Trade and other receivables includes amounts due from grants in the ordinary course of business and amounts due from customers for services provided, which are recognised and carried at original invoice amount less any allowance for expected credit losses. An allowance for expected credit losses is recognised when collection of the full amount is no longer expected. Bad debts are written off as incurred.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit loss. Refer to Note 1(m) for further discussion on the determination of impairment losses.

(c) Property, plant and equipment

Cost and valuation

Buildings and plant and equipment are measured at cost less accumulated depreciation and any impairment in value.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(c) Property, plant and equipment (continued)

Depreciation

Depreciation is calculated on a reducing-value basis over the estimated useful life of the assets as follows:

Asset Type	Useful life
Office Furniture	6.3 - 20 years
Office Equipment	2.5 - 13.3 years
Office Equipment <\$100	Immediate Write Off
Motor Vehicles	5.3 years
Leashold Improvements	40 years

The carrying values of plant and equipment are reviewed for impairment when events occur, or there are changes in circumstances indicate the carrying value of the asset may not be recoverable.

Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Recognition on Disposal

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(d) Intangible Assets

Cost and valuation

Intangible assets are comprised of acquired computer software and licences and are capitalised based on the costs incurred to acquire and install the specific software.

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a reducing balance over their estimated useful lives, as these assets are considered finite.

Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in 1(e).

Amortisation

The following useful lives are applied:

Asset Type	Useful life
Software	2.5 - 5 years

Amortisation has been included within depreciation and amortisation.

Recognition on disposal

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(e) Impairment of Assets and Intangible Assets

At the end of each reporting period, the Organisation assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(e) Impairment of Assets and Intangible Assets (continued)

Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Organisation would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

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

(f) Trade and other payables

Liabilities for trade creditors and other amounts are carried at amortised cost which is initially the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Organisation.

(g) Provisions

Provisions are recognised when the Organisation has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(h) Revenue Recognition

Contributed Assets

The Organisation receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Organisation recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Organisation recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Operating Grants, Donations and Bequests

When the organisation receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Organisation:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(h) Revenue Recognition (continued)

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Organisation:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Organisation recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the Organisation receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Organisation recognises income in profit or loss when or as the Organisation satisfies its obligations under the terms of the grant.

Interest income

Interest income is recognised using the effective interest method. All revenue is stated net of the amount of goods and services tax.

(i) Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits, annual leave liabilities, time off in lieu accrued and qualifying long-service leave liabilities. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled. Liabilities at balance date for wages and salaries, non-monetary benefits and accumulating sick leave are included in Accrued Expenses (Note 10) whereas the annual leave liability is included under Provision for Employee Entitlements (Note 12).

Other long-term employee benefits

The Organisation's liability for long service leave, where employees have not reach entitlement, is included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, 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 timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in

The Organisation presents employee benefit obligations as current liabilities in the statement of financial position if the Organisation does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(j) Income taxes

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

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and creditors in the statement of financial position are shown inclusive of GST. 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 in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(l) Going concern

The financial statements have been prepared on the basis that the Organisation is a going concern and that the Organisation will continue to operate for the foreseeable future and settle its debts and obligations in the normal course of business as and when they fall due. The Organisation's future as a going concern is dependent upon grants and subject to compliance with the conditions attached to grants received. On this basis the Organisation will continue to generate sufficient cash flow to be able to pay its debts as and when they fall due.

(m) Financial Instruments

Initial recognition and measurement

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

Financial instruments (except for accounts receivables) are initially measured at fair value adjusted by transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Accounts receivables are initially measured at the transaction price if the accounts receivables do not contain a significant financing component or if the practical expedient has been applied as specified in AASB 15.63.

Classification and subsequent measurement

The Organisation only carries financial instruments that are subsequently measured at amortised cost using the effective interest method.

Financial Liabilities

Financial liabilities include Trade and other payables and bank loans subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(m) Financial Instruments (continued)

Financial Assets

Financial assets include Accounts and other receivables and cash and cash equivalents both of which are subsequently measured at amortised cost. Each 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.

Impairment

The Organisation recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

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 Organisation uses the following approaches to impairment, as applicable under AASB 9:

General approach

Under the general approach, at each reporting period, the organisation assesses whether the financial instruments are credit impaired, and if the credit risk of the financial instrument increased significantly since initial recognition, the organisation measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and that there is no significant increase in credit risk since initial recognition, the organisation measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables and lease receivables. In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss.

Derecognition

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

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the Organisation no longer has any significant continuing involvement in the risks and benefits associated with the asset and the Organisation no longer controls the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. An exchange of an existing financial liability for a new one with substantially modified terms is treated as an extinguishment of an existing liability and recognition of a new one. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(n) Comparative Figures

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

Where the Organisation has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(o) Grant Acquittals

For the purpose of acquitting grants provided by funding bodies, the Organisation has adopted the following policies:

Grant income is acquitted after allowing for the following costs:

- (a)** Cost including labour and on-costs directly associated with a specific grant;
- (b)** Administrative and other related overhead costs (after excluding costs which are abnormal both in nature and value and therefore not representative of an appropriate level of costs that would be expected to be incurred) not related to a specific grant are allocated over the relevant grants, based on a proportion of the level of each grant and related income compared to total income.

Such allocations are reduced to take into consideration the lower level administrative burden a grant is likely to produce, such as in the case of capital grants. Representations of management and internal documentation, such as Board approved budgets, are used in determining to which grant a cost may directly or indirectly be attributed.

Grant administration fees include internal charges levied to programs. Total of these internal charges for the year ended 30 June 2022 were \$2,208,821 (2021: \$1,771,096). These internal charges have been removed on consolidation from the Statement of Surplus or Loss and Other Comprehensive Income.

(p) Leases

At inception of a contract, the Organisation assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Organisation where the Organisation is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(p) Leases (continued)

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of a option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfer ownership of the underlying asset or the cost of the right-of-use asset reflects that the Organisation anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(q) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain IT equipment.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(q) Significant management judgement in applying accounting policies (continued)

Useful lives of intangible assets

Management reviews its estimate of the useful lives of intangible assets at each reporting date, based on the expected utility of the assets and checking for any indicators of impairment. Uncertainties in these estimates relate to changes in technology that may change the utility of certain intangible assets.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Performance obligations under AASB 15

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 funding agreement, 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 AASB 16

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 are a key management judgement that the organisation will make. The organisation 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 organisation.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(r) New and Revised Accounting Standards and Interpretations

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 30 June 2022.

Reference	Nature of change	Effective date	Likely impact on initial application
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or Non-current	<p>AASB 2020-1 makes amendments to AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for the liability for at least 12 months after the reporting period. The AASB recently issued amendments at AASB 101 to clarify the requirements for classifying liabilities as current. Specifically:</p> <ul style="list-style-type: none"> • clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period; • stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability; • adding guidance about lending conditions and how these can impact classification; and including requirements for liabilities that can be settled using an entity's own instruments. 	<p>1 January 2022*</p> <p>*The mandatory effective date of AASB 2020-1 has been deferred to 1 January 2023 by AASB 2020-6.</p>	<p>When these amendments are first adopted for the year ending 30 June 2024, there will be no material impact on the financial statements.</p>
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	<p>AASB 2021-2 amends the following Australian Accounting Standards:</p> <ul style="list-style-type: none"> • AASB 7 Financial Instruments: Disclosures (August 2015); • AASB 101 Presentation of Financial Statements (July 2015); • AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (August 2015); and • AASB 134 Interim Financial Reporting (August 2015). <p>The Standard also makes amendments to AASB Practice Statement 2 Making Materiality Judgements (December 2017).</p> <p>These amendments arise from the issuance by the International Accounting Standards Board (IASB) in February 2021 of the following International Financial Reporting Standards:</p> <ul style="list-style-type: none"> • Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2); and Definition of Accounting Estimates (Amendments to IAS 8). 	<p>1 January 2023</p>	<p>When these amendments are first adopted for the year ending 30 June 2024 there will be no material impact on the financial statements.</p>

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(r) New and Revised Accounting Standards and Interpretations (continued)

Reference	Nature of change	Effective date	Likely impact on initial application
AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Accounting Standards	<p>AASB 2021-6 amends the following Australian Accounting Standards:</p> <ul style="list-style-type: none"> • AASB 1049 Whole of Government and General Sector Financial Reporting, • AASB 1054 Australian Additional Disclosures, • AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. <p>These amendments require entities to disclose their material accounting policy information rather than their significant accounting policies and to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements.</p> <p>The amendments reflect the issuance of AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (March 2021).</p>	1 January 2023	When these amendments are first adopted for the year ending 30 June 2024 there will be no material impact on the financial statements.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 2: REVENUE

	2022	2021
	\$	\$
Operating activities		
- operating grants	14,292,592	8,680,028
- interest received	8,401	7,010
- conference registrations	1,073	64,264
- training course fees	101,875	157,542
- member support contracting	380,312	333,993
- parental leave funds	45,426	15,983
- net gain on disposal of plant and equipment	4,127	-
- sponsorship	39,500	91,523
- other sources of revenue	573,745	230,982
	<u>15,447,051</u>	<u>9,581,325</u>

The table below shows the grant revenue expected to be recognised in the future related to the performance obligations that are unsatisfied or partially unsatisfied at the reporting date under AASB 15 and AASB 1058.

	2023	Total
	\$	\$
Revenue from government and other grants - operating and capital	<u>5,902,573</u>	<u>5,902,573</u>

NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES

Surplus from ordinary activities has been determined after:

(a) Expenses

	2022	2021
	\$	\$
Amortisation expenses	416,334	204,983
Depreciation on building improvements	75,658	75,658
Depreciation on property, plant and equipment	170,040	182,134
Depreciation on right of use assets	24,808	24,808
Net loss on disposal of plant and equipment	-	12,028
Rental expenses on operating leases		
- any other lease costs	140,729	113,106

(b) Auditors remuneration

Remuneration of AHCWA's auditor

- audit or review services	35,025	37,080
Total remuneration	<u>35,025</u>	<u>37,080</u>

NOTE 4: CASH AT BANK

	2022	2021
	\$	\$
Unrestricted cash	13,353,634	7,138,558
Petty cash	1,152	1,305
	<u>13,354,786</u>	<u>7,139,863</u>

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 5: TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
Trade debtors	272,226	480,271
Accrued Income	-	13,322
Leased Property Bond	200	500
	<u>272,426</u>	<u>494,093</u>

NOTE 6: OTHER CURRENT ASSETS

	2022	2021
	\$	\$
Insurances: Public liability	14,788	12,286
Insurances: Professional indemnity	21,471	19,157
Insurances: Business insurance	16,306	18,143
Insurances: Workers compensation	96,496	89,913
Insurances: Corporate Travel	2,887	1,893
Insurances: Cyber & Privacy Protection	12,310	8,763
Insurances: Motor vehicle	-	-
Computer software licenses	25,140	23,061
Fees and permits	4,740	6,982
Publications and Books	19	-
Staff Recruitment Costs (Prepayment)	17,728	10,694
Staff Training & Development	21,585	17,987
	<u>233,470</u>	<u>208,879</u>

NOTE 7: PROPERTY, PLANT & EQUIPMENT

	2022	2021
	\$	\$
Freehold land & buildings		
At cost of improvements	6,444,512	6,444,512
Less accumulated depreciation - Buildings	(623,869)	(548,212)
	<u>5,820,643</u>	<u>5,896,300</u>
Plant and equipment		
At cost - PPE	902,785	732,109
Less accumulated depreciation - PPE	(595,588)	(425,613)
	<u>307,197</u>	<u>306,496</u>
Total property, plant & equipment	<u><u>6,127,840</u></u>	<u><u>6,202,796</u></u>

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 7: PROPERTY PLANT AND EQUIPMENT (continued)

Movements in Carrying Amount

	Freehold land & buildings	Plant and equipment	Work in Progress	Total
Carrying amount as at 1 July 2020	5,971,958	354,720	2,045	6,328,723
Transfer	-	-	(2,045)	(2,045)
Additions at cost	-	147,183	-	147,183
Disposals	-	(13,273)	-	(13,273)
Depreciation expense	(75,658)	(182,134)	-	(257,792)
Carrying amount at 30 June 2021	5,896,300	306,496	-	6,202,796
Carrying amount as at 1 July 2021	5,896,300	306,496	-	6,202,796
Additions at cost	-	170,995	-	170,995
Disposals	-	(253)	-	(253)
Depreciation expense	(75,658)	(170,039)	-	(245,698)
Carrying amount at 30 June 2022	5,820,642	307,198	-	6,127,840

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 8: INTANGIBLE ASSETS

	2022	2021
	\$	\$
At cost - Intangible Assets	9,608	9,257
At cost - MAPPA Software	1,240,807	1,240,807
Work in Progress	143,730	-
Less accumulated amortisation - Intangible Assets	(617,267)	(200,933)
	776,878	1,049,131
Cost at Beginning of the Year	1,049,131	756,694
Additions & transfers	144,081	497,420
Depreciation charge / Amortisation	(416,334)	(204,983)
Carrying amount at the end of the year	776,878	1,049,131

NOTE 9: RIGHT OF USE ASSETS

The Organisations lease portfolio includes motor vehicles. These leases have 3 years as their lease term and there were no extensions options on these leases.

AASB 16 related amounts recognised in the statement of financial position

	2022	2021
	\$	\$
Leased Motor Vehicles	72,357	72,357
Accumulated Depreciation	(68,222)	(43,414)
	4,135	28,943
Balance at the beginning of the year	28,943	53,751
Addition to the right-of-use assets	-	-
Depreciation expense	(24,808)	(24,808)
	4,135	28,943

AASB 16 related amounts recognised in the statement of profit or loss and other comprehensive income

	2022	2021
	\$	\$
Depreciation charge related to right-of-use assets	24,808	24,808
Interest expense on lease liabilities	669	1,639
	25,477	26,447

NOTE 10: TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
Trade creditors	2,546,777	228,190
GST payable	168,390	279,555
Superannuation payable	40,163	37,291
Accrued expenses	401,805	228,406
	3,157,135	773,442

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 11: CONTRACT LIABILITIES

	2022	2021
	\$	\$
Contract liabilities	5,902,573	4,248,275
	<u>5,902,573</u>	<u>4,248,275</u>

Contract liabilities includes funds received from funders as at reporting date but the organisation has not yet satisfied the performance obligation. In accordance with the organisation's revenue recognition policy and the requirements outlined in AASB 15 and AASB 1058, income is deferred until the performance obligations are fulfilled in future periods.

NOTE 12: PROVISION FOR EMPLOYEE ENTITLEMENTS

	2022	2021
	\$	\$
Current		
Provision for annual leave	433,021	369,401
Provision for long service leave	364,714	424,320
Provision for Toil	2,827	5,491
	<u>800,562</u>	<u>799,212</u>
Non-current		
Provision for long service leave - Non Current	<u>155,194</u>	<u>122,149</u>
Number of employees at the end of the year	<u>62</u>	<u>61</u>

NOTE 13: EQUITY

	2022	2021
	\$	\$
Start-up capital	11,020	11,020
Accumulated surplus	9,141,548	7,081,845
Current year surplus	1,598,287	2,059,703
Retained surplus at the end year	<u>10,750,855</u>	<u>9,152,568</u>

NOTE 14: LEASE LIABILITIES

Lease liabilities presented in the statement of financial position are as follows:

	2022	2021
	\$	\$
Lease Liabilities - Current	3,216	24,843
Lease Liabilities - Non Current	-	3,216
	<u>3,216</u>	<u>28,059</u>

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 14: LEASE LIABILITIES (continued)

The Organisation has leases for business operations with the exception of short-term leases and leases of low-value underlying assets. Each lease is reflected on the balance sheet as right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Organisation classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 7).

The table below describes the nature of the Organisation's leasing activities by type of right-of-use asset recognised on balance sheet:

Right of Use Asset	No of right-of-use assets leased	Range of remaining term	Average remaining term lease	No of leases with extension options	No of leases with options to purchase	No of leases with termination options
Motor Vehicles	2	0-1 years	0.2 years	1	0	2

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2022 were as follows:

30 June 2022	Minimum lease payments due			
	Within 1 year	1-2 years	2-3 years	Total
Lease Payments	3,202	0	0	3,202
Finance Charges	14	0	0	14
Net present values	3,216	0	0	3,216

NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities that the Organisation is aware of as at 30 June 2022 (none as at 30 June 2021).

NOTE 16: EVENTS SUBSEQUENT TO THE REPORTING DATE

There are no matters subsequent to the reporting date that is expected to have a material or adverse impact requiring disclosure.

NOTE 17: LEGAL PROCEEDINGS

There are no legal actions pending as at 30 June 2022.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 18: RELATED PARTIES AND KEY MANAGEMENT PERSONNEL

(a) The names of the committee members throughout the year and at the date of this report are;

Name	Position	Region	Period of Tenure		Director Meetings	
					No. of Meetings Eligible to Attend	No. of Meetings Attended
Vicki O'Donnell	Chairperson	Kimberley	4.11.2017	Present	9	9
Christopher Bin Kali	Deputy Chairperson	Kimberley	27.11.2020	Present	9	9
Deborah Woods	Treasurer	Murchison / Gascoyne	27.11.2020	Present	9	7
Fabian Tucker	Secretary	Goldfields	4.11.2017	Present	9	5
Preston Thomas	Director	Central Desert	25.03.2015	Present	9	6
Eric Simpson	Director	Goldfields	4.11.2017	Present	9	6
Raymond Christophers	Director	Kimberley	27.11.2020	Present	9	9
Joslyn Eades-Tass	Director	Metro	9.06.2021	09.02.2022	3	3
Rachel Mallard	Director	Murchison / Gascoyne	9.06.2021	Present	9	9
June Councillor	Director	Pilbara	27.11.2020	Present	9	8
Ernie Hill	Director	South West	25.03.2019	Present	9	8
Wade Garwood	Director	Youth	27.11.2020	Present	9	9
Donna Nelson	Director	Metro	09.02.2022	29.03.2022	2	1

KEY MANAGEMENT PERSONNEL

Name	Position	Period of Tenure	
Vicki O'Donnell	Paid Chairperson (0.5FTE)	4.11.2017	Present
Desmond Martin	Chief Executive Officer	11.01.2010	Present
Jennifer Sala	Executive Manager Business Development and Strategy	03.07.2007	Present
Amanda Collins-Clinch	Executive Manager Workforce and Sector Development	13.01.2020	Present
Shirley Newell	Executive Manager Public Health & CQI	18.02.2019	02.11.2021
Kim Gates	Executive Manager Public Health & CQI	15.11.2021	Present
Andrew Webster	Executive Manager Corporate Services	24.09.2012	Present

(b) The above committee/board members and KMP have been paid the following meeting fees and allowances in the normal course of operations.

	2022			2021		
	Board	Management	Total	Board	Management	Total
Meeting Fees	55,125	-	55,125	49,251	-	49,251
Travel Allowance	35,253	8,329	43,582	19,910	7,509	27,419
	90,378	8,329	98,707	69,161	7,509	76,670

(i) Meeting fees disclosed are inclusive of superannuation paid.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 18: RELATED PARTIES AND KEY MANAGEMENT PERSONNEL (continued)

(c) Executive Remuneration

Total income paid or payable, or otherwise made available, to the above committee/board members and KMP includes the following expenses:

	2022	2021
	\$	\$
Short-term employee benefits	1,021,479	943,798
Post-employment benefits	97,337	88,302
Long-term employee benefits	26,919	27,833
Total executive remuneration	<u>1,145,735</u>	<u>1,059,933</u>

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 19: CASH FLOW INFORMATION

	2022	2021
	\$	\$
(a) Reconciliation of Cash		
Cash at Bank	13,353,634	7,138,558
Petty Cash	1,152	1,305
	<u>13,354,786</u>	<u>7,139,863</u>
(b) Reconciliation of net cash provided by operating activities		
Surplus / (loss) from ordinary activities	1,598,287	2,059,703
<i>Non cash flows in surplus from ordinary activities:</i>		
Depreciation and Amortisation	686,840	487,583
Loss on sale of non-current assets	(4,128)	12,028
<i>Changes in assets and liabilities:</i>		
Decrease in receivables	208,045	277,795
Decrease/(increase) in other receivables	13,622	(1,022)
(Increase) in prepayments	(24,592)	(50,910)
Increase/(decrease) in creditors and accruals	2,491,652	(160,263)
Increase in unexpended grants	1,654,299	2,318,898
Increase in superannuation payable	2,872	6,205
(Decrease)/increase in GST payable	(110,832)	84,420
Increase in Provisions for leave entitlements	34,395	98,673
Net cash provided by operating activities	<u>6,550,460</u>	<u>5,133,110</u>

NOTE 20: FINANCIAL INSTRUMENTS RISK

The Organisation's financial instruments consist mainly of deposits with banks, receivables and creditors.

The totals for each category of financial instruments, measured in accordance with AASB9: *Financial Instruments*, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022	2021
		\$	\$
Financial assets			
- Cash and cash equivalents	4	13,354,786	7,139,863
- Trade and other receivables	5	272,426	494,093
Total financial assets		<u>13,627,212</u>	<u>7,633,956</u>
Financial liabilities			
Financial liabilities at amortised costs:			
- Trade creditors & accruals	10	3,157,135	773,442
Total financial liabilities		<u>3,157,135</u>	<u>773,442</u>

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 20: FINANCIAL INSTRUMENTS RISK (continued)

Specific Financial Risk Exposures and Management

The main risks the Organisation is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks, the Organisation is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Interest rate risk

At 30 June 2022, the Organisation is no longer exposed to changes in market interest rates through bank borrowings at variable interest rates.

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral, or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Organisation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Organisation.

(c) Liquidity risk

Liquidity risk is that the Organisation might be unable to meet its obligations. The Organisation manages its liquidity needs by monitoring its forecast cash inflows and outflows regularly.

As at 30 June 2022, the Organisation's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Within 1 Year		1 to 5 years		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
FINANCIAL LIABILITIES						
Trade and other payables	3,157,135	773,442			3,157,135	773,442
Total outflows	3,157,135	773,442	-	-	3,157,135	773,442
FINANCIAL ASSETS						
Cash and cash equivalents	13,354,786	7,139,863	-	-	13,354,786	7,139,863
Trade and other receivables	272,426	494,093	-	-	272,426	494,093
Total inflows	13,627,212	7,633,956	-	-	13,627,212	7,633,956
Net Inflows/ (Outflows)	10,470,077	6,860,514	-	-	10,470,077	6,860,514

(d) Market Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rate will affect future cash flows or their fair value of fixed rate financial instruments. The financial instruments that expose the Organisation to interest risk are limited to cash on hand.

The Organisation may also be exposed to other price risk relating to fair value of future cash flows of a financial instrument that may fluctuate because of changes in market prices.

**ABORIGINAL HEALTH COUNCIL OF WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 20: FINANCIAL INSTRUMENTS RISK (continued)

The Organisation is not exposed to any significant market risk.

(e) Net fair values

Methods and assumptions used in determining net fair value.

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic Organisation intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 21: COVID-19

The COVID-19 pandemic presented some disruption and challenges to the day-to-day business activities of the organisation during the period July 2021 to June 2022. This included a disruption to the delivery of community activities, member support services and engagement with key stakeholders.

The Organisation took active steps to limit the impact of the pandemic on business activities in accordance with the organisation's Business and Workforce Continuity Plans. This included pivoting the delivery of activities via digital means and establishing alternate methods of support services.

The Board and management of the organisation worked collaboratively with all key stakeholders, regarding any changes to our operational activities, service delivery and workforce. This included working with all funding bodies regarding any disruption to service delivery, and exploring all reasonable alternatives to ensure the organisation could continue to meet its core business activities and contractual obligations.

The Organisation did not experience any significant financial impact from the pandemic during the period and has maintained a strong financial position via the successful negotiation of continued funding.

The Organisation is well placed to effectively pivot its service delivery model to adapt to the changing environment and community restrictions as they are implemented and varied from time to time.

NOTE 22: SEGMENT REPORTING

The Organisation operates predominantly in one business and geographical segment, being the health sector providing health services to members of the community.

Independent Auditor's Report

To the Directors of the Aboriginal Health Council of WA

Report on the audit of the financial report

Opinion

We have audited the financial report of the Aboriginal Health Council of WA (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2022, and 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 financial report of the Aboriginal Health Council of WA has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards 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 Registered 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.

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Other information

The Directors are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine 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, the Directors are responsible for assessing the Registered 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 Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Registered Entity's financial reporting process.

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 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Registered 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 Registered 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner – Audit & Assurance

Perth, 28 October 2022

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Auditor's Independence Declaration

To the Directors of Aboriginal Health Council of WA

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Aboriginal Health Council of Western Australia for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner – Audit & Assurance

Perth, 28 October 2022

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