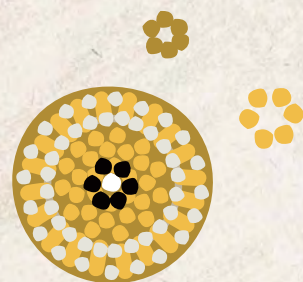


Gidgee Healing

ANNUAL REPORT ²⁰₂₀

Financials





**GIDGEE HEALING
ANNUAL REPORT 2020 FINANCIALS**

Contents

Directors' Report	1-4
Auditor's Independence Declaration	05
Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	06
Statement of Financial Position	07
Statement of Changes in Equity	08
Statement of Cash Flows	09
Notes to the Financial Statements	10-27
Directors' Declaration	28
Independent Auditor's Report	29-31

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

DIRECTORS' REPORT

Your Directors present this report on behalf of Mount Isa Aboriginal Community Controlled Health Services Ltd for the year ended 30 June 2020.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Shaun Solomon

Mona Phillips

Michael Martin OAM

Leann Shaw

Darren Walden

Patricia Richards

James Cripps Appointed 17th December 2019

Alan Nyhuis Appointed 25th July 2019

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Principal activities

The principal activities of Mount Isa Aboriginal Community Controlled Health Services Ltd are to provide high quality, sustainable and comprehensive primary health care services comprising a balance of clinical and population health programs for treatment, prevention and education. The services are provided in Mt Isa and in the lower Gulf of Carpentaria region.

Objectives and strategies

The objectives and strategies of Mount Isa Aboriginal Community Controlled Health Services Ltd are to:

- Provide services that are culturally safe, responsive to community needs, and integrated with other complementary service providers.
- Broaden its scope of services to support patients and clients in the areas of mental health and emotional and social wellbeing and drug and alcohol and substance misuse and aged care and family support and child safety; where these services contribute to improving health outcomes for Aboriginal and Torres Strait Islander peoples.

Our Vision

Gidgee Healing's vision is to make a significant and growing contribution towards achieving equity in health outcomes for the Aboriginal and Torres Strait Islander peoples of Mount Isa and in the lower Gulf of Carpentaria region.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

DIRECTORS' REPORT

Our Purpose

Gidgee Healing will achieve its purpose by providing high quality, sustainable and comprehensive primary health care services comprising a balance of clinical and population health programs for treatment, prevention and education.

Key performance indicators

To help evaluate whether the activities the company established during the year have achieved its short-term and long-term objectives, the company uses the following key performance indicators to measure, analyse and monitor its performance:

Community feedback and the Quality of services provided.

Information on directors

Shaun Solomon

Qualifications

Experience

Date of Appointment

Chair of the Board of Directors and Elected Director

Graduate Diploma of Indigenous Health Promotion; Certificate III Aboriginal Primary Health Care.

Fellow, Australian Rural Leadership Foundation; Board Member (Secretary) Young People Ahead; Member, Australian Health Promotion Association; Cultural Training Facilitator, North West Hospital and Health Service, James Cook University, Generalist Medical Training.

01/12/2011

Mona Phillips

Qualifications

Experience

Date of Appointment

Elected Director

B. App. Sc. Indigenous Community Management and Development; Certificate IV Health Promotion and Certificate IV Training and Assessment.

Retired. Adjunct Professor James Cook University Mount Isa Centre for Rural and Remote Health; thirty-five years' experience working as a volunteer in Aboriginal organisations.

09/02/2013

Michael Martin OAM

Qualifications

Experience

Date of Appointment

Independent Director

BA, Graduate Diploma Administration, B Commerce, FCPA, GAICD.

Managing Director, Top Hospital Executive Management Consultancy Services; Chairman NT Build; Chairman NT Remuneration Tribunal.

01/12/2012

Leann Shaw

Qualifications

Experience

Date of Appointment

Elected Director

Associate Degree Indigenous Community Management and Development; Diploma Aboriginal Studies; Certificate III Community Services; United Nations Diplomacy Training Course; various courses in Mental Health, Alcohol and Drug Services.

Board member, Young People Ahead; Yarning Circle facilitator; Indigenous Rehabilitation Assistance, MICRRH; Former Project Officer, Anyinginyi.

09/02/2013

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

DIRECTORS' REPORT

Information on directors (Continued)

Darren Walden	Elected Director
Qualifications	Health Worker / Support Worker; Train the Trainer; Safety and Emergency Technician.
Experience	Youth Worker, Injilinj Aboriginal and Torres Strait Islander Corporation for Children and Youth Services; former Board Member Prescribed Body Corporate Waanyi; Former Board Member North Gawalanja Aboriginal Corporation Waanyi.
Date of Appointment	09/02/2013
James Cripps	Elected Director
Qualifications	Graduate Diploma in Health - Substance Misuse
Experience	Queensland Health, Senior Prevention Officer, Mental Health and Alcohol, Tobacco and other drugs. Twenty years of experience working in health and health related matters for Indigenous people.
Date of Appointment	17/12/2019
Alan Nyhuis	Independent Director
Qualifications	Solicitor of the Supreme Court of Queensland
Experience	Experience with providing support and referrals to clients seeking assistance with housing, homelessness, income support, domestic violence, disability, and day to day challenges. Advocate for and support clients who are negotiating and liaising with government agencies and other authorities. Provide advice and assistance to marginalised individuals including Indigenous and people from culturally and linguistically diverse backgrounds.
Date of Appointment	25/07/2019
Patricia Richards	Elected Director
Qualifications	Diploma in Government
Experience	Providing leadership in Closing the Gap for Mornington Island and Doomadgee Aboriginal communities, acting as the interface between the communities and the Commonwealth and Queensland governments to coordinate service delivery at the communities.
Special responsibilities	21/03/2019

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

DIRECTORS' REPORT


Meetings of directors

Directors	Directors' meetings	
	Eligible to attend	Number attended
Shaun Solomon	7	7
Mona Phillips	7	7
Michael Martin OAM	7	7
Leann Shaw	7	6
Darren Walden	7	5
James Cripps	4	4
Alan Nyhuis	7	6
Patricia Richards	7	3

Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 30 June 2020 the number of members was 67. The combined total amount that members of the company are liable to contribute if the company is wound up is \$670.

Signed on behalf of the board of directors.

Director: 
Shaun Solomon

Director: 
Michael Martin OAM

Dated this 17 day of December 2020



Level 38, 345 Queen Street
Brisbane, QLD 4000

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GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors
Mount Isa Aboriginal Community Controlled Health Services Limited
8 Burke Street
Mount Isa QLD 4825

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

PITCHER PARTNERS


JASON EVANS
Partner

Brisbane, Queensland

17 December 2020

Brisbane Sydney Newcastle Melbourne Adelaide Perth

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BRIGID FISCHER	PETER CAMENZULI	KYLE LAMPRECHT	BRETT HEADRICK	COLLEEN KIRKSON	JEREMY JONES	JAMES FIELD	ROBYN COOPER	CHERYL MASON
MARK NICHOLSON	JASON EVANS	NORMAN THURECHT	WARWICK FACE	SIMON CHUN	TOM SPLATT	DANIEL COLWELL	FEUCITY CRIMSTON	KIERAN WALLIS

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 (Restated*) \$
Revenue and other income			
Revenue from contracts with customers	2	26,740,160	20,953,535
Other revenue and other income	3	<u>4,658,360</u>	<u>5,742,879</u>
		<u>31,398,520</u>	<u>26,696,414</u>
Less: expenses			
Employee benefits expense	4	(19,472,704)	(17,309,608)
Depreciation and amortisation expense		(1,992,235)	(727,646)
Travel, accommodation and conference expenses		(1,893,116)	(2,130,486)
Medical services and supplies		(488,784)	(595,465)
Repairs, maintenance & vehicle running expenses		(743,123)	(917,835)
Rent expense		(330,874)	(537,684)
Audit, legal & consultancy expense		(1,241,562)	(737,605)
Auspice fees		(330,880)	(700,934)
Finance costs	4	(75,679)	-
Other expenses		<u>(6,481,333)</u>	<u>(4,211,420)</u>
		<u>(33,050,290)</u>	<u>(27,868,683)</u>
Net deficit before income tax expense		(1,651,770)	(1,172,269)
Income tax expense	1(e)	-	-
Net deficit for the year		<u>(1,651,770)</u>	<u>(1,172,269)</u>
Other comprehensive income for the year		-	-
Total comprehensive income/(deficit)		<u>(1,651,770)</u>	<u>(1,172,269)</u>

* For details of restatement refer to note 23

The accompanying notes form part of these financial statements.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 (Restated*) \$
Current assets			
Cash and cash equivalents	5	9,681,380	11,003,483
Receivables	6	492,855	1,271,633
Other financial assets	8	33,446	-
Other assets	7	<u>386,278</u>	<u>22,400</u>
Total current assets		<u>10,593,959</u>	<u>12,297,516</u>
Non-current assets			
Other financial assets	8	-	32,433
Intangible assets	10	402,491	620,731
Lease assets	11	1,492,410	-
Property, plant and equipment	9	<u>2,014,294</u>	<u>2,172,729</u>
Total non-current assets		<u>3,909,195</u>	<u>2,825,893</u>
Total assets		<u>14,503,154</u>	<u>15,123,409</u>
Current liabilities			
Payables	12	3,881,995	3,054,926
Lease liabilities	11	1,074,385	-
Provisions	13	582,047	530,363
Contract liabilities	14	2,602,891	-
Other liabilities	15	<u>-</u>	<u>4,307,398</u>
Total current liabilities		<u>8,141,318</u>	<u>7,892,687</u>
Non-current liabilities			
Lease liabilities	11	460,227	-
Provisions	13	<u>371,107</u>	<u>48,450</u>
Total non-current liabilities		<u>831,334</u>	<u>48,450</u>
Total liabilities		<u>8,972,652</u>	<u>7,941,137</u>
Net assets		<u>5,530,502</u>	<u>7,182,272</u>
Equity			
Accumulated surplus		<u>5,530,502</u>	<u>7,182,272</u>
Total equity		<u>5,530,502</u>	<u>7,182,272</u>

* For details of restatement refer to note 23

The accompanying notes form part of these financial statements.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Accumulated surplus \$	Total equity \$
Balance as at 1 July 2018		8,354,541	8,354,541
Profit for the year as reported in 2019 financial statements		(301,626)	(301,626)
Adjustment for prior period error	23	<u>(870,643)</u>	<u>(870,643)</u>
Restated net deficit for the year		<u>(1,172,269)</u>	<u>(1,172,269)</u>
Total comprehensive deficit for the year		<u>(1,172,269)</u>	<u>(1,172,269)</u>
Balance as at 1 July 2019		<u>7,182,272</u>	<u>7,182,272</u>
Restated balance as at 1 July 2019		<u>7,182,272</u>	<u>7,182,272</u>
Balance as at 1 July 2019		7,182,272	7,182,272
Deficit for the year		<u>(1,651,770)</u>	<u>(1,651,770)</u>
Total comprehensive deficit for the year		<u>(1,651,770)</u>	<u>(1,651,770)</u>
Balance as at 30 June 2020		<u>5,530,502</u>	<u>5,530,502</u>

The accompanying notes form part of these financial statements.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flow from operating activities			
Receipts from customers		30,380,403	30,905,908
Payments to suppliers and employees		(30,144,845)	(28,956,600)
Interest received		92,388	124,048
Finance costs		<u>(75,679)</u>	<u>-</u>
Net cash provided by operating activities	16(a)	<u>252,267</u>	<u>2,073,356</u>
Cash flow from investing activities			
Payment for property, plant and equipment		(312,902)	(102,743)
Payment for intangibles		-	(652,930)
Payment for financial assets		<u>(1,013)</u>	<u>-</u>
Net cash provided by / (used in) investing activities		<u>(313,915)</u>	<u>(755,673)</u>
Cash flow from financing activities			
Principal portion of lease payments		<u>(1,260,455)</u>	<u>-</u>
Net cash provided by / (used in) financing activities		<u>(1,260,455)</u>	<u>-</u>
Reconciliation of cash			
Cash at beginning of the financial year		11,003,483	9,685,800
Net increase / (decrease) in cash held		<u>(1,322,103)</u>	<u>1,317,683</u>
Cash at end of financial year		<u>9,681,380</u>	<u>11,003,483</u>

The accompanying notes form part of these financial statements.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Mount Isa Aboriginal Community Controlled Health Services Ltd as an individual entity. Mount Isa Aboriginal Community Controlled Health Services Ltd is a company limited by guarantee, incorporated and domiciled in Australia. Mount Isa Aboriginal Community Controlled Health Services Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Revenue from contracts with customers

Revenue from grants is recognised in the Statement of Comprehensive Income when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the Statement of Financial Position as a liability until such conditions are met or services provided.

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

(c) Other revenue and other income

Services

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Interest

Interest revenue is measured in accordance with the effective interest method.

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

Government grants - COVID-19

Government grants in relation to COVID-19 are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the period necessary to match the grant to the costs they are compensating.

These grants include amounts received under the Federal Government's Cash Flow Scheme, which provides a temporary subsidy to eligible businesses significantly affected by coronavirus (COVID-19)

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Unexpended grants

The company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the company to treat grant monies as a contract liability (unexpended grants) in the Statement of Financial Position where the company is contractually obligated to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

(e) Income tax

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

(f) Financial instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the company are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial liabilities

All other financial liabilities recognised by the company are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the company's transactions with its customers and are normally settled within 30 days.

Consistent with both the company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers, contract assets and lease receivables.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (Continued)

The company applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the company determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The company assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

(g) Cash and cash equivalents

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

(h) Property, plant and equipment

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

Plant and equipment is brought to account at cost for individual items over \$2,000.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements at cost	10 - 20%	Straight line
Plant and equipment at cost	10 - 30%	Straight line
Motor vehicles at cost	12.5 - 25%	Straight line

(i) Intangible assets

IT software development costs

Costs incurred in developing IT software are initially recognised as an asset, and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, IT software development costs recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same class of asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same class of asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(k) Provisions

Provisions are recognised when the company 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the company, and an estimate of costs to be incurred by the company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the company's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. 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 change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(iii) Retirement benefit obligations

Defined contribution superannuation plan

The company makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The company's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the statement of financial position.

(n) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(p) Economic dependence

Mount Isa Aboriginal Community Controlled Health Services Ltd is dependent on the Departments of both the State and Commonwealth Governments for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has reason to believe these Departments will continue to support Mount Isa Aboriginal Community Controlled Health Services Ltd.

(q) New and revised accounting standards effective at 30 June 2020

The company has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 16 *Leases* (AASB 16), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15: *Revenue from Contracts with Customers* (AASB 15).

AASB 16: Leases

AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 - i. investment property, the lessee applies the fair value model in AASB 140 *Investment Property* to the right-of-use asset; or
 - ii. property, plant or equipment, the applies the revaluation model in AASB 116 *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- (b) lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements of the predecessor standard, AASB 117. Accordingly, under AASB 16 a lessor continues to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and accounts for each type of lease in a manner consistent with the current approach under AASB 117.

In accordance with the transition requirements of AASB 16, the company has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect, if any, of initially applying the new standard recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) New and revised accounting standards effective at 30 June 2020 (Continued)

The company has also elected to apply the following practical expedients to the measurement of right-of-use assets and lease liabilities in relation to those leases previously classified as operating leases under the predecessor standard:

- to recognise each right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application;
- to not recognise a right-of-use asset and a lease liability for leases for which the underlying asset is of low value;
- to not recognise a right-of-use asset and a lease liability for leases for which the lease term ends within 12 months of the date of initial application;
- to apply a discount rate to each specific portfolio of leases with reasonably similar characteristics;
- to adjust each right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application;
- to exclude initial direct costs from the measurement of each right-of-use asset at the date of initial application; and
- to use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The application of AASB 16 resulted in the recognition of right-of-use assets with an aggregate carrying amount of \$2,795,067 (referred to in these financial statements as "lease assets") and corresponding lease liabilities with an aggregate carrying amount of \$2,795,067. The weighted average incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities was 3.66%.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) New and revised accounting standards effective at 30 June 2020 (Continued)

AASB 1058: Income for not-for-profit entities and AASB 15: Revenue from contracts with customers

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

- (a) creates enforceable rights and obligations between the parties; and
- (b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

- (a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;
- (b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and
- (c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income.

However, amending standard AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirement to right-of-use assets arising under leases with significantly below-market terms and conditions. This enables not-for-profit entities to elect to initially measure such right-of-use assets at cost rather than fair value, which has the corresponding effect of reducing the amount of income recognised under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

AASB 1058 also has specific recognition criteria in relation to transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. The obligation to acquire or construct the non-financial asset is accounted for similarly to a performance obligation under AASB 15.

In accordance with the transition requirements of AASB 1058 and AASB 15, the company has elected to apply AASB 1058 and AASB 15 retrospectively, with the cumulative effect, if any, of initially applying the new standards recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers.

Further details of the company's accounting policy in relation to accounting for income under AASB 1058 and revenue from contracts with customers under AASB 15 are contained in Note 1(b) and Note 1

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from contracts with customers		
- State / federal government grants	25,601,470	19,697,855
- Private grants	<u>1,138,690</u>	<u>1,255,680</u>
	<u>26,740,160</u>	<u>20,953,535</u>
NOTE 3: OTHER REVENUE AND OTHER INCOME		
Interest income	92,388	124,048
Medicare receipts	3,020,402	3,056,307
Other revenue	<u>1,545,570</u>	<u>2,562,524</u>
	<u>4,658,360</u>	<u>5,742,879</u>
NOTE 4: NET DEFICIT		
Net deficit has been determined after:		
Finance costs		
- Interest expense - AASB 16	75,679	-
Depreciation		
- buildings	831,981	-
- plant and equipment	471,338	695,447
- motor vehicles	<u>470,676</u>	<u>-</u>
	1,773,995	695,447
Amortisation	218,240	32,199
Employee benefit expense		
- Salaries and wages	13,486,435	11,539,483
- Superannuation	1,240,113	1,000,618
- Medical fees - Locum	3,967,019	2,690,139
- Medical fees - Contractor	34,497	875,861
- Other	<u>744,640</u>	<u>1,203,507</u>
	19,472,704	17,309,608
- Misappropriation of monies	579,154	-
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	50	50
Cash at bank	<u>9,681,330</u>	<u>11,003,433</u>
	<u>9,681,380</u>	<u>11,003,483</u>

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 6: RECEIVABLES		
CURRENT		
Trade receivables	207,624	931,472
Other receivables	<u>285,231</u>	<u>340,161</u>
	<u>492,855</u>	<u>1,271,633</u>
NOTE 7: OTHER ASSETS		
CURRENT		
Prepayments	<u>386,278</u>	<u>22,400</u>
NOTE 8: OTHER FINANCIAL ASSETS		
CURRENT		
<i>Financial assets measured at amortised cost</i>		
Term deposits (term < 12 months)	<u>33,446</u>	<u>-</u>
NON CURRENT		
<i>Financial assets measured at amortised cost</i>		
Term deposits (term > 12 months)	<u>-</u>	<u>32,433</u>
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	2,943,607	2,943,970
Accumulated depreciation	<u>(1,446,635)</u>	<u>(1,072,458)</u>
	<u>1,496,972</u>	<u>1,871,512</u>
Plant and equipment		
Plant and equipment at cost	1,228,086	960,184
Accumulated depreciation	<u>(831,334)</u>	<u>(747,512)</u>
	396,752	212,672
Motor vehicles at cost	777,472	926,605
Accumulated depreciation	<u>(656,902)</u>	<u>(838,060)</u>
	<u>120,570</u>	<u>88,545</u>
Total plant and equipment	<u>517,322</u>	<u>301,217</u>
Total property, plant and equipment	<u>2,014,294</u>	<u>2,172,729</u>

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

Leasehold improvements

Opening carrying amount	1,871,512	2,258,132
Depreciation expense	(374,540)	(386,620)
Closing carrying amount	<u>1,496,972</u>	<u>1,871,512</u>

Plant and equipment

Opening carrying amount	212,672	298,295
Additions	267,903	102,744
Depreciation expense	(83,823)	(188,367)
Closing carrying amount	<u>396,752</u>	<u>212,672</u>

Motor vehicles

Opening carrying amount	88,545	209,006
Additions	45,000	-
Depreciation expense	(12,975)	(120,461)
Closing carrying amount	<u>120,570</u>	<u>88,545</u>

NOTE 10: INTANGIBLE ASSETS

Software at cost	655,295	655,295
Accumulated amortisation and impairment	(252,804)	(34,564)
	<u>402,491</u>	<u>620,731</u>

Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Software at cost

Opening balance	620,731	-
Additions	-	652,930
Amortisation	(218,240)	(32,199)
Closing balance	<u>402,491</u>	<u>620,731</u>

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: LEASE ASSETS AND LEASE LIABILITIES

Lease arrangements (30 June 2020)

The following information relates to the current reporting period only, and is presented in accordance with AASB 16 *Leases* (which was applied by the company for the first time in the current reporting period).

	2020
	\$
(a) Lease assets	
Land and buildings	
Buildings	
Under lease	1,965,840
Accumulated depreciation	<u>(831,981)</u>
	1,133,859
Motor vehicles	
Motor vehicles under lease	829,227
Accumulated depreciation	<u>(470,676)</u>
	<u>358,551</u>
Total carrying amount of lease assets	<u><u>1,492,410</u></u>

2020
\$

Reconciliations

Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:

Buildings

Opening carrying amount	-
Additions	1,965,840
Depreciation	<u>(831,981)</u>
Closing carrying amount	<u><u>1,133,859</u></u>

Motor vehicles

Opening carrying amount	-
Additions	829,227
Depreciation	<u>(470,676)</u>
Closing carrying amount	<u><u>358,551</u></u>

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 11: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)		
(b) Lease liabilities		
CURRENT		
Buildings	758,709	
Motor vehicles	<u>315,676</u>	
	<u>1,074,385</u>	
NON CURRENT		
Buildings	411,429	
Motor vehicles	<u>48,798</u>	
	<u>460,227</u>	
Total carrying amount of lease liabilities	<u>1,534,612</u>	
(c) Non-cancellable operating lease arrangements (30 June 2019)		
The following information relates to non-cancellable operating lease arrangements of the prior reporting period only, and is presented in accordance with the predecessor accounting standard AASB 117 Leases.		
		2019
		\$
- Not later than 1 year		906,371
- Later than 1 year and not later than 5 years		<u>501,640</u>
Aggregate lease payments contracted for at reporting date		<u>1,408,011</u>
NOTE 12: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	565,617	1,611,182
GST payable	754,902	314,548
Employment related payables	2,171,792	736,627
Accrued expenses	<u>389,684</u>	<u>392,569</u>
	<u>3,881,995</u>	<u>3,054,926</u>
NOTE 13: PROVISIONS		
CURRENT		
Employee benefits	<u>582,047</u>	<u>530,363</u>
NON CURRENT		
Employee benefits	<u>371,107</u>	<u>48,450</u>

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$

NOTE 14: CONTRACT LIABILITIES

CURRENT

Contract Liabilities - Grants	2,602,891	-
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A contract liability represents the company's obligation to provide future services under contractual arrangements that contain enforceable and sufficiently specific performance obligations for which the company has received consideration (or an amount of consideration is due) in advance of those services being provided. Amounts recorded as contract liabilities are subsequently recognised as revenue as performance obligations are satisfied. Performance obligations are generally satisfied within the time specified detailed within each grant agreement.

NOTE 15: OTHER LIABILITIES

CURRENT

Unexpended grants	-	3,027,385
Grants received in advance	-	1,280,013
	-	4,307,398

NOTE 16: CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with profit after income tax

Net surplus/(deficit) after income tax	(1,651,770)	(1,172,269)
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Adjustments and non-cash items

Depreciation and amortisation	1,992,235	727,646
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Changes in operating assets and liabilities

(Increase) / decrease in receivables	778,778	285,070
(Increase) / decrease in other assets	(363,878)	(1,239)
Increase / (decrease) in other liabilities	(4,307,398)	1,478,809
Increase / (decrease) in payables	827,068	1,037,468
Increase / (decrease) in contract liabilities	2,602,891	-
Increase / (decrease) in provisions	374,341	(282,129)
Cash flows from operating activities	252,267	2,073,356

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$

NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation	<u>908,736</u>	<u>1,258,279</u>
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NOTE 18: RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel of the entity or its parent and their personally related entities

During the year, an independent skills based director Michael Martin was paid a total of \$52,235 inclusive GST via Top Hospital Executive Management. A balance of \$16,563 remains as of 30 June 2020 (2019: \$nil). This excludes director fees and incidental costs associated with director meetings.

During the year, director fees of \$150,895 (2019: \$71,852) were approved.

Other than the above there were no transactions with any related entities during the year.

NOTE 19: CONTINGENT ASSETS

A contingent asset exists for a pending insurance claim regarding misappropriation of monies incurred through the financial period. Negotiations are currently in progress with the insurer regarding the monetary value of the claim, the value of the claim will be no greater than \$100,000.

NOTE 20: CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the Company in relation to 2020 or 2019 Financial Year.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2020 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2020, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2020, of the company.

NOTE 22: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 30 June 2020 the number of members was 67. The combined total amount that members of the company are liable to contribute if the company is wound up is \$670.

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 23: PRIOR PERIOD ERROR

During 2018/19 financial year two invoices were issued to grantors of Mount Isa Aboriginal Community Controlled Health Services Ltd in line with the grant agreement. These invoices were recognised as revenue and were either partially paid or unpaid at the end of the financial year. It has been identified that the invoices had been incorrectly recognised and were subsequently required to be reversed. This reversal has subsequently brought about a material prior period misstatement.

The error listed above have been corrected by restating each of the affected financial statement line items for the prior period as follows:

Restatement of financial position

	2019 Opening \$	Increase / (Decrease) \$	2019 Restated \$
Current assets			
Cash and cash equivalents	11,003,483	-	11,003,483
Receivables	2,440,703	(1,168,970)	1,271,733
Other assets	<u>22,400</u>	<u>-</u>	<u>22,400</u>
Total current assets	<u>13,466,586</u>	<u>(1,168,970)</u>	<u>12,297,616</u>
Non-current assets			
Intangible assets	620,731	-	620,731
Property, plant and equipment	2,172,729	-	2,172,729
Other financial assets	<u>32,433</u>	<u>-</u>	<u>32,433</u>
Total non-current assets	<u>2,825,893</u>	<u>-</u>	<u>2,825,893</u>
Total assets	<u>16,292,479</u>	<u>(1,168,970)</u>	<u>15,123,509</u>
Current liabilities			
Payables	3,055,026	-	3,055,026
Borrowings	530,363	-	530,363
Other liabilities	<u>4,605,725</u>	<u>(298,327)</u>	<u>4,307,398</u>
Total current liabilities	<u>8,191,114</u>	<u>(298,327)</u>	<u>7,892,787</u>
Non-current liabilities			
Provisions	<u>48,450</u>	<u>-</u>	<u>48,450</u>
Total non-current liabilities	<u>48,450</u>	<u>-</u>	<u>48,450</u>
Total liabilities	<u>8,239,564</u>	<u>(298,327)</u>	<u>7,941,237</u>
Net assets	<u>8,052,915</u>	<u>(870,643)</u>	<u>7,182,272</u>
Equity			
Accumulated surplus	<u>8,052,915</u>	<u>(870,643)</u>	<u>7,182,272</u>
Total equity	<u>8,052,915</u>	<u>(870,643)</u>	<u>7,182,272</u>

MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 23: PRIOR PERIOD ERROR (CONTINUED)

Restatement of comprehensive income

	2019 Opening \$	Increase / (Decrease) \$	2019 Restated \$
Revenue			
Revenue from contracts with customers	21,798,577	(845,042)	20,953,535
Other revenue other income	<u>5,742,879</u>	<u>-</u>	<u>5,742,879</u>
Total revenue	<u>27,541,456</u>	<u>(845,042)</u>	<u>26,696,414</u>
Expenses			
Employee benefits expense	17,309,608	-	17,309,608
Depreciation and amortisation expense	727,646	-	727,646
Travel, accommodation and conference expenses	2,130,486	-	2,130,486
Medical services and supplies	595,465	-	595,465
Repairs, maintenance & vehicle running expenses	917,835	-	917,835
Rent expense	537,684	-	537,684
Audit, legal & consultancy expense	737,605	-	737,605
Auspice fees	700,934	-	700,934
Other expenses	<u>4,185,819</u>	<u>25,601</u>	<u>4,211,420</u>
Total expenses	<u>27,843,082</u>	<u>25,601</u>	<u>27,868,683</u>
Profit before income tax	<u>(301,626)</u>	<u>(870,643)</u>	<u>(1,172,269)</u>


MOUNT ISA ABORIGINAL COMMUNITY CONTROLLED HEALTH SERVICES LTD
ABN: 96 130 300 355

DIRECTORS' DECLARATION

The directors declare that:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director: 
Shaun Solomon

Director: 
Michael Martin OAM

Dated this 17 day of December 2020



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Independent Auditor's Report to the Members of Mount Isa Aboriginal Community Controlled Health Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Mount Isa Aboriginal Community Controlled Health Services Limited (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Mount Isa Aboriginal Community Controlled Health Services Limited has been prepared in accordance with Division 60 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 2020 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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Those charged with governance 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 2020, but does not include the financial report and our auditor's report thereon.

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MARK NICHOLSON	JASON EVANS	NORMAN THURECHT	WARWICK FACE	SIMON CHUN	TOM SPLATT	DANIEL COLWELL	FELICITY CRIMSTON	KIERAN WALLIS

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 Responsible Entities and Those Charged with Governance for the Financial Report.

The responsible entity of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities 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, responsible entities 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 responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the responsible 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 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 the financial report.

As part of an audit in accordance with 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 responsible entities.
- Conclude on the appropriateness of the responsible entities' 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.

Pitcher Partners
PITCHER PARTNERS

J. Evans
JASON EVANS
Partner

Brisbane, Queensland
17 December 2020



Gidgee Healing

gidgeehealing.com